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INFLUENCE OF GENDER DISPARITIES ON ECONOMY

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I. ABSTRACT

An economy is a subject which is highly influenced by gender disparities, which as a result impacts prosperity, and development of a nation. In many developing nations, including India, the age-old issues like lack of access to education and opportunities in various spheres of society, the underutilization of women workforce, unequal pay, and rejection of the third gender is a hindrance to effective utilization of human resources that has become one of the major causes of their economies' poor growth. This study explores the complex relationship between gender inequality and economics, focusing on the significant influence that gender-based discrepancies have on economic results. This study examines the complex aspects of gender differences in the field of economics using an interdisciplinary approach that incorporates viewpoints from feminist jurisprudence, sociology, philosophy and economics. We have uncovered the profound effects of these differences on people's well-being in larger economic systems, in addition, the paper realizes the role of personal relationships, unequal wages, multi-tasking, general stigma against third gender as a root cause of gender biasness in India with reference to other economies. While gender equality is a crucial development objective per se, the economic engagement of women and third gender play a prominent role in stability and growth of an economy. The equal participation of different genders can accelerate the growth of a nation having a progressing economy. The research aims to uncover these problems and emphasizes how crucial it is to address gender inequality as a matter of social justice as well as a vital element of equitable and sustainable economic development.

II. KEY WORDS

Unequal pay, Gender inequality, Underutilization, women, third gender, economics.

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III. INTRODUCTION

Gender disparity unfolds through discriminatory practices, where certain genders, particularly women and the third gender, are unjustly denied equal opportunities. This bias not only leads to the underutilization or rejection of individuals based on their gender but also significantly influences a nation's economic landscape. In India, the historical persistence of gender disparity, rooted in patriarchal norms from the Vedic period to the present day, not only disrupts social structures but also hampers the overall progress of our modern world. Deprivation of women of their basic human rights and equal status with men is a historical phenomenon which dominates the life of communities around the world.³

In a patriarchal society, women are often looked by men as inferior with socio-economic and cultural prohibitions and restrictions imposed on them which are irrational and unreasonable and result of gender inequality.⁴ Patriarchal norms give rise to factors that impede the effective economic contribution of women and the third gender, leading to substantial economic losses. A critical factor is the underutilization of human resources, where the widespread neglect of women and the third gender in the workforce sacrifices the potential productivity of the economy. Additional factors, including unequal pay, insufficient recognition, unsafe work environments, and unjust rejection, exert a considerable influence on a country's GDP.

Late Justice V. R. Krishna Iyer, who was an ardent supporter of women's rights, commented that institutionalized discrimination against women, which is "the heritage of human wrongs" must be forbidden by providing opportunities to women in shaping the development process of a nation". In the same way the institutionalized discrimination against transgender must be forbidden for the collective development of

³ Kanewistz W.L. *Women & the Law: Unfinished Revolution* (1969) p.1.

⁴ Simone de Beauvoir: *The Second Sex* (154).

a nation.⁵ As a result, gender disparity is not merely a social cause to look upon but a very alarming economic concern as well.

It is not only morally right to acknowledge and remedy these gender differences, but also economically necessary. A workforce that is varied and able to propel long-term economic development is fostered by a more equitable allocation of available resources and possibilities. As we examine the complex relationship between gender inequality and the economy, it becomes clear that removing obstacles and creating an atmosphere in which all people, regardless of gender, can make a significant contribution to a growing and inclusive economy for realizing economic progress.

A. OBJECTIVES

The objective of this paper is to study the concept of gender disparities affecting economics, current laws, issues, theories, judgments, and causes related to the topic in detail. The paper aims to reflect the social, historical, political, and, legal aspects of gender disparities influencing economics by critically looking on every facet of the subject in India.

B. RESEARCH QUESTIONS

In this study, the authors aim to answer the following research questions-

What are the main reasons for discrimination against women and third gender in India?

What effects do gender discrimination have on economic development in India?

Which legislative and policy initiatives can successfully alleviate economic inequities based on gender?

C. RESEARCH HYPOTHESIS

This study proceeds on the hypothesis that gender disparities, manifested through the underutilization of women in the workforce, unsafe working environments, disproportionate domestic and social expectations, wage inequality, and systemic

⁵ V R Krishna Iyer, *Human Rights and Inhuman Wrongs* (B.R. Publishing Corporation 1990).

rejection of the third gender exert a significant adverse impact on India's economic growth and development. It is further hypothesized that the removal of such disparities and the assurance of equal participation of all genders would contribute positively to productivity, gross domestic product (GDP), and sustainable economic advancement.

D. RESEARCH METHODOLOGY

This study implements a mixed-method design, using both qualitative and quantitative approaches to guarantee balanced research. The data primarily covers the time from 2012 to 2023 and is drawn from official sources such as the Periodic Labour Force Survey (PLFS), NSSO, reports published by the Ministry of Statistics and Programme Implementation (MoSPI), and Ministry of labour and employment.

