



# INTERNATIONAL JOURNAL OF ADVANCE RESEARCH, IDEAS AND INNOVATIONS IN TECHNOLOGY

ISSN: 2454-132X

Impact Factor: 6.078

(Volume 7, Issue 3 - V7I3-1255)

Available online at: <https://www.ijariit.com>

## An investigation into the causes behind gender inequality in India with a special focus on possible solutions and analysis of the progress already made

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### ABSTRACT

*This paper is conceptualised around gender inequality in India. It explores the causes of gender inequality and provides solutions for bridging the gap- one being financial literacy. It and also highlights several government initiatives undertaken to bridge the gap and empower females. It briefly summarises the outcomes gained from the interviews which were conducted with some of the women at senior-most positions in the Corporate sector in India. It explores and discusses the significant progress which has been made in the corporate sector and with the emergence of the service sector as a big contributor to India's GDP.*

**Keywords**— Gender Inequality, Corporate Field, India, Women Entrepreneurs, Financial Literacy and Education, Government

### 1. BACKGROUND

Gender equality has been one of the major concerns all over the world. In India, women were considered as an oppressed section of the society and they were neglected for centuries. Male preference was rooted in the traditional Indian society which dictated stereotypes for both gender centuries back. On one hand where boys were encouraged to be tough, outgoing and given the responsibility of earning income, girls were forced to be obedient and confined to learning how to manage a household.

Gender inequality exists in the form of socially constructed, predefined gender roles firmly anchored in India's sociocultural fabric that has deep cultural and historical roots. (Gender Inequality Issues in India- Renu Batra 1 and Thomas G. Reio Jr.1-) Studies show that this has also had an adverse impact on the development goals of the country and consequently reduced economic growth. A report by McKinsey Global has estimated that India could add USD 770 billion to its GDP by 2025, simply by giving equal opportunities to women. The present contribution of women to the GDP remains only at 18%. The Indian constitution provides equal rights and privileges for men and women and gives several provisions to improve the status of women in society. Yet, majority of women are still unable to enjoy the rights and opportunities guaranteed to them.

### 2. KEY CAUSES

#### 2.1 Poverty

In India, of the total 30 percent people who are below poverty line, 70 percent are women. Women's poverty in India is directly related to the lack of access to education since childhood, leading to financial dependence on the male figure in the family. A large percentage of women are not encouraged to "follow their dreams" or even attain financial independence.

The poverty can be accredited to absence of economic opportunities and autonomy, inheritance laws, lack of access to education and support services and limited participation in the decision-making process. Poverty stands as one of the root causes of gender discrimination in our patriarchal society and the economic dependence on the male counterpart, especially in rural India is itself a cause of gender disparity in the Indian society.

#### 2.2 Illiteracy

Educational backwardness of the girls has been one of the causes of gender discrimination. The disparities become more visible between male and female literacy rate, during 2001. The literacy rates for males increased from 56% in 1981 to nearly 76% in 2001. The corresponding change in female literacy rate from 30 to 54%.

At the state level female literacy rate varies from 35% in Bihar to 88% in Kerala. In States like Arunachal Pradesh, Assam, Bihar, Jammu and Kashmir and Rajasthan, the female literacy rate is below 50%. The progress towards education by girls is slow and gender disparities persist at primary, upper primary and secondary stage of education. Girl's account for only 43.7% of enrolment at primary level, 40.9% at upper primary level, 38.6% at secondary level and 36.9% at degree and above level.

### **2.3 Conflict between professional and personal life**

Women are not able to resolve the conflict between new economic and old domestic roles. In both rural and urban India, women spend a large proportion of time on unpaid home sustaining work. Women are not able to respond to new opportunities and shift to new occupations because their mobility tends to be low due to intra-house hold allocation of responsibilities.

Rights and obligations within a house hold are not distributed evenly. Male ownership of assets and conventional division of labour reduce incentives for women to undertake new activities. In addition, child bearing has clear implications for labour force participation by women. According to a study, while 90% women think about withdrawing from their job after conceiving a child, only 10% of men have second thoughts about quitting their job.

