

# Gender Equality (SDG 5) and Its Impact on Economic Growth in India

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## **Abstract:**

Gender equality, recognized as Sustainable Development Goal (SDG 5), is a critical determinant of inclusive and sustainable economic growth. In the context of India, despite significant economic expansion over the past decades, gender disparities persist in labor force participation, education, health, and income distribution. In this research paper, the study considers the connection between gender equality and economic growth in India through a discussion of the key indicators that include female labour force participation, human capital development and institutional policies. The paper concludes that gender inequality is a structural barrier to efficiency and productivity in the economy. It is indicated that greater representation of women in the workforce and greater access to education and health could significantly enhance GDP growth. However, persistent socio-cultural norms, wage gaps, and labour market rigidities continue to limit progress. The paper concludes that achieving SDG 5 is not only a social imperative but also an economic necessity for India's long-term development.

**Keywords:** Gender Equality, Sustainable Development, Economic Growth, India.

## **Introduction**

Sustainable development focuses on gender equality and empowering all women and girls, which can be seen in Sustainable Development Goal 5 (SDG 5). Gender equality is a human right, and it is a critical driver of economic, social, and institutional growth. In developing countries like India, which have large demographic and structural differences, gender equality is crucial to long-term economic development. India has witnessed a significant increase in its economy over the past 3 decades to become one of the fastest-growing major economies of the globe. This growth has not been very inclusive, though. Significant gender inequities have persisted in different socio-economic indicators, such as participation in the labour force, wage equality, education, health, and resource availability. To illustrate this, the level of involvement in the labor force by women in India has been considerably lower than worldwide statistics, indicating structural and cultural constraints. Such underutilization of half the population means a significant loss of economic potential. Correlation between gender equality and economic growth operates in a number of channels. Increase of female participation in the labor force will result in an increase in labor supply, improve productivity, and increase income distribution. Education and investments in female health help in development of human capital, which is one of the major determinants of economic development. Furthermore, gender equality facilitates innovation, better governance, and more efficient resource allocation. Despite these two theoretical associations, experience in India demonstrates that economic growth is not necessarily lead to improved gender outcomes. Over the last few years, India has been working on some policy outcomes in the effort to achieve gender equality, such as gender budget, financial inclusion initiatives, and the possibility of enhancing female involvement in education and employment. Although improvements that have been affected through these processes are realized, imbalanced developments are still experienced in different regions and sectors. The socio-cultural norms, safety issues, informal systems of employment and institutional restrictions continue to limit economic contribution of women. Policy intent and real

outcomes are one of the critical gaps in the current discourse. Despite the widely represented studies that present the positive impact of gender equality on the level of economic growth, there is a lack of consensus on the effectiveness of the available policy interventions that are implemented within the Indian context. In addition, much of the existing literature is either on macroeconomic correlations or social, in most instances, without the state's interest in an integrated approach to analyzing gender equality as a cause and a result of economic growth. It is based on this that this paper seeks to answer the question of how gender equality affects economic growth in India with reference to SDG 5. It also studies key areas of engagement with labour force, human capital development, and policy interventions, and establishes structural issues that hinder development. The study aims to offer a theoretical approach to the importance of gender equality in sustainable and inclusive economic growth in India by combining detailed knowledge and real-life data.

### **Objectives of the Study**

To analyze the current status of gender equality in India.

To examine the relationship between gender equality and economic growth.

To review existing literature on gender and economic development.

To identify challenges and suggest policy recommendations.

### **Methodology**

The secondary data used to conduct the study are reports published by the World Bank, IMF, OECD, UNDP, and peer-reviewed journals. The relationship between gender equality and economic growth is interpreted using a qualitative and analytical approach in India.

### **Literature Review**

Gender equality and economic growth have been topics that were extensively discussed both global and in Indian contexts. Quantitative macroeconomic model developed by Agénor, Mares, and Sorsa (2015) showed that gender equality plays a major role in contributing to economic growth through increased labor productivity and human capital formation. Their analysis emphasized that reducing gender inequalities in education and labour force would make a significant contribution to GDP in emerging economies such as India.

Klasen and Lamanna (2009) established that gender inequality in education and employment has adverse effects on economic growth since it curtails the optimal use of human resources. According to their cross-country analysis, the less gender inequality a country is, the higher and more sustained its economic growth.

International Monetary Fund (2016) has highlighted in the Indian context that gender inequality and informality in the labor market are key limitations to the economic performance of India. This research has found that increasing female labour force participation in India has the potential to improve the GDP of the country considerably.