Secondary sources, such as books, journal articles, and faculty-recommended references, have supported the conceptual framework. Additionally online databases, credible websites, and dictionaries were also used to enrich the study with updated viewpoints. The analysis combines quantitative methods to examine statistical developments accurately while qualitative methods to interpret the theoretical aspects. Although this approach strengthens reliability, the research paper is constrained by its reliance on secondary data and the limited availability of government records for specific years.

IV. HISTORICAL BACKGROUND

Despite the proverb “Yatra Nāryastu Pūjyante Ramante Tatra Devataḥ” (Where women are respected, Gods reside),⁶ women in India face irony as they encounter barriers to education and work. Even hailed as Durga, about 26.21% of married women in Bharat experience intimate partner abuse according to NFHC⁷. In India, gender inequality is not a recent idea; it has long been ingrained in Indian society's ethos. Several orthodox customs, including Dowry, Patriarchal family structure, Preference to male children, and

⁶ Manusmriti 3.56 (G. Buhler trans., Oxford Univ. Press 1886).

⁷ S. Manna, Prevalence of Intimate Partner Violence Among Indian Women: A Cross-Sectional Study, PLOS ONE, Dec. 2024, <https://pmc.ncbi.nlm.nih.gov/articles/PMC11193235/>, (Accessed on, 10th October 2025)

the notion that widows and menstruating women are impure, are examples of the long-lasting consequences of the deeply embedded gender inequity against women.

Women were not always in such a lower standing. During the ancient Vedic period women were regarded as mothers (mata) or goddesses (Devi), reflecting the great regard that women enjoyed in ancient India. Girls received careful attention in every field from education to participate in important decision making in the early Vedic era. Arbitrary customs, sati, and purdah systems rose to prominence during the medieval period, and polygamy caused the position of women to decline. Following multiple invasions, women in Bharat were subjected to humiliation and sexual abuse both during and after Wars.

As consequence, they were compelled to engage in Jauhar to safeguard their dignity, additionally they began using ghunghat or parda to protect themselves.⁸ Further the voluntary custom of gifting stridhan to brides evolved to compulsory and torturous dowry practices in the Indian society.⁹ Over time, this practice became commonplace, and women were forced to stay inside their homes in the name of respect and protection. However, it is obvious that women are not truly safe inside their homes. In 2014, around ninety percent of rapes were perpetrated by individuals who knew the victims, such as friends, neighbors, and employers. In fact, close family members, including fathers, siblings, and uncles, were responsible for eighty-six percent of rapes.

The Indian Supreme Court has consistently worked to defend women's rights to equality, privacy, and freedom through a number of historic cases. Two such instances include the Mohd. Ahmad Khan v. Shah Bano Begum¹⁰ and Indian Young Lawyers Association &Ors. V. State of Kerala &Ors popularly known as Sabarimala case.¹¹ However,

⁸ Harsh Tyagi & Dr. Swati Shastri, The Position of Women in Ancient and Medieval India, 5 Int'l Res. J. Humanities & Interdisciplinary Stud. 45 (2024), <https://irjhis.com/paper/IRJHIS2404005.pdf>

⁹ Gurpreet Kaur, The Evolution of Dowry Laws in India: From Social Custom to Legal Crime, VINTAGE LEGAL VL (Nov. 26, 2024), <https://www.vintagelegalvl.com/post/the-evolution-of-dowry-laws-in-india-from-social-custom-to-legal-crime>

¹⁰ Mohd. Ahmed Khan v. Shah Bano Begum, (1985) 2 SCC 556 (India).

¹¹ Indian Young Lawyers Association v. State of Kerala, (2019) 11 SCC 1 (India).

eliminating these differences through judicial rulings alone is difficult since social approval determines whether a law is accepted or rejected, and Indian culture is not ready to accept women on an equal footing because of deeply ingrained customs and traditions.

In regarding the recognition of the third gender in the old Hindi texts, third gender was held in high regard and were highly esteemed in those days. In actuality, a lot of historical scriptures give significant roles to the third gender. One such description is given in the Ramayana in the life story of one of the most admirable Hindu heroes, Purushottam Shri Ram who was exiled from his realm after which he instructed all men and women to move on from him.

The men and women went back. But other individuals, referred to as the Hijra (third gender), continued to stand and refused to go until Lord Rama returned fourteen years later cause of the fact that they were neither males nor females. This community received recognition for their steadfast devotion.¹² Transgender people were given important positions in other sacred scriptures, such the Mahabharata, where they played important roles like Shikhandi, a trans woman. However, the British attempted to impose their western beliefs on India when they came, thus the legislators achieved this purpose by passing several laws that outlawed anything that was considered filthy by Western civilization.

