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Women's Economic Independence in India: From Participation to Empowerment

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Abstract

Women's economic independence is an important base for gender equality, individual autonomy and development in real terms. In Indian economy women in history have made significant contributions in agricultural sectors, households, family businesses, wage labour sector and also unpaid domestic work. Though much of this contribution has not been economically valued and has remained almost invisible. But as the time has changed, last decade saw some major changes in terms of women's participation in economic activities which was seen through increased number of female labours, more of women's financial inclusion and a large number of women entrepreneurs. Unfortunately, the transition from economic participation to a real and genuine economic independence still remains a debatable topic. Therefore, this chapter is an attempt to examine women's economic independence in Indian economy by the study of three interconnected parameters i.e. employment and work, entrepreneurship and self-employment, and financial inclusion and economic decision-making. It also analyses the effect of education and skill levels, unpaid work, social norms, mobility constraints, digitalisation and access to social protection. Using a qualitative and analytical methodology which is based on secondary data and the available literature, this study puts forward that women's economic independence cannot be only be just measured by employment or bank-account ownership but requires meaningful control over their income levels, financial resources, productive assets, time and economic decisions. Also the current work suggests the need of an integrated policy framework focused on decent employment, development of businesses, financial agency, care infrastructure, safe mobility, digital empowerment, social protection and gender-responsive institutions. It states that strengthening women's economic independence is not simply a matter of one's empowerment but is a necessary condition for equitable and sustainable social and economic development in the country.

Keywords: Women's Economic Independence, Women's Empowerment, Female Labour Force Participation, Women Entrepreneurs, Financial Inclusion, Unpaid Care Work, Decent Work, Gender Equality.

Introduction

Women's economic independence is nowadays one of the major parameters defining gender equality and sustainable development. Economic independence gives a person the resources and power necessary to make choices in their lives. But for women, economic independence is beyond just the concept of income generation. It includes access opportunities of employment, ownership rights over productive resources, financial services, entrepreneurship, social protection, control over income, say in household's decisions and the capacity to make individual financial choices. Women's economic independence is of utmost importance in Indian economy as women have historically contributed towards the economy both the ways i.e. paid and unpaid activities. Women have participated in agriculture field, household and family businesses, informal sector of employment, domestic work, care work and a variety of community-based economic activities. Unfortunately, a major portion of the contribution has remained invisible when it comes to the conventional measures of economic productivity. This has been highly due to the distinction between paid productive work and unpaid reproductive work.

The country has witnessed sign changes in women participation in labour market recently. According to the Economic Survey of 2025–26, the female labour force participation rate for women between the age bracket of 15 years and above under usual status raised from 23.3% in 2017–18 to 41.7% in 2023–24 (Government of India, 2026). This depicts a substantial improvement in the relationship between women and the labour market. But one urgent and important matter of concern is the gender gap which still remains substantial. The Periodic Labour Force Survey (PLFS) stated that the female labour force participation rate under usual status was 40.3% in 2024 as compared to 79.2% for men. The female rate was 45.8% in rural parts of the country and 27.6% for urban parts of the country (Ministry of Statistics and Programme Implementation [MoSPI], 2025a). These statistics indicate that the rising participation should not be confused to be the evidence for elimination of gender inequality in the labour market but the nature, kind and quality of women's work is of utmost importance. Participation in low-paying jobs, informal sector or insecure employments may be seen as source of income but they may not necessarily provide sustained economic independence. There can be chances of problems of occupational segregation, wage inequalities, limited career advancement and inadequate social protection for women. Thus, the main question is not just that whether women are working or not but whether their work provides them with an adequate amount of income, security, respect, bargaining power and control over resources.

Women participation in entrepreneurship lead to economic independence as Entrepreneurship enables women to create employment opportunities for themselves and also others while giving them access to more control over working arrangements.

