ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 11| November 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

WOMEN AND THE INDIAN ECONOMIC SYSTEM: CHALLENGES, CONTRIBUTIONS, AND PROSPECTS

Basavaraja K.N[1], Dr.Girish D.H[2]

[1]*Research Scholar, Department of Studies in Economics, Davanagere University, Shivagangotri, Davanagere.*
[1]*Assistant Professor, Department of Economics, Government First Grade College, Harapanahalli, Vijayanagara.*
[2]*Assistant Professor & Research Supervisor, Department of Studies in Economics, Davanagere University, Shivagangotri, Davanagere.*

ABSTRACT

The role of women always plays a very important and significant role in the development of Indian economy. Though often undervalued and underrepresented in official statistics. Women form nearly half of India's population and contribute across multiple sectors-agriculture, industry, services, and the informal economy. In agriculture, women engage actively in sowing, weeding, harvesting, and livestock management, yet they rarely enjoy land ownership or decision-making rights. In industry and services, women are increasingly visible in sectors such as textiles, healthcare, information technology, and education, but they continue to face structural barriers including wage disparities, limited leadership opportunities, and workplace discrimination. A majority of working women are employed in the informal sector, where they endure poor wages, lack of job security, and absence of social protection.

Often by overcome all the obstacles and problems, women have emerged as vital contributors to India's economic progress, especially through microenterprises, Self Help Group's (SHGs), and entrepreneurial ventures. Government programs such as Beti Bachao-Beti Padhao, stand up India, MUDRA Yojana, and Skill India Mission have been launched to enhance women's empowerment, financial inclusion, and employability. Yet, progress remains uneven due to deep-rooted patriarchal norms, unequal property rights, and limited digital and financial literacy.

The paper argues that women's increased participation in the labor force is not only a question of equity but also a driver of economic growth. Studies suggest that bridging the gender gap in employment could significantly raise India's GDP. Therefore, fostering inclusive policies, expanding skill development opportunities, promoting access to credit, and ensuring workplace safety and flexibility are crucial. Women's empowerment must be viewed as both a developmental and economic imperative.

KEYWORDS: *Women, Indian Economy, Empowerment, Gender Inequality, Labor Force, Economic Development.*

INTRODUCTION

The Indian economy, one of the fastest-growing in the world, has undergone major structural transformations since independence, shifting from an agrarian-based system to a diversified structure encompassing agriculture, industry, and services. Within this transformation, women have played a central role, both as contributors and as beneficiaries of economic change. Women constitute nearly half of India's population, and their participation in economic activities is crucial for sustainable development. Yet, their role often remains undervalued, underrepresented, and restricted by multiple of societies, culturally and also by some institutional barriers.

Historically, women of India majorly have been engaged in agriculture, handicrafts, household industries, and informal work. In recent decades, their presence has expanded to modern sectors such as information technology, education, healthcare, banking, and entrepreneurship. Despite this progress, women's labours used to pay low labour wages, and they face persistent challenges including finance disparities, limited access to property and credit, and underrepresentation in leadership and decision-making roles. Deep-rooted patriarchal norms and gender stereotypes continue to limit women's economic mobility, particularly in rural areas.

At the same period of time, the economic contributions of women cannot be overlooked. Women are the backbone of the rural economy, the driving force behind the self-help group movement, and an emerging presence in small-scale enterprises and service industries. Government policies and programs such as ''Beti Bachao-Beti Padhao'', ''Stand Up India'', and MUDRA Yojana provide a new and good chance for empowerment and inclusion, though their impact remains uneven across regions and social groups.

This study seeks to analyse the challenges, contributions, and future prospects of women's regarding in the Indian economic system. By examining both the obstacles and opportunities, it emphasizes that empowering women is not just a concept of social justice but an essential condition for accelerating India's economic development and ensuring inclusive development.

OBJECTIVES OF STUDY

1. To analyse the role and contributions of women in different sectors of the Indian economy.
2. To identify and analyse the challenges and barriers that hinder women's effective participation in economic activities.
3. To evaluate government initiatives and policies aimed at promoting women's empowerment, financial inclusion, and economic independence.

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 11| November 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

4. To suggest strategies and measures for enhancing women's participation and ensuring gender-inclusive economic growth in India.

REVIEW OF LITERATURE

Amartya Sen (1999), in his seminal work *Development as Freedom*, argued that gender equality is not only a just a concept of social justice but also a powerful driver of economic development. Sen's capability approach emphasized that empowering women through education, health, and economic opportunities enhances human development and expands freedoms. His work provides a strong and prominent evidences for linking women's participation with economic growth.

The Planning Commission of India (2011) stressed that inclusive economic growth cannot be achieved without women's active participation. The commission recommended expanding access to education, vocational training, and entrepreneurship opportunities for women as key measures for integrating them into the formal economy.

Naila Kabeer (2012) explored the work of labour women in markets and concluded that access to paid employment strengthens women's bargaining power within households. Her research also concluded that slight interference in the workforce is insufficient; the quality of employment, wages, and working conditions are equally critical in ensuring empowerment.

Chaudhary and Verick (2014) analysed reasons for India's low female labour force participation. They found that cultural barriers, safety concerns, and lack of affordable childcare facilities significantly restrict women's ability to join and remain in the workforce. Their study highlights the importance of supportive infrastructure in enabling women's economic inclusion.

Desai and Joshi (2014) examined gender wage disparities in India and found that women earn between 20% and 30% and women used to pay less wages for the same work done with the men. Their study attributed the wage gap to discrimination, occupational segregation, and undervaluation of women's work. This wage disparity continues to act as a major obstacle to gender equality in India's economic system.