As a result, the Indian Penal Code's Section 377 (Now repealed) was created, making any “unnatural offences” that were thought to be “against the order of nature”¹³ unlawful. The stigma created by the British Empire in 19th century is evident in India, as a result even now; transgender people are facing social rejection, which has made them fall back in receiving education and rely upon odd paths for sustenance. Nonetheless, transgender

¹² Vidya Kamat, Rama and Transgenders, Talking Myths, (Dec. 26, 2024, 9: 29 PM), <https://talkingmyths.com/rama-and-transgenders/>

¹³ Indian penal code, 1860, § 377, No. 45, of 1860.

people have to support themselves by singing and dancing on special occasions like marriage, begging or engaging in sex work.¹⁴

Nevertheless, it is important to keep in mind that 487 thousand Indians identify as third gender¹⁵ and 48.41% of the country's population is female according to world Bank collection of development indicators 2022¹⁶. No economy can grow without the equal participation of roughly half of its population; in fact, the true and full utilization of a nation's population drives its development, so in order for our economy to grow, we must work to uplift the status of women and transgender in India.

V. FACTORS AFFECTING GENDER EQUALITY IN THE INDIAN ECONOMY

An intricate combination of social, cultural, and economic variables leads to the persistence of gender inequities in the Indian economy. Historically established positions for men, women and third gender are frequently prescribed by deeply ingrained societal standards, which have an impact on job growth, educational possibilities, and workforce involvement. Gender inequality is further compounded by educational inequalities and gender-based violence. Prejudices and stereotype at work gives rise to unequal pay and hamper the advancement of women and non-acceptance of third gender in the workforce. A multifaceted strategy that includes inclusive employment practices, educational reforms, and cultural shifts in attitudes is needed to address these issues.

The authors identify several factors that affect gender equality in India, which are discussed in more detail in the later sections of this paper.

A. Underutilization of women workforce

¹⁴ Dr Abhishek Royal and Mx Deepak Kulshrest, The existential crisis of Indian transgender community, universitas Gadjah Mada, (Dec. 26, 2024, 9: 29 PM), <https://graduate.fk.ugm.ac.id/2020/05/28/the-existential-crisis-of-indian-transgender-community/>

¹⁵ Statista research department, Number of people in India in 2011, by state, Statista, (Dec. 26, 2024, 9: 49 PM), <https://www.statista.com/statistics/705970/india-number-of-transgender-people-by-state/#:~:text=As%20per%20the%20latest%20census,northern%20state%20of%20Uttar%20Pradesh>

¹⁶ Tradingeconomics.com, <https://tradingeconomics.com/india/population-female-percent-of-total-wb-data.html>, (Aug 4, 2024 9: 49 PM).

Although making up 48.41% of India's population, women are largely underutilized in the country's economy. Though there has been a noticeable increase, the percentage of women in the workforce is still below the global average of 47%.¹⁷ According to the most recent PLFS¹⁸ report, around 32.8% of working-age females (15 years and older) were employed in 2021–2022, up from just 23.3% in 2017–18. This is a 9.5%-point increase over these years. The rural sector, where it increased by 12.0 and 3.4 percentage points, respectively, provided a greater boost than the urban sector. The percentage of female labor force participation in rural areas rose by 12.0% points to 36.6% in 2021–22 from 24.6% in 2017–18. However, compared to rural areas, female engagement in urban areas was much lower. The female labor force participation rate (LFPR) increased by just 3.4% points in urban areas from 20.4% in 2017–18 to 23.8% in 2021–2022.¹⁹

The following are some of the main causes of women's unequal engagement in the workforce:

1. 44.5% of women are unable to work, Owing to personal responsibilities at home and childcare.
2. 33.6% of people desired to continue their education but were unable to do so.
3. 9.3% of women cite age and health-related issues.
4. 8.7% of women do not work due to social or other factors.
5. 3.2% of women lacked the education, experience, or maturity required for their jobs.
6. 0.7% of women do not have enough money.
7. 0.6% of women do not have a job because there is not a job available where they live.²⁰

¹⁷ Ministry of labour and employment, Female labour utilization in India, Employment statistics in focus – April 2023, pg. 7, ¶ 1.

¹⁸ Ministry of labour and employment, Female labour utilization in India, Employment statistics in focus – April 2023, pg. 8, ¶ 3.

¹⁹ id

²⁰ Ministry of labour and employment, Female labour utilization in India, Employment statistics in focus – April 2023, pg. 12,

Gender discrimination in terms of income and opportunity is a major contributing factor to the low participation rate of women in India's labour force.²¹ The Indian government would need to provide incentives for higher compensation, training, skill development, and job quotas to potential companies in order to encourage the hiring of women and close the gender gap in labour participation.²² If women were allowed to reach their full potential in the workforce, the return on initial investments made by firms and the government would be double. By 2025, India's GDP (USD 4.83 trillion) might rise from 16 to 60% over business as usual due to increased female participation.²³

The economic engagement of women boosts returns on investment, business management, micro, small, and medium-sized enterprise development, and agricultural output. It can be said that more women entering the labour force as larger labour inputs can lead economies to grow quicker. The labour of women boosts household incomes, enabling families to rise out of poverty and increase their consumption of goods and services.