Though still women-owned and managed enterprises are concentrated largely in micro and small-scale activities only. As per the Ministry of Micro, Small and Medium Enterprises (MSME), women owned 20.37% of proprietary MSMEs in 2023–24, with women’s ownership accounting for 22.24% of rural proprietary MSMEs and 18.42% of urban proprietary MSMEs (Ministry of MSME, 2024).

Financial inclusion also has increased opportunities for women. By 2024, an approx. of 89.2% of women aged 15 years and above in the country had an account at a financial institution or mobile-money service provider as compared to 88.8% of men (World Bank, 2026). This is an indication of a drastic transformation in women’s access to formal financial institutions. Though, account ownership alone cannot be confused with financial independence. Women are also required the to use the accounts actively, do savings independently, access credit and insurance services, make financial decisions on their own and control their own resources. Addressing this concern, this chapter is the study of relationship between women’s economic participation and economic independence in our country. It emphasis on three parameters: **employment and decent work; entrepreneurship and self-employment; and financial inclusion and economic decision-making**. These dimensions are examined within the extended contexts of education, unpaid care work, social norms, mobility, digitalisation and public policy.

Conceptualising Women’s Economic Independence

Economic independence is a multidimensional concept. A narrow definition including employment or income is unable to address the equation of women’s economic lives. For the purpose of this chapter, women’s economic independence is understood as: **The capacity of women to participate in productive economic activity and to earn, control, save, invest and make decisions related to economic resources with freedom**. This definition includes five interconnected and important dimensions.

- **Income and Employment**

The first dimension is the ability to earn income by employment or self-employment. This kind of regular and adequate source of income can decrease women’s economic dependence level and rise their bargaining power.

- **Control Over Earnings**

Simply earning of Income is not a guarantee of economic independence. A woman may earn but may have partial or no control over it. Thus, control over income is very crucial.

- **Financial and Asset Ownership**

Bank accounts, savings, insurance, land, housing, business assets and other productive resources do give a sense of economic security. As Asset ownership leads to strengthening of women's bargaining position in the households.

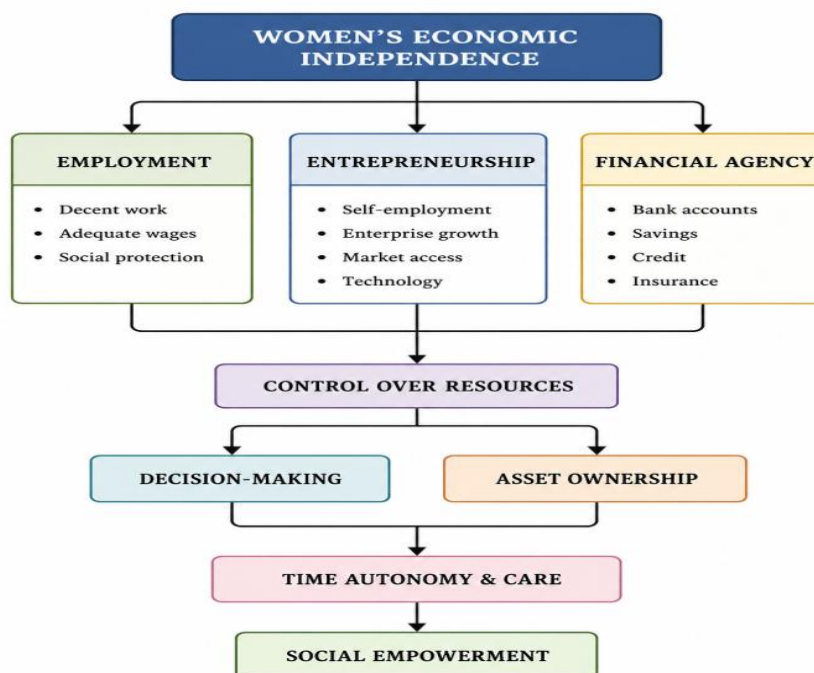
- **Economic Decision-Making**

Economic independence in real sense happens when there is participation in decision making process involving matters of household's expenditure, educational expenses, healthcare decisions, saving, investment and purchase matter.

