



UNLOCKING THE ECONOMIC POTENTIAL OF WOMEN: A STRATEGIC PATHWAY TO INDIA'S GROWTH BY 2047 THROUGH EMPLOYMENT AND ENTREPRENEURSHIP

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Abstract

India, one of the world's fastest-growing economies, stands at a pivotal moment in its journey toward becoming a developed nation by 2047. This shift centers on the fact that, despite accounting for nearly half of the population, women continue to be noticeably underrepresented in employment sectors. The paper investigates the critical importance of gender empowerment especially through women's employment and entrepreneurship to increase national income growth. Despite extensive research on gender inequality, there is still limited understanding of the economic impact of women's underrepresentation in the workforce, a critical issue as India aims to harness its demographic dividend for faster economic growth.

The primary aim of this study is to quantitatively assess how women's economic participation can contribute to India's GDP, with both national and global perspectives. The research integrates data analysis of labor force participation, gender wage gaps, and entrepreneurial activities, alongside key policy initiatives such as Mudra Loans, Stand-Up India, and gender budgeting. Additionally, global case studies, including Rwanda's gender-inclusive policies and Germany's tax incentives for women entrepreneurs, offer insights for India's context.

Research shows that empowering women could add upwards of \$770 billion to India's GDP by 2025. Increasing women's participation in the labor force is not just a social goal—it is a powerful driver of economic growth. The study identifies key challenges, including the gender wage gap, unpaid care work, and limited access to finance, hindering women's full economic potential.

This paper offers actionable recommendations for policymakers and businesses to foster gender equality, which is crucial for unlocking India's growth potential and achieving its 2047 vision.

Keywords: Women's Empowerment, Economic Growth, Gender Equality, GDP, Entrepreneurship

1. Introduction

India has achieved a lot of economic progress but its number one problem, hiding in plain sight: Female workforce utilization is abysmal. Labor force participation among women is the lowest globally as systemic challenges of wage discrimination, lack of access to finances and unpaid care work created by systemic barriers increase this barrier. Doing so is both fair and crucial for long-term economic success to bridge these divides.

Empowering women economically: a paper that establishes arguably the most under-utilized resource for India at over \$770 billion by 2025 and is based on data analysis, global case studies followed by a set of policy recommendations. Through a review of what barriers to gender equality women face and policy solutions, this study provides a blueprint for policymakers and companies to harness gender equality as an economic engine.

2. Literature Review

Global and Regional Studies Examine Key Importance to Economic Participation of Women. From this section, the key points are summarized as follows:

2.1 The Global Forces Working on Women in the Labour market

A point made in several international and regional studies and studies from the International Labour Organization (ILO), as well as this from the World Economic Forum is how closing those gender gaps can massively enhance GDP. McKinsey (2015) put the potential addition to global GDP owing to gender equality at nearly \$12 trillion by 2025. Economic performance is high, as in the countries of Iceland and Norway where female labor force participation is very high, where inclusive-profits and economies result.

2.2 Women Entrepreneurs: Economic Enablers

Global Entrepreneurship Monitor research finds that women-owned enterprises play a massive role in employment and innovation. Indeed, a survey by the Ministry of MSMEs (2008–2013) in India found that despite the fact that only a meager 20% of MSMEs are managed by women, credit and mentorship are the two main bottlenecks.

2.3 Policy Interventions and their Effectiveness

While policy measures, such as the Mudra Loans in India and Stand-Up India borrowed from other countries only yield



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moderate results in bringing about broad-based impact. Rwanda: How Effective Gender-inclusive policies have served the economy (Global) and Germany: Specific Strategic Tax Incentives for Women Entrepreneurs: What does this have to do with why India can learn from?

3. Research Gap

Several studies back the case for why empowering women is an economically advantageous move in India however the direct benefit of gender empowerment is mostly unexamined from an economic perspective in a country like ours. The research fills this gap by bringing together quantitative data analysis with policy evaluations and cases from around the globe, for an integrated overview of the question.

4. Objectives

1. To assess the economic impact of closing the gender gap in labor force participation in India and its potential contribution to GDP growth by 2025.
2. To evaluate the effectiveness of current policies (Mudra Loans, Stand-Up India, etc.) in promoting women's economic participation and identify areas for improvement.
3. To examine global best practices in gender-inclusive economic policies and their applicability to India, particularly in enhancing women's employment and entrepreneurship.

5. Research Methodology

It is a mixed methods approach, combining with the following analysis:

Quantitative Study: Data of labor force, wage gapitude and access to credit from credible sources such as World Bank, ILO and Indian Govt reports.

- **Quantitative:** Comparative study of Rwanda, Germany and the SHGs in India to understand the best practices as well as challenges

6. Data Analysis:

6.1 Labor Force Participation

Table 01: Female Labor Force Participation Rate (2023).

Region	Female LFP (%)	Male LFP (%)	Gender gap (%)
India	23.3	78.6	55.3
Global Average	47.2	74.6	27.4
South Asia	25.7	77.8	52.1

Source: World Bank, 2023.

Explanation: India's gender gap in labor force participation stands at 55.3% compared to the global average of 27.4%. This disparity represents a significant underutilisation of women's economic potential, compounded by cultural norms and lack of childcare support.



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6.2 Gender Wage Gap

Table 02: Gender Wage Gap in India (2022).