B. Unsafe environment

Despite India's technological advancements, such as lunar missions, women's mobility is significantly restricted by safety apprehensions, preventing them from traveling independently after evening hours. Even today, in this renowned 21st century of progress and modernization, there are still problems. Some of these include dim lighting near bus stops and subways, a lack of women's public restrooms, and a generalized fear that follows them everywhere. According to a survey conducted from October to November 2012, just 5% of women and girls in Delhi's public areas rated them as "safe" from sexual

²¹ Pallavi Gupta, Satyanarayan Kothe, Gender discrimination and the biased Indian labour market: Evidence from the National Sample Survey, vol 35, World Development Perspectives, September 2024, 100613

²² Sunaina Kumar, The Skilling Imperative in India: The Bridge Between Women and Work, Observer Research Foundation, Aug 14, 2023.

²³ Livemint.com, <https://www.livemint.com/Politics/vGSjSt72LCVC6sRYezfFxM/India-could-add-60-to-2025-GDP-by-bridging-gender-gap-at-wo.html?facet=amp>, 4th Jan 2025.

assault.²⁴ Achieving equitable involvement of women in the workforce is essential for economic progress; but, with the rise in instances of sexual harassment and eve teasing, women are reluctant to work late night or sometimes even during day-time business hours.

The current statistics regarding sexual harassment instances remains unsatisfactory even after the Criminal Law (Amendment) Act of 2013, which introduced section 354A²⁵ now Section 75 of Bharatiya Nyaya Sanhita which articulates that “A male faces imprisonment or a fine if he engages in unwanted and explicit sexual behaviour, asks a woman for a sexual favour, displays pornography against her consent, or makes sexually suggestive comments.”²⁶ after the horrific Nirbhaya rape case²⁷ under the Indian Penal Code, and the creation of The Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act and Rules 2013.

In comparison to the previous financial year ending march 2021, the overall number of workplace sexual harassment complaints increased by 27% in the fiscal year that ended in March 2022.

In terms of safeguarding women from sexual harassment at work, Vishaka v. State of Rajasthan and ors,²⁸ was a historic case. It was the 1992 incident in which five men community allegedly gang-raped Bhanwari Devi wherein she complained about the perpetrators at the police station, but no in-depth investigation was started, afterwards the case resulted in the stipulation of Vishaka Guidelines. Sexual harassment is not the

²⁴ Un.org, <https://www.un.org/youthenvoy/2013/09/un-women-supported-survey-in-delhi-shows-95-per-cent-of-women-and-girls-feel-unsafe-in-public-spaces/#:~:text=A%20just%20released%20household%20survey,'safe'%20from%20sexual%20violence>, 4th Jan 2025.

²⁵ The Bharatiya Nyaya Sanhita, § 75, No 45, Act of Parliament (1860).

²⁶ The Bharatiya Nyaya Sanhita, §75, No 45, Act of Parliament (2023).

²⁷ Mukesh & Anr. V. State (NCT of Delhi) & Ors. (2017) 6 SCC 1.

²⁸ Vishaka and Ors. Vs. State of Rajasthan and Ors, AIR 1997 SUPREME COURT 3011 (BhanwariDevi) case.

only issue; women are unsafe travelling at night, even for work, as demonstrated by the horrific rape case in 2019, which is known as the “Disha Case.”²⁹

In one instance, four people viciously raped a 26-year-old lady close to the Tondupally Toll Gate in Hyderabad between 9:45 and 10:30 p.m. when she was making her way home from her job. Such examples prevent girls from taking advantage of many economic opportunities due to unsafe environments. For instance, a large number of girls in India cannot practice criminal law; this is not because they are ineligible; rather, it is because of their lack of safety.

Even though the new criminal laws of 2023, in particular the Bharatiya Nyaya Sanhita which replaces the Indian penal code of 1860, establish strict provisions to protect women from sexual abuse and harassment and include a specific chapter addressing offenses against women and children, enforcement and punishment remain significantly inadequate. Firstly, sexual abuse is a heinous crime that should be punished regardless of gender; however, the new criminal laws only recognize women as victims and men as perpetrators.