- **Time and Care Autonomy**

Women are unable to have complete economic independence when more unpaid domestic and care responsibilities limit their capacity to get education, employment or entrepreneurship opportunities. Therefore, Time autonomy should be an important part of economic empowerment.

Figure 1: Multidimensional Framework of Women's Economic Independence



The framework given above depicts that **women's economic independence** depends on three main dimensions: **employment, entrepreneurship, and financial agency**. These provide women with income, employment, business opportunities, access to markets and technology, and financial

resources like bank accounts, savings, credit, and insurance. Summing up these factors strengthen their **control over resources**, which is seen in better **decision-making and asset ownership rights**. This increased control can lead to **time autonomy and care-related choices** which contributes to more **social empowerment**.

Objectives of the Study

The chapter has the following objectives:

- To study the changing pattern and level of women's economic participation in Indian economy.
- To examine employment and decent work as away to women's economic independence in India.
- To analyse entrepreneurship and self-employment as important parameters of women's economic empowerment.
- To know the importance of financial inclusion in strengthening of women financial autonomy.
- To discuss the relationship between unpaid care work and economic opportunities for women.
- To identify the important social, economic and institutional obstacles in the way of women's economic independence.
- To discuss the relevant policy interventions in country.
- To suggest a comprehensive policy framework to strengthen women's economic independence.

Research Questions

The chapter is an attempt to find out-

- To what level has increase in economic participation led to women's economic independence in Indian economy?
- What obstacles restrict women's decent and productive employment opportunities?
- How entrepreneurship does is a pathway to women's economic autonomy?
- How much has the financial inclusion translated into meaningful financial agency?
- What is the effect of unpaid domestic and care work on women's economic opportunities?
- What policy measures are needed to convert women's economic participation into sustainable economic independence?

Methodology

This chapter uses a **qualitative, descriptive and analytical research methodology which is based on secondary data** without involving any original or primary fieldwork. It is based on the data available from official statistics, policy documents, institutional reports and other important and relevant academic literature. The main sources of data are Periodic Labour Force Survey, the Time Use Survey, Economic Survey documents, Ministry of MSME reports and World Bank financial-inclusion indicators.

The analysis is structured on three basic parameters that are **employment and decent work; entrepreneurship and self-employment; and financial inclusion and economic decision-making**. These are studied in relation with education and skills, unpaid care work, mobility, social norms, digitalisation and social protection.

Women's Employment and Economic Independence

Employment is one of the most important ways to economic independence. Paid employment provides women with personal income, professional experience, social networks and greater bargaining power in household matters.

India has seen a visible increase in women's labour participation rate. The Economic Survey 2025–26 depicts a rise in female labour force participation level from 23.3% in the year 2017–18 to 41.7% in the year 2023–24 (Government of India, 2026). This change is significant because it is an indication of increased level of women participation in labour market. Though still an evident gender gap exists. According to PLFS 2024, female labour force participation under usual status was 40.3% in comparison to 79.2% for men (MoSPI, 2025a). The rural-urban difference is also significant. Female participation was 45.8% in rural areas and as low as 27.6% in urban areas. This rural participation rate is a result of high number of Rural women are being involved in agriculture, family enterprises, casual work and other kinds of informal economic activities. This is a source of livelihood though not with high or stable earnings.

So the quality of employment is of utmost importance. A decent work equates to proper remuneration, good safety levels, social protection, workplace rights and betterment opportunities. The International Labour Organization (ILO, 2024a) focuses that increased women participation should exist with better employment quality, reduction in women's time burdens and removing structural barriers. Therefore, the policy aim should be to movement of women from marginal participation towards **productive, remunerative and secure employment**.

