



LEVERAGING DIGITAL GOVERNANCE FOR INCLUSIVE ECONOMIC GROWTH: GST REFORMS AND FISCAL FEDERALISM IN TAMIL NADU

Editors

Dr. A. Anandhiprabha

Dr. M. Jeeva

Ms. A. Gomathi

Dr. S. Mahalakshmi

Volume - II

A One Day National Seminar on

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© **Dr. A. Anandhiprabha**
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LEVERAGING GST REFORMS AND DIGITAL GOVERNANCE FOR WOMEN’S ECONOMIC EMPOWERMENT IN TAMIL NADU



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Abstract

Digital governance has transformed public administration and economic systems in India. One of the major reforms in this direction is the implementation of the Goods and Services Tax (GST), which introduced a unified digital tax framework across the country. GST has simplified indirect taxation, improved transparency, and promoted ease of doing business. For women entrepreneurs and small business owners in Tamil Nadu, digital governance and GST have opened new opportunities for formal market participation, financial inclusion, and business expansion. At the same time, challenges such as digital literacy, compliance costs, and awareness gaps still affect many women-led enterprises. This paper examines the role of GST reforms and digital governance in promoting women's economic empowerment in Tamil Nadu. The study focuses on how digital tax systems, online filing, and transparent governance structures contribute to inclusive economic growth by encouraging women's participation in formal economic activities. The paper concludes that while GST and digital governance have created new opportunities for women entrepreneurs, supportive policies, digital training, and institutional support are essential to maximize their benefits.

Keywords: *Digital Governance, GST Reforms, Women Empowerment, Economic Inclusion, Tamil Nadu*

Introduction

Digital governance has become an essential component of modern public administration, enabling governments to deliver services efficiently, transparently, and inclusively. In India, the adoption of digital technologies in governance has significantly improved service delivery and administrative efficiency. Digital initiatives such as online tax filing, digital payments, and e-governance platforms have simplified interactions between citizens, businesses, and government institutions.

The introduction of the Goods and Services Tax (GST) in 2017 marked a major milestone in India's tax reform process. GST replaced multiple indirect taxes with a unified taxation system, thereby simplifying the tax structure and reducing cascading tax effects. The GST system is largely digital, requiring businesses to register, file returns, and maintain tax records through online platforms. This shift towards digital tax administration has enhanced transparency and reduced tax evasion.

Women play a crucial role in economic development through entrepreneurship, self-employment, and participation in various economic sectors. In Tamil Nadu, women entrepreneurs are actively engaged in small-scale industries, handicrafts, retail businesses, food processing, and service sectors. However, many women-led enterprises remain in the

informal sector due to limited awareness of tax systems, lack of digital literacy, and restricted access to institutional support.

Digital governance and GST reforms provide an opportunity to integrate women entrepreneurs into the formal economy. By simplifying tax compliance and enabling online business operations, these reforms can enhance financial inclusion, market access, and economic empowerment for women. This study examines how GST reforms and digital governance can contribute to women’s economic empowerment in Tamil Nadu.

Objectives of the Study

The study is conducted with the following objectives:

- To examine the role of digital governance in improving economic participation among women entrepreneurs in Tamil Nadu.
- To analyze the impact of GST reforms on women-owned small and medium enterprises.
- To identify the opportunities created by digital tax systems for women’s economic empowerment.
- To explore the challenges faced by women entrepreneurs in adapting to GST compliance and digital governance systems.
- To suggest policy measures to enhance women’s participation in the digital economy.

Review of Literature

Rao and Kumar (2018) studied the impact of GST implementation on small businesses in India and found that GST improved tax transparency and reduced the complexity of the indirect tax system. However, the study highlighted that small entrepreneurs initially faced difficulties adapting to digital compliance procedures.

Sharma (2019) analyzed the role of digital governance in public administration and concluded that e-governance initiatives enhance transparency, reduce administrative delays, and promote inclusive development.

Kumar and Prasad (2020) examined GST’s influence on micro and small enterprises and observed that digital tax filing and input tax credit systems encourage businesses to formalize their operations.