This raises questions about cases where women and transgender individuals are offenders while men and transgender individuals are victims. Second, even in cases involving brutal rape and murder, such as *In re: Alleged rape and murder incident of a trainee Doctor in R.G. Kar medical college and hospital, Kolkata and related issues*,³⁰ where a junior doctor was allegedly raped and murdered in her own workplace and the incident also caused nationwide outrage, the accused is still not punished with death penalty and till now the accused is just awarded with life imprisonment by the sessions court of Sealdah³¹ the death penalty, which can instill fear in society toward such heinous crimes

²⁹ Paul Oommen, Hyderabad Disha encounter case: Inside details of Commission’s hearing, The News Minute (Sept. 1, 2021), <https://www.thenewsminute.com/telangana/hyderabad-disha-encounter-case-inside-details-commissions-hearing-154678>, (Accessed on 10th October 2025)

³⁰ *In re: Alleged Rape and Murder Incident of a Trainee Doctor in R.G. Kar Medical College and Hospital, Kolkata & Related Issues*, SMW (CrI) No. 2 of 2024 (India) (sup. ct. order Aug. 20, 2024) (reported as 2024 INSC 613).

³¹ Sessions Trial No. 01(11)2024, Sessions case No. 77 of 2024, CNR WBSP07-003708-2024 (R- 77 of 2024)

is avoided most of the times because Indian courts place more emphasis on reformation than deterrence. Even so, there were numerous inconsistencies in the investigation and evidence gathering, and the accused was given life in prison rather than the sentence of death.

This raises the same question that whether society's dread of someone getting away with committing such serious crimes and escaping punishment can really be allayed by this shortcoming in law enforcement? In addition, the protracted legal process delays justice, which ultimately prevents justice from being served. Although the author does not believe that reformation should not be sought, it is beneficial when crimes are committed negligently or unintentionally, but not in serious cases when the perpetrator is so heinous as to kill and rape someone.

Humanity and natural justice are demonstrated to humans and not to a deadly threat to society who has lost all human ideals. Women's protection will only be possible if people are scared to commit such serious crimes. Additionally, retribution rather than reformation could at times provide justice for the victim. Victims should also be shielded from societal stigma and given rehabilitative assistance.

India's 48.41% female population³² must participate equally in economic growth for it to proceed, hence it is critical to address issues pertaining to women's safety. Since working outside of the home puts girls in danger, often in their own workplace many families forbid their daughters from working. Therefore, it is essential to create a safe and welcoming atmosphere, which in turn can have a good effect on economic development. Progress in the economy is linked to the well-being of society. This needs to change because women can equally contribute to India's economy at large.

C. Multiple expectations

³² Tradingeconomics.com, <https://tradingeconomics.com/india/population-female-percent-of-total-wb-data.html>, (Aug 4, 2024 9: 49 PM).

It is usually expected of a woman to be a carrying sister, a courteous daughter-in-law, a responsible mother, a supportive wife, a loving daughter and much more. Women are expected to manage the domestic chaos, care for their husbands, children, and in-laws, despite working and providing for their families. If a woman in her mid-20s is still single, her parents will most likely discuss marriage with her 99% of the time. Today, marriage accounts for two third of India's internal migration, with women making up 87% of those migrants.³³ Owing to this kind of movement brought about by marriage, a woman must most likely quit her work and relocate in with her spouse. It is customary for women to abandon their careers after marriage in order to prioritize their family.

A woman's role as a decent housewife and her husband's role as the family's breadwinner are compatible. Additionally, if she works outside the home, she is expected to handle all of the duties of a good daughter-in-law, housewife, and mother in addition to her office work. As a result of these expectations, women are unable to take advantage of better economic opportunities that come with long work hours, frequent transfers, or offices abroad or in different cities. For instance: At the district court level, women comprise about 35.1% of all judges, whereas at the high court level, they make up about 13.1%.³⁴ Only 102 out of 778 High court judges in India's courts are female. There is only one female Supreme court judge out of the 34.³⁵ Challenges encompass due to cramped, tiny courtrooms, insufficient restrooms, and a dearth of childcare amenities.

According to a Hindustan times news report off may 22nd 2008, among working women in the 18–60 age range, 43% are single, 29% are divorced, and 19% are married, of all the respondents, almost 47% stated that they stopped working after getting married and having kids.³⁶ Additionally, in a recent World Bank study Even in the absence of

³³ Esha Chaterjee, Role of marriage migration in determining women's autonomy in the Indian context, [ndic.ncaer.org, https://ndic.ncaer.org/5-role-of-marriage-migration-in-determining-womens-autonomy-in-the-indian-context/](https://ndic.ncaer.org/5-role-of-marriage-migration-in-determining-womens-autonomy-in-the-indian-context/), (Jan 4, 2024 9: 49 PM).

³⁴ Tata Tr. & Centre for Soc. Justice, India Justice Report 2022, at 15 fig.3 (2022).

³⁵ BBC, One woman and 33 men: Why India's Supreme Court is 'a men's club', BBC News (Sept 15 2025), <https://www.bbc.com/news/articles/ce9r047252jo>, (accessed Oct. 12, 2025).