Education, Skills and Employability

Education is a critical requirement for women's economic independence. Education leads to better employment choices, income, increased confidence level and

more awareness about rights. But, one thing should be kept in mind that education does not necessarily provides employment. The path from education to its transition to employment is affected by social norms, marriage, motherhood, family obligations, workplace environment and existence appropriate jobs. Women may have qualifications but they can withdraw themselves from the labour market due to family responsibilities or inadequate wages and workplace conditions. Skills development so must be considered to be linked to actual employment availability. Women should be provided with technical, digital, entrepreneurial, managerial and financial skills.

The ILO mentioned that development of skills, employment opportunities, better infrastructure and transportation and decreased women time can increase women's labour-market participation (ILO, 2024a).

Women's participation should be encouraged in the fields of technology, engineering, manufacturing, logistics, finance, digital services and other more productive areas.

Women’s Entrepreneurship and Self-Employment

Involvement in Entrepreneurship leads to women’s economic independence as it helps in creating of employment for themselves and for others. It is a way to more flexibility but there are many hindrances for women entrepreneurs like limited financial resources and small market networks, limited business data, technological gaps and social expectations from women.

Official MSME data depicts the significance and limitations for women in entrepreneurship. Women accounted for 20.37% of proprietary MSMEs in 2023–24. The proportion was 22.24% in rural areas and 18.42% in urban areas (Ministry of MSME, 2024).

Table 1: Selected Dimensions of Women’s Economic Participation in India

Dimension	Recent evidence	Significance
Female LFPR, 2023–24	41.7%	Indicates substantial increase in women's labour-market participation
Female LFPR, 2024	40.3%	Participation remains considerably below men's rate
Female LFPR, rural, 2024	45.8%	Rural women show higher participation, partly reflecting informal and agricultural work
Female LFPR, urban, 2024	27.6%	Indicates continuing barriers to women's urban employment
Women’s ownership of proprietary MSMEs, 2023–24	20.37%	Indicates significant but limited representation in enterprise ownership
Women with financial accounts, 2024	89.2%	Demonstrates substantial expansion of formal financial access

Sources: Government of India (2026); MoSPI (2025a); Ministry of MSME (2024); World Bank (2026).

The figures above indicate that Indian economy has shown improvement but that participation and access remain different from full economic independence.

The question is the movement of women from **subsistence and survival businesses to productive and growth-oriented businesses**. This needs more working capital, access to better technology and market data, digital platforms, large procurement opportunities, mentoring and business networks.

Financial Inclusion and Women's Economic Independence

Financial inclusion is a crucial component of women's economic empowerment. Formal bank accounts enable women to receive income and government transfers, save money, do payments and have credit and insurance facilities. Indian economy has shown great improvement in this area.

The World Bank's Gender Data Portal highlights that about 89.2% of Indian women of age group of 15 years and above had an account at a financial institution or mobile-money service provider in 2024, in comparison to 88.8% of men (World Bank, 2026). This reduced gender gap in account ownership is a considerable achievement and progression. Though merely opening of an account can't be termed as financial inclusion. It is only when this bank account is used by women independently use it for receiving and retaining income, saving money, borrowing, insuring themselves and to make financial decisions of their own, it can be termed as financial inclusion. Thus, Financial literacy and digital literacy are very important parameters of account ownership.

Table 2: From Financial Inclusion to Financial Independence

Stage	Basic access	Empowerment-oriented outcome
Banking	Bank account	Independent and active account use
Savings	Ability to deposit	Regular personal savings
Credit	Access to loan	Affordable productive credit
Digital finance	Digital account/payment facility	Independent digital transactions
Insurance	Policy availability	Protection against economic shocks
Investment	Financial products available	Women's independent investment decisions
Financial literacy	Information	Capacity to evaluate financial choices
Decision-making	Household financial participation	Meaningful control over resources

Source: Author's conceptual synthesis.

The next phase of financial inclusion should be of **financial agency**.