Time spent in bearing and rearing of children often results in de-skilling, termination of long-term labour contracts. Women have to often start from scratch and prove their competency repeatedly after they return from a maternity leave. Thus, women are not being able to be economically self-sufficient due to the imbalance between their personal and professional life since managing a household and aspiring for a senior position in a company simultaneously is very demanding and challenging.

### **2.4 Social Customs, Beliefs and attitude**

Women are not free from social customs, beliefs and practices. The traditional patrilineal joint family system confines women's roles mostly to the domestic sphere, allocating them to a subordinate status, authority and power compared to men. Men are perceived as the major providers and protectors of a family while women are perceived as playing only a supportive role, attending to the hearth.

The preference for sons and disfavour towards daughter is complex phenomenon that still persists in many places. Sons, especially in the business communities, are considered to be economic, political and ritual assets whereas daughters are considered to be liabilities. The social stigma that women are housekeepers and should be confined to the four walls of the house is perhaps a viable effect of gender disparity.

### **2.5 Lack of Awareness of Women**

Most of the women are unaware of their basic rights and capabilities. They even do not have the understanding as to how the socio-economic and political forces affect them. They accept all types of discriminatory practices that persist in our family and society largely due to their ignorance and unawareness. Women often bear the injustice because they have been conditioned to believe that they are inferior and find it acceptable when they are not treated equally.

Article 15 of the Indian constitution states that the state shall not discriminate any citizen on the grounds of only sex. The irony is that there still is widespread discrimination which is a form of injustice to women.

### **2.6 Workplaces Ethics**

In some workplaces, women are subjected to improper remarks, improper statements about their weight, hairstyles or fashion choices. While most of good companies now do have a zero-tolerance policy about it, more often than not the abuser creates a corrosive and unhealthy environment for the female employee, leaving the woman with no other option but to either resign or tolerate the verbal or physical abuse.

## **3. BARRIERS WHICH INDIAN WOMEN OFTEN FACE**

Women workers in India are faced with lot more challenges than their counterparts in the other countries. Some of the barriers are listed below:

### **3.1 Rural India Legacy and Issues**

In rural areas, especially in the Hindi heartland, gender disparity is significant. Women continue to be relegated to household tasks, with little or no say in economic decisions. Levels of literacy, nutrition and access to health care needs improvement. The patriarchal customs have impeded female mobility, access to basic healthcare and access to education and have led to forced marriages. Gender-based violence in the form of domestic, sexual and physical violence needs to be further brought down.

### **3.2 Safety concerns**

With girl education being encouraged throughout the country and migration of rural to urban, safety concerns are bound to arise. Even though for a moment we may hypothetically consider that the cerebral opportunities provided are equal for male and female, but the safety of women remains a concern in India. Indian women are constantly in a state of high alert when alone on the streets, at work or in the markets. Studies reveal that even a majority of working women suffer domestic abuse from their husbands.

### **3.3 Household responsibilities**

Due to the unequal division of household responsibilities in India which has been going on for centuries, all the burden of ensuring the smooth functioning of a household lies on the shoulder of an Indian woman. In India mostly it is women who have to do household as cook, clean the house, do the dishes, wash clothes, care of children and men do not share on most of the household works. Men do that work that is to be dealt outside the house.

Marriage is one of the turning points for women where many of them leave their jobs in order to adjust with their new family and take over the duties of a homemaker. Conceiving children is another major hurdle for women when they start to second-guess their decision of continuing their job. According to a survey, more than 90% of the working women consider quitting their jobs in order to take care of their first-born child.

#### 4. SOLUTIONS

##### 4.1 Financial literacy

Financial literacy is the first and foremost solution to bridging the gender gap. Educating the girls about the eighth wonder of the world- the power of compounding is going to be a game-changer.

##### 4.2 Compound interest

In common terms refers to receiving interest in your interest. Albert Einstein described it the best as “He who understands it, earns it... He who doesn’t... pays it...”

Taking a simple example to demonstrate **the power of compounding**, if you invest Rs. 1 lakh properly today under compound interest.

Rate	7%	12%	15%	20%
10 years	2,00,000	3,26,000	4,36,000	12,80,000
20 years	4,01,000	10,65,000	19,00,000	50,00,000
30 years	8,02,000	35,00,000	83,00,000	3,50,00,000

Rs. 1 Lakh will become Rs. 83 Lakhs in 30 years @ 15% p.a. quarterly compounding

There are multiple **saving instruments** that women should be informed about to enable them to invest and attain financial security. The following table demonstrates the multiple saving instruments along with the estimated rate of return.