³⁶ <https://www.hindustantimes.com/entertainment/marriage-forcing-women-to-quit-jobs/story-wLV79DTLhQmB0qlqnap8JP.htm>

children, it was projected that post-marriage female employment rates in India decline by 12 percentage points, or roughly one-third of the female pre-marital employment rate.³⁷ Moreover it is also pertinent that almost three in four, which is almost 73% of the working women leave their jobs after childbirth,³⁸ The reason may be that, according to societal norms, a mother, not a father, is still typically expected to care for and raise a kid.

The ability to multitask is considered the most crucial attribute of the perfect woman, who is constantly portrayed in society as a goddess with ten hands who can handle all of her tasks at once. Women are under so much pressure from society to multitask that if they choose to concentrate solely on their careers rather than complete all tasks assigned to them, they will be labelled as careless and self-centered. This outdated belief that women are only meant to fulfil society's expectations, women should realize that they are common human beings with goals and dreams of their own. Instead, they should concentrate on their own careers and make equal contributions to the expansion of our Indian economy.

It is quite possible that the Indian economy will be the most progressive in the world if all 48.41% of the country's population that is women begin to work and contribute to the economy. Working women professionals have put in a lot of effort over the last few decades thanks to their enthusiasm, and dedication. They make a significant contribution to the prosperity and economic growth of India. In India, there are currently 432 million working-age women, 343 million of whom work in the unorganized sector. According to a report just by providing women with equal chances, India's GDP might increase by

³⁷ Ambika Pandit, "‘Marriage penalty’: Employment rate for Indian women drops by 1/3rd," *Times of India* (Oct. 16, 2024), <https://timesofindia.indiatimes.com/india/marriage-penalty-employment-rate-for-indian-women-drops-by-1/3rd/articleshow/114267046.cms>

³⁸ BrandWagon Online, 73 % Women Exit Workforce Post-Childbirth; Prega News’ Women’s Day Campaign Calls for Change, *Financial Express* (Mar. 3, 2025), <https://www.financialexpress.com/business/brandwagon-women-leaving-jobs-after-childbirth-prega-news-campaign-3765512/> (accessed Oct. 12, 2025).

USD 770 billion by 2025.³⁹ However, women's current GDP contribution is still under 18%. Women are reaching new heights every day, even in rural India.

D. Gender pay disparity

Gender pay disparity arises when women are consistently remunerated less than men for identical roles. This discrepancy is perpetuated by factors such as the underrepresentation of women in workplaces, undervaluation of their contributions, and the tendency to assign women to lower-value positions. Non-flexible working hours often prompt women to opt for part-time employment to manage family responsibilities, a burden not similarly placed on men due to societal expectations. Despite women excelling in fields like Technology, Science, Engineering, and Mathematics, they encounter challenges in obtaining and sustaining jobs in these traditionally male-dominated areas.⁴⁰

Despite a fair progress in India for closing the gender pay gap over time, the gap remains still high by international standards. On an average, Indian women earned 48% less compared to their male counterparts in 1993-94. Since then, the gap declined to 28% in 2018-19 as in the labour force survey data of the National Sample Survey Office (NSSO).⁴¹ However, the pandemic reversed decades of progress as preliminary estimates from the Periodic Labour Force Survey (PLFS) 2020-21 show an increase in the gap by 7% between 2018-19 and 2020-21. The data further reveals that faster downfall in female wages during the pandemic contributed to this decline, compared to a faster growth in male wages, which requires urgent policy attention.

In addition, in the same study, it is seen that apart from the glass ceiling observed in the developed world, there exists a “sticky floor,” where gender wage gaps are greater

³⁹ Ciiblog.in, <https://ciiblog.in/the-role-of-women-in-indias-economic-growth-story/#:~:text=At%20present%2C%20there%20are%20432,to%20its%20GDP%20by%202025>, (07 March, 2022 3:00 pm).

⁴⁰ International Labour Organisation: Women in business and Management: Understanding the gender pay gap.

⁴¹ National Sample Survey Office (NSSO), Ministry of Statistics and Programme Implementation.

among lower-earning workers and steadily decline towards the higher end of the distribution. Similarly, gender pay disparity is more pronounced in rural areas as compared to urban settings. Women occupying professional positions or residing in developed areas tend to be more aware of their rights and better positioned to address perceived discrimination in contrast to those working at the lower end of the distribution or in underdeveloped regions. Regardless of the varying degrees of gender wage disparity across societal sections, its existence in the country cannot be overlooked.

Despite the legal strides made, such as The Equal Remuneration Act, 1976, and the inclusion of Article 39 (d) in The Constitution of India to promote gender equality, the prevailing issue of unequal pay based on gender remains entrenched due to deeply ingrained social biases in India. To rectify this, adopting Roscoe Pound's theory of 'social engineering' becomes imperative.⁴² By reshaping the societal foundations in India, we can dismantle obstacles contributing to the gender pay gap, paving the way for collective economic development in the nation.