Digitalisation and Women's Economic Empowerment

Digitalisation has led to increased opportunities for women's employment and entrepreneurship. Now, Women are increasingly using digital platforms for

various purposes like online education, remote work, e-commerce, digital payments, marketing and customer communication. For entrepreneurs working from home and rural areas digital platforms have reduced geographical barriers and has led to expanded market access. Though digitalisation can also pave way to existing inequalities as problems of smartphone ownership, internet access, digital literacy and control over digital financial accounts can be witnessed. Therefore, digital inclusion should promote development of **digital capability**. Women should independently make use of digital banking, online market platforms, digital payments, social media marketing, government portals and educational platforms.

Unpaid Domestic and Care Work

One of the most important obstacle in the way of women's economic independence is unpaid domestic and care work. Women spend major time in cooking, cleaning, taking care of children and aged people of the house and other household chores. These activities are low in economic value and do not generate monetary income. The Time Use Survey 2024 depicts that participation of paid and unpaid activities in our country and focuses on the significance of time allocation in analysing women's economic participation (MoSPI, 2025b).

The unequal distribution of unpaid work creates a major opportunity cost. Time spent on unpaid care reduces the time available for education, paid employment, entrepreneurship and leisure. Women's time limitations and investment in care infrastructure sector is a critical parameter for improving women's employment rates according to ILO (ILO, 2024a). On the other hand childcare, eldercare, maternity care and flexibility in working hours should be considered as an important economic infrastructure than merely welfare interventions.

Gender Norms and Women's Economic Choices

Women's economic decisions are effected largely by social rules. Lot of factors like marriage, motherhood, family status, domestic responsibilities and suitable choice of occupations influence women's employment decisions like which occupations they choose and which they don't. Mobility is other important factor that needs attention because even if Employment opportunities are available it is practically useless if they are not accessible. The Economic Survey 2025–26 highlights factors like mobility limitations, unaffordable housing facilities and rigid work arrangements are the barriers in the path of women's employment (Government of India, 2026). Thus, improvement in transportation, housing, childcare facilities along with safe workplaces need attention.

Informal Employment and Social Protection

A major segment of working women in our country are involved in the informal sector for employment. This sector creates livelihood opportunities but have problems like limited social protection, insecure income, lack of formal contracts and

access to paid leave or retirement or other benefits. This form of employment may give a sense of flexibility but has less remuneration and limited market power. Thus, social protection is important for economic independence. Women workers need facilities like health insurance, maternity, pensions, accident protection and income-support machinery.

Women's Economic Independence and Household Decision-Making

Income can effect a woman's bargaining capacity within their households, but earning alone dis not a guarantee of independent decision-making. The critical point is the distinction between **contribution** and **control**.

Women's economic independence should therefore be measured through:

- control over income
- ownership of bank accounts
- own savings
- ownership of land/housing/assets
- credit facilities
- say in decision making
- control over business and its income
- freedom employment decisions.

Intersectionality and Unequal Experiences

Women do not have equal economic opportunities. Factors like Class, creed, caste, location, education level, disability, age, marital status and family structure effect their economic opportunities. A good educated urban woman engaged in the formal sector may experience the labour market in a different way in comparison to a rural woman involved in agricultural labour or home-based production. Consequently, national averages should be interpreted carefully. Policies should pay particular attention to women who face multiple disadvantages, including rural women, women from disadvantaged communities, women with disabilities, migrant women, single women and women employed in informal occupations. An intersectional approach is essential if economic independence is to become broadly accessible.

Government and Institutional Interventions

The Government of our country has launched many initiatives to strengthen women's financial inclusion, entrepreneurship, skills and employment levels. Such initiatives demonstrate the importance of state support. However, policy effectiveness should not be evaluated only by the number of women enrolled or beneficiaries reached.

Long-term evaluation should examine:

- income generated;
- business survival;
- enterprise growth;
- employment created;
- savings accumulated;
- assets acquired;
- access to markets;
- financial decision-making; and
- improvement in women's bargaining power.