Sector	Male (Rs/month)	Wages	Female (Rs/month)	Wages	Wage Gap (%)
Manufacturing	15,000		12,000		20
IT/ Technology	30,000		24,000		20
Agriculture	8,000		6,400		20

Source: ILO, 2022.

Explanation: Women consistently earn 20% less than men across industries, reflecting systematic biases and undervaluation of women's work. This wage gap significantly impacts household incomes and limits women's economic agency.

6.3 Time Use and Unpaid Care Work

Table 03: Average Daily Hours Spent on Unpaid Work (2019)

Gender	Rural (hours)	Urban (hours)	National (hours)	Average
Women	5.4	4.1	4.7	
Men	0.7	0.5	0.6	

Source: Time Use Survey, 2019.

Explanation: Women in India perform eight times more unpaid care work than men, creating a "time poverty" that prevents them from pursuing paid employment or entrepreneurial activities.

6.4 Access to Formal Credit (2023)

Category	Male (%)	Female (%)
MSME Loans	72	28
Startup funding	85	15

Source: Ministry of MSME's 2023.

Explanation: Despite strong repayment records, women entrepreneurs face systematic barriers to accessing formal credit, limiting their ability to scale business.

7. Global Case Studies:

7.1 Rwanda's Gender-Inclusive Policies

Rwanda, which has set such a high bar for gender equality. The country has really made incredible strides for women empowerment to the extent that today women occupy over 60% of the parliamentary seats. That is an achievement worth celebrating! Behind all this success lies a series of policies that actively promote gender equality, giving women more opportunities to contribute to the economy.



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• Key Developments in Rwanda:

- Contributing significantly to the growth in the steady economy of Rwanda is the active involvement of women in the work sector, given the average growth in GDP by 7% over the years between 2000 and 2020.
- A big part of what the government has done was making sure women had access to such things as land, credit, and markets. This helped, especially rural women who perhaps didn't have a chance in their previous life.

• Lessons for India:

Certainly, India has a lot to learn from Rwanda. If we work on increasing women's access to land, capital, and resources, it will not be long before the number of female entrepreneurs increases, both in urban and rural areas, and thus everyone gets a slice of the action.

5.2 Women Entrepreneurship Tax Deduction in Germany

A real implementation of setting up women entrepreneurs, Germany provides a template. Country by incentivizing tax and providing funding the country birthed an ecosystem where women-owned enterprises can play significant role in the business space

• Key Developments in Germany:

- Women operate as many as close to 30 % of their small and medium (SMEs) businesses thus demonstrating their impact on job creation, economic growth.
- Tax breaks and soft lending policies to give women the tools to break financial barriers, scale their businesses up.

• Lessons for India:

Women Entrepreneurs in India can replicate similar approaches to empower them. To allow more women to give rise to businesses and therefore contribute to the progress of the economy, encourages providing tax incentives and easily accessible credit. Such initiatives would not just eliminate the disadvantage gap but also deepen inclusive growth in un/under-privileged sectors.

8. Findings and Discussion

The study reveals that closing gender gaps in the workforce can add over US\$770 billion to India's GDP by 2025 as a single opportunity for transformation. This large potential has increased the criticality of women empowerment as a foundational pillar of economic policy.

Rwanda and Germany have now proven that well-commissioned strategies can be the driver of growth as well as inclusion for women entrepreneurs. The case studies show that India stands to gain a lot by replicating similar models and fine-tuning them to fit local terrain.

9. Challenges Hindering Women's Economic Empowerment in India:

- 1. Gender-Based Discrimination:** Usual cultural norms may perpetuate deeply held beliefs deeply rooted in women leaving the workforce and stopping entrepreneurship.
- 2. Not Much Education and Skills Opportunities:** The access to quality education and training is very limited in rural areas that stops many women from getting into jobs with higher pay, or management positions.
- 3. Invisible care work:** A double burden of care that means that the limited number of women engaged in paid work or entrepreneurial activities.
- 4. Access to Finance is restricted:** Women are blocked from availing loans or capital because they have no collateral/finance literacy/bias.
- 5. Concerns about safety and mobility:** Harassment in places of work or at public spaces affects women's ability to work or network and travel for purpose.



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10. Recommendations

India should move the women into driving license also this potential could be enhanced as the largest driver force.

- 1. Enact Gender-sensitive Policies:** Implement and implement equal pay laws, push for greater female leadership and extend paid parental leave.
- 2. Enhance Financial Inclusion:** focus government led schemes on the ground outlets of Self-Help Groups -SHGs to scale up funding for women entrepreneurs.
- 3. Invest in Education and Skills:** Concentrate on access to higher education, tertiary skills training programs that will equip women for higher paying jobs and future leadership roles.
- 4. nurture a nurturing entrepreneurship ecosystem:** Attract township affairs tax incentives, mentorship and collaboration platforms in support of women founded businesses.
- 5. Strive for More Affordable Care Work & Lift All Weights:** Develop policy that encourages shared responsibilities, ensure affordable childcare options so women can have time for economic participation.

11. Conclusion

Empowering women is not only a step toward equality but a necessity for India's economic future. Drawing lessons from global leaders like Rwanda and Germany and tailoring them to India's unique challenges can create a more inclusive growth trajectory, unlocking the latent potential of millions of women.

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