F(x, y, z)	Yield		
(x, y, z)	Risk	Tenor	Liquidity

SBI 1 year FD Rate	4.9%
SBI 5 year Recurring Deposit	5.8%
5 year National Saving Certificate (NSC)	6.8%
Kisan Vikas Patra	6.9%
Public Provident Fund	7.1%
Sukanya Samridhi Yojana	7.6%
Gold (Historical Returns)	8.9%
Average SIP Mutual Fund (Debt)	6-8%
Average SIP Mutual Fund (Equity)	12-15%
Real Estate – Land	15-18%

If a woman understands how to invest wisely in different asset classes and has even a small portion of her savings, she can leverage on this concept.

> Age ----- < **Risky investments (Bonds & Saving schemes)**

< Age ----- > **Risky investments (Stocks & Equity MF)**

Even if one saves and starts with a small amount, example Rs. 10,000 and invests the 10,000 every quarter in SIP (Systematic Investment Plans), the following table demonstrates the return over the years, giving a broad idea about how effective this can be when leveraged upon.

Rate	7%	12%	15%	20%
10 years	5.92 lakhs	7.8 lakhs	9.4 lakhs	12.8 lakhs
20 years	17.5 lakhs	33 lakhs	50 lakhs	102 lakhs
30 years	41 lakhs	116 lakhs	225 lakhs	733 lakhs

The savings will become Rs. 2.25 crores in 30 years @ 15% p.a. quarterly compounding. A scheme offered by the Indian Government which every person should have for the girl child in their family is the **Sukanya Samridhi Yojana**.

Some important aspects which give an overview about this scheme are:

- Available for girl child
- Good returns
- Can invest up to Rs. 1.5 Lacs/ year up to 15 years
- Matures after 21 years
- Purpose: Education & Marriage

Besides this scheme, the Government has also played a huge role in attaining gender equality over the years.

## 5. GOVERNMENT'S ROLE

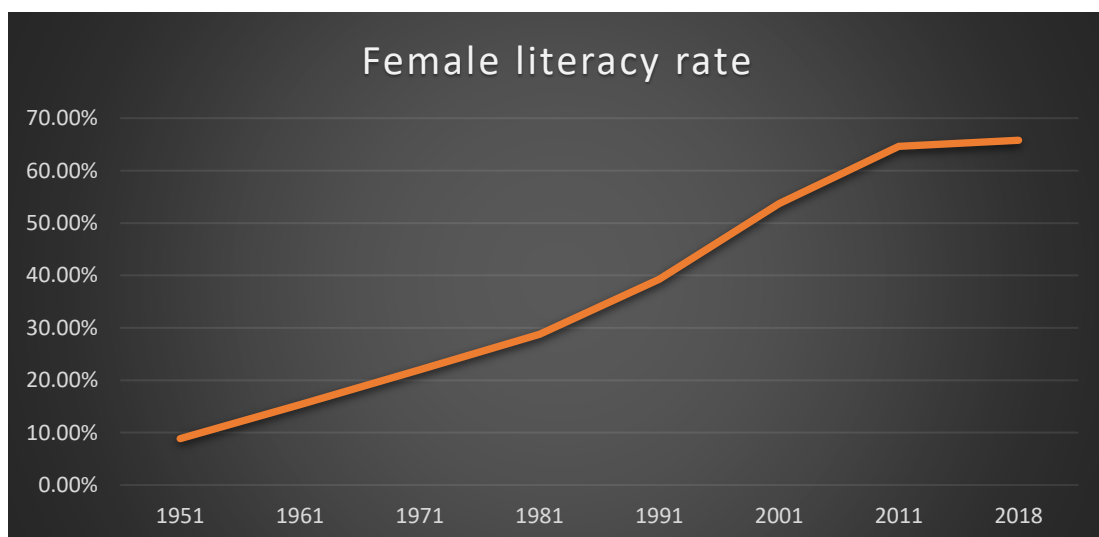
The Indian government has recognized issues/challenges faced by women and their importance to the country's economy. India's journey to bridge gender inequality started with prohibiting discrimination between genders through Article 14 to 16 of the Indian Constitution. Indian women received right to vote during independence in 1947, long before several western countries granted women the right to vote. India was the 2<sup>nd</sup> country in modern history which had a female leader, Indira Gandhi, in 1966. Various initiatives taken by successive governments have played part in bridging the gap between men and women and uplift of women in the society. Here are some of the women empowerment initiatives undertaken by the Government:

- **Beti Bachao, Beti Padhao:** This is a social campaign aimed at eradication of female foeticide and raising awareness on welfare services intended for young Indian girls.
- **Mahila E-haat:** It is a direct online marketing platform launched by the Ministry of Women and Child Development to support women entrepreneurs, Self Help Groups (SHGs) and Non- Governmental Organisations (NGOs) to showcase products made and services rendered by them.
- **One Stop Centre Scheme:** The One Stop Centres are established at various locations in India for providing shelter, police desk, legal, medical and counselling services to victims of violence under one roof integrated with a 24-hour Helpline.
- **Working Women Hostels:** The objective of the scheme is to promote the availability of safe and conveniently located accommodation for working women, with daycare facility for their children, wherever possible, in urban, semi-urban, or even rural areas where employment opportunity for women exist.
- **SwadharGreh:** The scheme provides shelter, food, clothing and care to the marginalized women/girls who are in need. The beneficiaries include widows deserted by their families and relatives, women prisoners released from jail and without family support, women survivors of natural disasters, women victims of terrorist/extremist violence etc.
- **STEP:** The Support to Training and Employment Programme for Women (STEP) Scheme aims to provide skills that give employability to women and to provide competencies and skill that enable women to become self-employed/ entrepreneurs.
- **Nari Shakti Puruskars:** The Nari Shakti Puruskars are national level awards recognizing the efforts made by women and institutions in rendering distinguished services for the cause of women, especially vulnerable and marginalized women.
- **Balika Samriddhi Yojana:** The Balika Samriddhi Yojana is a scholarship scheme designed to provide financial support to young girls and their mothers who are below the poverty line.
- **CBSE Udaan Scheme:** The CBSE Udaan scheme for girls is administered by the Central Board of Secondary Education through the Ministry of Human Resource Development, Government of India. The focus of this scheme is to increase the enrollment of girls in prestigious engineering and technical colleges across India.

## 6. EDUCATION

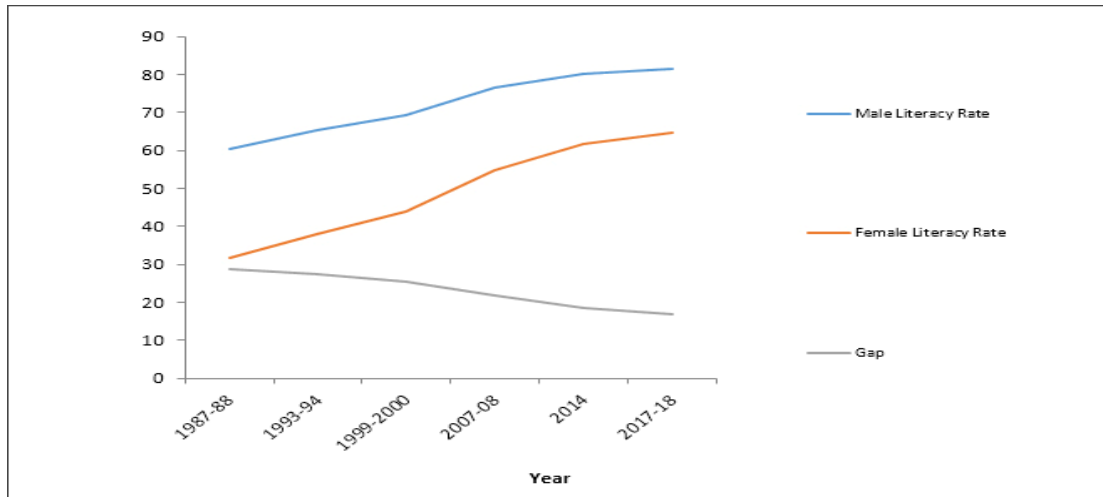
Literacy and level of education are basic indicators of the level of development achieved by a society. Higher levels of education and literacy, particularly of female literacy, lead to a greater awareness and also contributes in improvement of economic and social conditions.