The focus should therefore shift from **programme participation to measurable economic outcomes**.

Discussion: From Participation to Economic Agency

The evidence reviewed in this chapter suggests that India is experiencing an important transition in women's economic participation. Female labour force participation has increased substantially, women's financial account ownership has expanded and women continue to enter entrepreneurship and self-employment. However, participation should not be treated as synonymous with independence.

A woman working in insecure employment at a low wage may remain economically vulnerable. A woman who owns a bank account but does not control it may have limited financial autonomy. A woman running a small business without access to capital or markets may remain trapped in subsistence entrepreneurship. The concept of economic independence therefore requires a shift from **quantity to quality**.

The central policy question should no longer be simply:

"How many women participate in the economy?"

It should also ask:

"How much do women earn, what do they control, what do they own, what decisions can they make, and how secure are their economic lives?"

This distinction is fundamental to understanding genuine empowerment.

Policy Framework for Strengthening Women's Economic Independence

A comprehensive policy framework should address the following areas.

- **Employment**

Women should have access to decent, productive and secure employment with adequate remuneration and opportunities for advancement.

- **Entrepreneurship**

Women entrepreneurs should receive access to affordable credit, mentoring, technology, market networks and government procurement.

- **Financial Agency**

Financial inclusion should move beyond account ownership towards savings, credit, insurance, investment and independent decision-making.

- **Care Infrastructure**

Affordable childcare, eldercare and community-based care services should be expanded.

- **Mobility**

Affordable and safe mode of transportation availability is very important for women

- **Digital Empowerment**

Digital and financial literacy training is of utmost importance for women.

- **Social Protection**

Women workers should have access to facilities of maternity protection, health insurance, pensions and accident coverage.

- **Asset Ownership**

Women should have ownership of land/ housing / assets.

- **Measurement**

Official statistics should increasingly measure women's control over income, assets, financial resources, time and economic decisions rather than relying solely on labour force participation.

Conclusion

Women's economic independence is central to the transformation of gender relations in contemporary India. The country has made significant progress in expanding women's participation in employment, entrepreneurship and formal finance. The rise in female labour force participation, the expansion of women's financial account ownership and the continued growth of women-owned enterprises indicate that important structural changes are taking place. Financial inclusion has expanded rapidly, but meaningful financial agency requires active account use, savings, credit, financial literacy and control over resources. In addition, unpaid domestic and care work continues to constrain women's ability to participate fully in the labour market.

The central argument of this chapter is therefore that **economic participation must be transformed into economic agency**. Women's economic

independence should be understood as the capacity to earn, control, save, invest and make decisions concerning economic resources. It also requires the freedom to manage one’s time and make meaningful choices about employment, entrepreneurship and family life. A successful policy framework must consequently integrate employment creation, entrepreneurship, financial inclusion, digital empowerment, care infrastructure, social protection, safe mobility and gender-transformative social policies.

The economic empowerment of women is not simply a question of individual welfare. It has implications for household resilience, children’s wellbeing, human capital development, entrepreneurship, productivity and inclusive economic growth. India’s long-term development therefore depends not merely on bringing women into economic activity but on creating an economic environment in which women can participate with **dignity, security, ownership, voice and control**. The transition from participation to empowerment represents the next major stage in India’s gender and development agenda.

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Tables and Figures: Editorial Note

- **Table 1** presents selected recent indicators relating to women's labour-force participation, entrepreneurship and financial inclusion.
- **Table 2** develops a conceptual distinction between basic financial inclusion and meaningful financial agency.
- **Figure 1** presents the chapter's conceptual framework, positioning employment, entrepreneurship and financial inclusion as interconnected pathways towards control over resources, decision-making and time autonomy.

All tables and the conceptual figure are **originally compiled/developed by the author** from the sources cited in the chapter and should be identified as such in the final typeset version.