Nayyar (2021) emphasized that women entrepreneurship plays a vital role in economic development and noted that digital platforms can help women entrepreneurs access broader markets and financial services.

Sundaram and Ramesh (2022) explored the challenges faced by women entrepreneurs in Tamil Nadu and found that digital literacy and technological awareness are critical factors influencing business growth and sustainability.

Overall, previous studies suggest that GST reforms and digital governance have the potential to improve economic transparency, business formalization, and financial inclusion. However, their effectiveness in empowering women entrepreneurs depends on access to digital infrastructure, training, and supportive policies.

Methodology

The present study is **descriptive and conceptual in nature** and is based on **secondary data sources**.

Sources of Data

The study uses information collected from the following sources:

- Government reports related to GST and digital governance
- Publications of the Ministry of Finance and GST Council
- Research articles from academic journals
- Reports on women entrepreneurship and digital economy
- Books, policy documents, and reliable websites

Method of Analysis

The collected information is analyzed using **qualitative and descriptive analysis** to understand the relationship between GST reforms, digital governance, and women’s economic empowerment.

Discussion

Digital Governance and GST Implementation

Digital governance refers to the use of digital technologies by governments to improve public service delivery, transparency, and administrative efficiency. In India, the GST framework operates through an online platform that enables businesses to register, file tax returns, and track transactions electronically.

The GST Network (GSTN) provides a digital interface that connects taxpayers, businesses, and government authorities. This digital system reduces paperwork, minimizes corruption, and ensures greater transparency in tax administration.

Opportunities for Women Entrepreneurs

The introduction of GST and digital governance has created several opportunities for women entrepreneurs in Tamil Nadu:

- **Simplified business registration through online platforms**
- **Access to wider markets and supply chains**
- **Improved financial credibility for obtaining bank loans**
- **Digital payment systems supporting transparent transactions**
- **Access to government schemes and financial support programs**

Women entrepreneurs can benefit from these reforms by formalizing their businesses and expanding their economic activities.

Extended Discussion: Digital Inclusion and Women’s Economic Participation

Digital governance not only simplifies taxation but also strengthens economic inclusion by encouraging more individuals to participate in the formal economy. For women

entrepreneurs, digital platforms provide greater flexibility in managing business activities and accessing government services.

In Tamil Nadu, various government initiatives have been introduced to promote women entrepreneurship and digital literacy. Training programs organized by government departments, entrepreneurship development institutes, and self-help groups help women understand digital platforms, tax systems, and online business management.

Digital payment systems such as online banking, mobile payments, and e-commerce platforms have also created new opportunities for women-owned enterprises. Women entrepreneurs can now sell products through online marketplaces, expand their customer base, and manage financial transactions more efficiently.

However, certain barriers still limit the full participation of women in digital economic activities. Limited digital literacy, lack of awareness about GST compliance procedures, and insufficient access to digital infrastructure remain major challenges. Women entrepreneurs in rural and semi-urban areas often face difficulties in understanding tax filing procedures and maintaining digital records.

To address these challenges, government agencies and financial institutions should provide targeted training programs on digital governance and GST compliance. Special support schemes for women entrepreneurs, including financial assistance and technical guidance, can help improve their participation in the formal economy.

Encouraging digital literacy and improving access to technology will enable women entrepreneurs to fully benefit from GST reforms and digital governance initiatives.

Conclusion

GST reforms and digital governance represent significant steps toward improving economic transparency, administrative efficiency, and inclusive development in India. For women entrepreneurs in Tamil Nadu, these reforms provide opportunities to formalize their businesses, expand market access, and strengthen financial inclusion.

However, the success of these reforms in empowering women depends on the availability of supportive infrastructure, digital training, and policy support. Governments and institutions must focus on improving digital literacy, increasing awareness of GST procedures, and providing financial assistance to women-led enterprises.

By strengthening digital governance and promoting women entrepreneurship, Tamil Nadu can achieve more inclusive economic growth and sustainable development.

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