E. Rejection of third gender

Prior to 19th century the transgender in India were perceived as revered individuals because they have played some very important roles in many Hindu religious texts including Ramayana.⁴³ Unfortunately, after the British colonization of India and under the governance of British crown where the classification of Indians was their prime object, an extermination campaign against the Indian transgender community was launched. As a result, Part II of the Criminal Tribes Act, 1871 required the police to register Hijras (transgender) as 'sodomites.'⁴⁴

However, in the current generation several attempts have been made in order to mitigate the issues faced by the transgenders in terms of employment. Therefore, following

⁴² Roscoe Pound, *An Introduction to the Philosophy of Law* (Yale University Press 1922).

⁴³ India's Relationship with the Third Gender, UAB INST. FOR HUM. RTS. BLOG (Oct. 29, 2018), <https://sites.uab.edu/humanrights/2018/10/29/indias-relationship-with-the-third-gender/>.

⁴⁴ Jessica Hinchy, *Governing Gender and Sexuality in Colonial India: The Hijra, c.1850-1900* (Cambridge University Press 2019).

legislations came into action:

1. **Code on Wages, 2019:** The Code replaces older laws such as the Payment of Wages Act and the Equal Remuneration Act. It adopts the term “gender” instead of “sex” for inclusivity but does not define the term, leading to ambiguity. Key provisions include equal remuneration regardless of gender and the prohibition of discrimination in hiring and employment conditions.
2. **Occupational Safety, Health, and Working Conditions Code, 2020:** The Code incorporates welfare measures specifically for transgender individuals, such as gender-neutral restrooms and locker rooms accommodating transgender employees. It mandates employers to provide a safe and healthy workplace for all genders and imposes penalties for non-compliance, which can go up to ₹3 lakh.
3. **The Transgender Persons (Protection of Rights) Act, 2019:** The legislation was introduced after the landmark ruling of *National Legal Services Authority (NLSA) v. Union of India* (2014) 5 SCC 438., where the honourable supreme court reorganized Transgender as the third gender.⁴⁵ The Act recognizes transgender identity and prohibits discrimination. Key provisions include self-identification of gender without the need for medical or legal documentation, equal opportunities in employment, healthcare, and education, and a requirement for establishments to appoint a grievance redressal officer.⁴⁶ However, it has faced criticism for its mandatory screening process for gender certification, inadequate penalties for violence or harassment, and ambiguities regarding rights such as maternity benefits for transgender employees.

Although transgender individuals can get broad protection under the Bharatiya Nyaya Sanhita because the concept of gender in the recently enacted legislation includes transgender people along with Man and woman,⁴⁷ however the Sanhita also has no

⁴⁵ National Legal Services Authority (NLSA) v. Union of India (2014) 5 SCC 438

⁴⁶ Chanchala Khopkar, Laws Related to LGBTQ+ Community in India, Aashayein Law Education Center (ALEC), 2021, available at <https://www.alec.co.ins/> (last visited Oct. 14, 2024).

⁴⁷ Bharatiya Nyaya Sanhita, No. 45 of 2023, § 2(10), INDIA CODE.

special provisions for protecting transgender people from assault, sexual abuse, and hate crimes.

The challenges and gaps in addressing transgender inclusivity in labor laws are significant. Key labor codes, such as the Industrial Relations Code and the Social Security Code, fail to explicitly address transgender issues, leaving a critical void in protections. Additionally, ambiguity in definitions of terms like “gender” and “woman” in laws such as the Maternity Benefits Act further complicates inclusivity efforts. Despite the existence of legal provisions, workplace discrimination, harassment, and exclusion persist due to inadequate enforcement and low awareness. Moreover, social barriers, including high rates of unemployment, undereducation, and social ostracization, severely limit the participation of transgender individuals in formal sectors, highlighting the need for comprehensive reforms and societal change.

VI. GENDER DISPARITY’S EFFECT ON INDIAN ECONOMY

Gender equality is not only a societal imperative but a cornerstone for economic advancement as well. The following factors underscore the adverse consequences of gender bias on economy:

1. **Loss of Productivity:** Excluding women and transgender individuals from fair employment practices leads to economic loss of their talents, skills, and potential contributions, leading to a decreased productivity.
2. **Reduced Innovation:** A diverse workforce contributes to higher innovation and creativity. However, unfair treatment of certain gender limits the diversity of perspectives and ideas, hindering the potential for groundbreaking advancements and solutions.
3. **Economic Disparities:** Unequal employment opportunities create economic disparities, contributing to a less equitable distribution of wealth within society. This can lead to social and economic instability.

4. **Higher Dependency on Social Support:** Discrimination may result in women and transgender individuals relying more on social support programs, placing an additional burden on public resources and services.
5. **Impact on GDP:** A fair and inclusive workforce is linked to higher productivity and economic growth. Unfair treatment of women and transgender individuals can hinder a country's Gross Domestic Product (GDP) growth.
6. **Increased Unemployment Rates:** Discrimination may lead to higher unemployment rates among women and transgender individuals, contributing to overall unemployment challenges in the economy.
7. **Decreased Consumer Spending:** Economic disparities and unequal employment opportunities can result in decreased consumer spending, negatively affecting various industries and businesses.
8. **Brain Drain:** Unfair treatment may cause a loss of skilled workers moving to other regions or countries where they feel more appreciated, resulting in a “brain drain” that impacts the economy.