Duflo (2012) suggested that economic development can alleviate gender inequality, but the relationships are bidirectional. Education, employment, and political empowerment of women are other factors that promote economic development.

### **Critical Gap**

Majorities have established that gender equality promotes economic growth, and there is a gap between policy intent and actual outcomes in India. Available literature tends to be lacking in terms of state-level analysis and does not fully reflect contribution of socio-cultural constraints. India is characterized by gender inequality through various indicators such as the level of participation in labor, disparity in wage payments, education, and healthcare. Even after female literacy rates have increased, there are still inequalities in higher education and employment opportunities. Women have attained a very low

percentage of workforce compared to men, and the percentage of women working in informal employment is high. Also, women are still limited to their economic roles by discrimination on a gender basis and social norms.

### **Gender Equality and Economic Growth: Theoretical Linkages Labour Force Participation**

Involvement of women in the labor force increases productivity and labor supply. Nonetheless, the participation of females in the labor force is rather low in India in comparison with global averages. An improvement in the number of women in the workforce can result in high economic benefits.

#### **Human Capital Development**

The education of women results in better health, increased productivity, and leads to better results in future generations. Every investment in education of women enhances the quality of human capital and this is one of the determinants of economic growth.

#### **Income Distribution**

Eliminating the gender wage gaps raises family earnings and consumption, thus stimulating the economic demand. Decrease in wage inequality increases household income and aggregate demand.

#### **Innovation and Efficiency**

Gender Diversity in the workforce and leadership roles promotes innovation and effective decision-making, which are related to economic efficiency. Diverse human resources facilitate enhanced decision-making and innovation.

#### **Empirical Evidence from India**

Empirical research indicates that the economic development of India is positively but underutilised by gender equality. Gender disparities are high regardless of the rapid growth of the economy. Policies aimed at facilitating education, healthcare, and employments among women have led to positive results, yet their implementation is constrained by institutional factors like informality and social norms. This evidence indicates that economic growth by itself will not lead to gender equality.

### **Challenges in Achieving Gender Equality (SDG 5) in India**

**Low Female Labor Force Participation** Women are restricted from participation in workforce due to cultural norms, household duties, and safety issues.

**Wage Inequality** There is systemic discrimination in labor markets where women usually earn low wages compared to men in similar work.

**Educational and Skill Gaps** Despite increased ability of females to be literate, higher education and skill acquisition differences persist.

**Social and Cultural Barriers** Patriarchal norms and gender stereotypes continue to restrict women's economic opportunities.

**Informal Employment** Many of the women are working in the informal sector, where they earn low wages and lack social security.

### **Government Initiatives and Policy Measures**

India has also established several initiatives to facilitate gender equality, including gender budgeting, skill development programs and digital inclusion policies. Legal changes have also been implemented to address gender-based discrimination.

**Gender Budgeting:** Incorporation of gender approaches into fiscal policies to enhance resource allocation towards women.

**Skill Development Programs:** Increasing the employability of women.

**Digital Inclusion:** Encouraging women to use digital technologies through initiatives such as Digital India.

**Legal Reforms:** Enforcing gender-based violence and discrimination laws. Although there is some improvement due to these initiatives, there are still serious implementation gaps and regional impurities.

### Discussion

Analysis indicates that economic growth is a cause and a consequence of gender equality. Economic development creates opportunities for women, but special measures are required to establish equitable access. Inclusion of gender equality in economic policies can accelerate growth trajectory of India. Benefits of growth will not be evenly distributed without the problem of structural inequalities being addressed. Relationship between economic growth and gender equality in India is both positive and negative. Gender equality can increase productivity and is better at increasing human capital and inclusive growth. Economic growth, however, cannot be relied upon to bring gender equality. The experience of India shows that special policies are necessary to overcome structural disadvantages. Unless gender differences are addressed, the nation will be at risk of underutilizing its huge resource base in terms of human resources.

### Conclusion

Sustainable and inclusive economic growth in India cannot be achieved without gender equality (SDG 5). Despite the improvements made in other fields like education and health, there are still significant issues when it comes to aspects like labor participation, wage equality, and social empowerment. Results imply that advancing and realizing gender equality is not only a social objective and ethical duty but also an economic need. Development of policies that increase the representation of women in the labor force, accessibility to education and social-cultural issues are essential to long-term development of India. Future developmental path of India will be determined by how it can incorporate the concept of gender equality in its developmental framework. In the absence of this, it will not be possible to have sustainable and inclusive development.

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