It acts as a catalyst for social upliftment, enhancing the returns on investment made in almost every aspect of development effort, be it population control, health, hygiene, environmental degradation control, employment of weaker sections of the society. The female literacy ratio has improved from 8.86% in 1951 to 65.8% in 2018.



Source: Ministry of statistics and program implementation and Statistics

A negative correlation has also been observed between family size and female literacy. Continued focus on female literacy will also help control the population growth. About 3 decades ago, the adult male literacy rate in India was almost twice that for adult females. While this gap has narrowed substantially over the years, adult male literacy rate (81.5%) was more than adult female literacy rate (64.6%) by about 17% in FY2018.



Source: National Sample Survey

Education will play a key role in bridging the gap. Education of women and their participation in the workforce will enable them to be financially independent. They will be confident to take their own decisions. Not only this, but also as the saying goes, “when you educate a man, you educate one human. But when you educate a woman, you educate the entire family.” Education of women will lead to greater awareness among all families and will help shatter the glass ceiling. There are several women breaking free from the stereotypical norms and creating a path for themselves.

## 7. PROGRESS

### 7.1 Women are slowly but surely creating an impact

With help from social reformers, women of India slowly have started recognizing their true potential. She started questioning the rules laid down for her by the society and started breaking barriers and earned a respectable position in the world. Today Indian women have excelled in each and every field from social work to visiting space station. There is no arena, which remained unconquered by Indian women. India’s political landscape has been influenced by women with key leaders like Vijaya Lakshmi Pandit, Indira Gandhi, Sheila Dixit, J Jayalalithaa, Sushma Bhardwaj, Mamta Banerjee gaining national prominence. In 2019, India elected women to fill 78 of the 542 seats in the lower house of parliament, a record high. Women have also excelled in world of sports with likes of P.T Usha, Saina Nehwal, Karnam Malleshwari, P.V Sindhu, Sania Mirza winning accolades for India.

Not only this, but according to many studies, the representation of women on the boards of companies taking important decisions has often served as very beneficial. The former UN ambassador Samantha Power told The Atlantic in a video interview that the presence of six women during her tenure on the organization’s 15-member Security Council enabled a culture of “more interaction, more listening.” (Samantha Power on Diplomacy, Motherhood, and the 24-7 Job ‘of a Lifetime,’” The Atlantic)

The public recognizes the value that women bring to the table: in a survey of 64,000 people across the globe, two-thirds of respondents agreed that the world would be a better place if men thought more like women. (J. Gerzema and M. D’Antonio, The Athena Doctrine (San Francisco, CA: Josey-Bass, 2013). Often in business negotiations, the end goal is not total victory. Instead, it is a deal that also preserves trust and commitment in a key relationship—with a customer, a supplier, or even a manager. Consistent with positive gender stereotypes, the evidence suggests that these are outcomes that women excel at achieving. Only when women are given the credit, they deserve will we bridge the gender divide.

Women in India’s corporate world namely Kiran Majumdar Shaw, Indra Nooyi, Vidya Mohan Chhabaria, Sullaija Firodia Motwani, Mallika Srinivasan have time and again shattered the proverbial glass ceiling and have been a constant source of inspiration to budding female entrepreneurs and professionals. From around 25 years back when there was only 1 woman leading a company under the list of top 100 companies by Market Capital in India, today there are 9 of them. Although at a slow pace, the change is taking place and the situation is moving in the right direction. An example that progress is slowly taking place is when the Section 149 (1) of Companies Act, 2013 made it necessary for the listed companies and certain other public companies to appoint at least 1-woman director on its board. Many similar regulations can be put in place to increase the representation of women at senior positions. This would not only bridge the gender gap but also have a positive impact on the economic growth and output as stated previously by citations for several articles.

### 7.2 Increase in the number of Women Entrepreneurs

Traditionally, woman’s role was defined by the relationships she shared with the men in her life. However, over the last thirty years, an encouraging shift away from this chauvinistic paradigm has been noticed. As the barriers of discrimination are being torn down, we are witnessing women rising to the top of their chosen fields; including traditionally male-dominated bastions such as science, business, politics, and finance.