Addressing gender and transgender inequality in employment is an economic imperative. Fair treatment fosters a more inclusive and dynamic workforce, contributing to a resilient and prosperous economy.

VII. CONCLUSION

The study concluded that gender inequality has a significant impact on economic growth nationwide and extends beyond inequalities between men and women. Gender inequality is also affected when third genders are rejected. The research has illuminated the complex relationship between gender inequality and economics. The results highlight how widespread gender-based disparities are, having an effect on our nation's economic progress. Highlighting these differences and the factors affecting such discrepancies is critical as we need to work towards an economy that is more escalating and neoteric. The structural issues this study uncovered must be acknowledged and addressed by future governmental initiatives and policies to bring new and liberal economic reforms to India.

The author began by outlining the causes that contribute to gender inequality and how it affects economic growth. After that, they offered some solutions that could be put into practice to address the issues raised and hasten the growth of the Indian economy. This entails strict action against sexual harassment, opportunity discrimination, and the gender wage gap. Strong legal frameworks harness the full potential of the workforce, regardless of gender, to protect individual rights and promote an environment that is favorable to economic progress.

According to the research, there are a variety of causes for gender discrimination, but it all started with cultural norms and traditions that have become widely accepted in contemporary society. These standards have caused discrepancies in the personal and professional lives of women and transgender people. Furthermore, ensuring women's safety is the primary concern in addressing these issues, aside from raising awareness and educating people, as all issues related to gender inequality are somehow related to safety and harassment concerns. We also need to alter societal perceptions that limit women to the role of household management and men to bread earners.

Changes will come gradually, but strict legislation will be crucial in reducing unfair treatment, harassment, and discrimination against women and third gender. This includes both the enactment and proper enforcement of laws which were executed in the new criminal laws; however, it still lacks special provision for transgender. Since women and third genders make up over half of India's population, their active participation in the economy will undoubtedly contribute to an increase in our nation's GDP and per capita income. India's economy is directly impacted by gender discrimination, which can only be addressed by giving each gender equal access to justice and employment opportunities.

In addition to the law, there is a need to alter India's conservative mindset and raise knowledge of the acceptance of women and other genders in the workforce. This is because a law cannot be effectively implemented until society accepts and abides by it.

VIII. AUTHORS SUGGESTIONS

In light of the continuing gender inequality in the Indian economy, the authors seek to provide some recommendations to rectify these inequalities and promote a more inclusive economic environment. Based on an analysis of labour market dynamics and educational gaps, the following suggestions become imperative actions for reducing gender inequality and fostering fair economic growth.

1. **Crucial Measures:** Primarily, in order to maintain the safety of women and transgender simple measures like police patrolling after 6 p.m., building female and third gender restrooms, maintaining effective helpline numbers, ensuring the effective working of street lights, instituting CCTV cameras in public places, preventing dim light near bus and taxi stands, and, most importantly, raising awareness about women and third gender's safety.
2. **Sexual Harassment of Transgender individuals at workplace:** In similarity to The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, the state should introduce an adequate mechanism for transgender people to deal with harassment at workplace, embodying a strong and strict execution policy.
3. **Encourage female entrepreneurship:** To encourage and recognize the significance of female and transgender entrepreneurs, the state should ensure financial feasibility for business owners who are women or transgender by providing them more relaxations on taxes and acquisition of capital.
4. **Education and Vocational Training:** Society must challenge the prevailing notion that women or transgender individuals cannot thrive as entrepreneurs or employees. This transformation can be realized through state-led initiatives, ensuring education for every child, regardless of their background, and offering skill-based vocational training, with a special emphasis on women and the third gender.
5. **Promote Sex Education:** In India, the inadequate focus on sex education reinforces the portrayal of transgender individuals as outsiders or mere objects to fulfil sexual desire, rendering them susceptible to rejection and abuse. Consequently,

there is a pressing need for proactive sex education in the country, a need often overlooked due to prevailing conservatism, thereby fueling the presence of transphobia.

6. **Strict application of laws:** Eliminating gender-based violence could damage India's reputation and image outside. The government should enforce existing regulations strictly, support gender equality, provide and encourage support networks, such as counselling and legal aid, for victims of gender-based abuse. Moreover, by imposing harsh punishments, especially in cases of sexual abuse and harassment, the courts may try to stimulate deterrence in society for such grievous criminal offences.
7. **Specific reservation for third gender:** To promote the participation of transgender individuals, the state should implement special reservations at all levels of employment, specifically for the third gender.

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