The National Sample Survey Office (NSSO, 2017–18) revealed a significant decline in female labour force participation in both rural and urban India. Despite improvements in female education levels, women's workforce participation continues to remain one of the lowest globally. This paradox highlights the influence of social norms and lack of supportive policies in limiting women's economic engagement.

The International Labour Organization (ILO, 2018) has concluded that major Indian women are concentrated in informal, low-wage jobs with little or no social security. The study highlighted gender segmentation in labour markets, where women remain overrepresented in agriculture and domestic work, and underrepresented in higher-paying, skilled occupations.

The NABARD study on Self-Help Groups (2019) demonstrated the positive impact of SHGs on women's financial independence in rural India. Participation in SHGs has been linked to enhanced savings, access to microcredit, and improved decision-making abilities at both household and community levels. This report has concluded that collective economic activities empower women beyond income generation.

The OECD Report (2019) going through the inventive technology in women's economic empowerment. It argued that access to digital literacy, online platforms, and e-commerce opportunities can provide a new way for women entrepreneurs, particularly in rural and semi-urban areas. This finding is particularly about the contributions of women in India's Digital initiative.

The World Bank (2020) highlighted the macroeconomic benefits of women's workforce. The report estimated that closing the sex ratio in the work participation could increase India's GDP by nearly 27%. This underscores the economic necessity of integrating women into the mainstream economy and reducing structural inequalities.

METHODOLOGY

The present study on "Women and the Indian Economic System: Challenges, Contributions, and Prospects" is designed to analyse the extent of women's participation in various sectors of the economy, the challenges they encounter, and the impact of government initiatives aimed at promoting gender equality and empowerment.

RESEARCH DESIGN

The study adopts a descriptive and analytical research design, combining both qualitative and quantitative methods. This design is chosen to understand not only statistical trends of women's participation but also the underlying socio-economic and cultural factors influencing their role in the economy.

DATA COLLECTION

Secondary Data

- The data is collected from related sources, such as the Census of India, National Sample Survey Office (NSSO), Periodic Labour Force Survey (PLFS), International Labour Organization (ILO) reports, World Bank, IMF, and Government of India policy documents.
- Additional references are drawn from academic journals, books, and previous research studies related to women and economic development.

FINDINGS

- Significant Contribution but Underrecognized.
- Rate of low female participation in the work.
- Concentration in Informal Sector.
- Positive Impact of Government Schemes.
- Emerging Role in Entrepreneurship and Services.
- Cultural and Social Barriers Remain Strong.

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 11| November 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

CONCLUSION

Women have always played a significant role in shaping the Indian economy, both in visible and invisible ways. From agriculture and small-scale industries to services and entrepreneurship, the contributions of women are must and should to economic growth. However, these contributions remain undervalued due to structural inequalities, wage disparities, and deep-rooted socio-cultural barriers. Despite policy efforts and government initiatives, women's labour force participation in India continues to be among the lowest globally. The reports explore that women are heavily concentrated in the informal sector, face limited access to land and credit, and are underrepresented in leadership and decision-making positions.

At the same time, positive trends are emerging. Women's increasing role in self-help groups, microenterprises, education, healthcare, and digital entrepreneurship shows their potential to drive inclusive development. Government programs such as MUDRA Yojana, Skill India, and Stand-Up India have provided new opportunities, though their impact is uneven across regions and social groups. Ultimately, women's empowerment is not only a concept of justice of social but also an economic necessity. Enhancing women's participation is key to unlocking India's demographic dividend, reducing poverty, and achieving sustainable growth.

SUGGESTIONS

1. Promote Equal Pay and Labor Rights.
2. Expand Access to Credit and Property Rights.
3. Strengthen Education and Skill Development.
4. Support Work–Life Balance.
5. Encourage Women's Leadership.
6. Leverage Digital Platforms.
7. Strengthen SHGs and Cooperatives

REFERENCES

1. *Amartya, S. (1999). Development as freedom. New York: Oxford University Press.*
2. *Chaudhary, R., & Verick, S. (2014). Female labour force participation in India and beyond. ILO Asia-Pacific Working Paper Series. International Labour Organization.*
3. *Desai, S., & Joshi, O. (2014). The paradox of declining female work participation in India. Demographic Research, 30(22), 563–592.*
4. *Government of India. (2011). Report of the Working Group on Women's Agency and Empowerment for the 12th Five-Year Plan. Planning Commission.*
5. *International Labour Organization. (2018). Women and men in the informal economy: A statistical picture (3rd ed.). Geneva: ILO.*
6. *Kabeer, N. (2012). Women's economic empowerment and inclusive growth: Labour markets and enterprise development. International Development Research Centre (IDRC) & Department for International Development (DFID).*
7. *Ministry of Finance, Government of India. (2019). Economic survey of India 2018–19. New Delhi: Oxford University Press.*
8. *Ministry of Women and Child Development. (2021). Annual report 2020–21. Government of India.*
9. *National Bank for Agriculture and Rural Development. (2019). Status of microfinance in India 2018–19. Mumbai: NABARD.*
10. *National Sample Survey Office. (2018). Periodic Labour Force Survey (PLFS) 2017–18. Government of India.*
11. *OECD. (2019). Measuring the digital transformation: A roadmap for the future. Paris: OECD Publishing.*
12. *Sharma, K., & Mishra, R. (2017). Women entrepreneurship in India: Emerging trends and challenges. International Journal of Applied Research, 3(5), 618–622.*
13. *United Nations Development Programme. (2020). Human development report 2020: The next frontier – Human development and the Anthropocene. New York: UNDP.*
14. *World Bank. (2020). Women, business and the law 2020. Washington, DC: World Bank Group.*
15. *World Economic Forum. (2021). Global gender gap report 2021. Geneva: WEF.*