Women Entrepreneurship over years has changed drastically. Government support, policies and community support has widened multiple avenues for women to establish and sustain their ventures. India has been hailed as one of the fastest growing start-up ecosystems in the world, with 11% of the adult population being directly engaged in early stage entrepreneurship. The share of women entrepreneurs in the modern start-up ecosystem is also steadily rising.

According to Sixth Economic Census released by the Ministry of Statistics and Programme Implementation, women constitute around 14% of the total entrepreneurship i.e. 8.05 million out of the total 58.5 million entrepreneurs' in India. Further, the share of women in the non-agriculture sector constitutes about 65% of all women entrepreneurs, amounting to 5.29 million women. India has seen a steep rise in the number of women driving in as founders and helping others build large businesses.

The steady progress is being made in the corporate and business world where rather than gender, the competency is determining the opportunities which are being given. Although the picture is far from ideal, the change is taking place.

### **7.3 Key takeaways from interviews conducted**

Interviews were conducted with a few women in India at senior positions in the corporate world, inquiring about their journey, the barriers they faced and overcame to reach where they are, their take on gender equality inside corporations, etc. The conclusion and overall theme from these interviews is consistent with the researched information. They agreed that education played a crucial role. Some of them were encouraged to be independent decision-makers since childhood which greatly shaped their character and boosted their confidence.

The next important factor was their upbringing and personal life. Although marriage can be a hurdle, if one is married into an open-minded family who support and encourage them, "everything becomes much easier". They do question the continuity of their professional life once they conceive their first child but having a strong support system when they doubt their decision plays an extremely important role.

When asked about equality within the organisation, they had surprisingly positive answers. Most of them confirmed that the equality policies in place are implemented and they have not faced discrimination. One subject cited an instance where she had just returned from her maternity break and another male colleague who had taken a long break to pursue masters in a particular subject had returned as well. When they returned, there was no discrimination on basis of gender or the reason they took the break, rather they were welcoming warmly.

On further questioning, they did reveal that they had to struggle and sacrifice to reach to a senior position. But, the extent to which they were willing to take the risk was determined by them and their decision was supported by their family. These are some of the key takeaways from the interview conducted with a few women who are among the most powerful and inspirational figures in the corporate world in India.

## **8. CONCLUSION**

India's journey on women empowerment and gender equality started when it became a sovereign state in 1947. While visible gains have been made through legal reforms, human development and grassroots initiatives, she still has a long way to go in many areas of women empowerment. A more concerted effort is needed to close the urban-rural divide and ensure that women in rural areas enjoy the same access to education, employment, healthcare and decision-making as their urban counterparts. The hardest challenge will be to change attitudes, given that many barriers to women empowerment are attributed to patriarchal and patrilineal traditions that are deeply entrenched in many Indian societies.

It can be said that today we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate. Efforts are being taken at the economy as brought promise of equality of opportunity in all spheres to the Indian women and laws guaranteed equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. Women are nearly 45% of the Indian population. At this juncture, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. Resurgence of entrepreneurship is the need of the hour emphasizing on educating women strata of population, spreading awareness and consciousness amongst women to outshine in the enterprise field, making them realize their strengths, and important position in the society and the great contribution they can make for their industry as well as the entire economy.

If every citizen works with such an attitude towards respecting the important position occupied by women in society and understanding their vital role in the modern business field too, then very soon we can remove the biggest barrier in our country's development process. Expecting to completely eradicate gender inequality is a far-fetched and slightly unrealistic thought. But, ensuring that women do not leave their education or jobs under someone else's pressure is our collective responsibility. If not having a 1:1 ratio in every field, the one aspect we can try to achieve is that every woman is given the opportunity to develop the skills necessary for her financial independence and autonomy regardless of the path she takes later in life- of either being a working woman or devoting her entire time to her family.

Women entrepreneurs need more support from their families and social circles to pursue their entrepreneurial ambitions. Household and care duties should not be understood as women's sole responsibility. The pandemic has pushed male to do a part of household job and I wish that post-pandemic, this would continue and the duo shall work together for the progress of India.

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