

Economic empowerment of Indian Women over the past 25 years

Dr. Neetu Rathore

Assistant professor,

Department of Management

Mahila Engineering College, Ajmer

Neeturathore@gweca.ac.in

Abstract:

Giving women economic power is a key factor in growth that includes everyone and development that lasts. India has made a lot of progress in this area over the past 25 years, but there are still a lot of problems to solve. This paper looks at the trends, policies, successes, and problems that still exist in India between 2000 and 2025 that help women become more economically independent.

1. Introduction:

Women's economic empowerment means having the same opportunities in the market, being able to work, controlling resources, and having a say in economic decisions (UN Women, 2022). In India, the last 25 years have seen changes in society and policy that have had an impact on women's economic status. Still, there are still big differences between men and women in terms of work, starting a business, and pay (World Bank, 2024).

2. Trends in Women's Economic Participation Labour Force Participation:

India's Female Labour Force Participation Rate (FLFPR) was about 30% in the early 2000s, dropped to about 23.3% by 2017–18, and then rose again to 31.7% by 2023–24 (Ministry of Labour and Employment, 2024; World Bank, 2024). This recent rise is due to the entry of rural workers and government programs (Reuters, 2024).

3. Entrepreneurship and Self-Employment

Women are starting their own businesses more often, thanks to better access to credit and government programs that help them. The number of MSMEs owned by women almost doubled, going from 1.03 crore in 2010–11 to 1.92 crore in 2023–24 (Ministry of MSME, 2024). Programs like Stand-Up India, Mudra Yojana, and Startup India have helped these gains happen (Economic Survey, 2025).

4. Entrepreneurship and Financial Inclusivity

4.1 The growth of women-owned businesses

In India, there has been a big rise in women starting their own businesses in the last 25 years. According to the ILO (2017), women-owned businesses made up less than 10% of all micro, small, and medium enterprises (MSMEs) in 2000. By 2023–24, this number had almost doubled, with women owning 1.92 crore small and medium-sized businesses (MSMEs), which is more than 20% of the sector (Ministry of MSME, 2024). The rise can be linked to more access to education, changing social attitudes, and most importantly, government programs that specifically help women entrepreneurs.

Women have also made big strides in the start-up world. According to the Economic Survey (2025), almost half of the DPIIT-registered startups have at least one woman director. Women are founders or co-founders in 18% of all Indian startups. These numbers are promising, but they are still below the global average. However, they are clearly going up.

Initiators of Change

The Stand-Up India and Pradhan Mantri Mudra Yojana (PMMY) programs have been very important in helping women get money. More than 68% of PMMY's clients are women, and Stand-Up India says that at least one woman must be offered a loan every year at each bank branch (Ministry of Finance, 2023). The National Rural Livelihood Mission (NRLM) has helped over 80 million rural women get microcredit, learn how to run a business better, and make friends (Ministry of Rural Development, 2024).

4.2 Financial Inclusivity

Financial inclusion is an important part of giving people more power over their money. The Pradhan Mantri Jan Dhan Yojana (PMJDY), which started in 2014, changed the way women could get to banks. Women had 55% of all Jan Dhan accounts by 2023, which greatly increased their financial freedom (Economic Survey, 2025).

There have been a number of good effects from having access to formal banking:

Saving and investing: Women are more likely to save, put money into health and education, and help their families be more resilient (World Bank, 2024).

Insurance and Pensions : Government-backed programs like the Pradhan Mantri Jeevan Jyoti Bima Yojana and the Atal Pension Yojana have seen more women join, giving them a safety net that most women didn't have before.

Digital Empowerment: The rise of mobile banking and digital payment systems has given women in both cities and the countryside more control over their money. Between 2020 and 2023, women made up 43% of all new users of digital financial services (Reserve Bank of India, 2023).

4.3 Technology and Digital Literacy

Digital inclusion is beginning to close the gap between cities and the countryside. In Uttar Pradesh, programs like Digital Saksharta Abhiyan (DISHA) and Digital Nari have taught more than 10,000 rural women how to use digital financial services, making them able to help others in their communities (Times of India, 2024). But there is still a digital divide between men and women, especially in rural and marginalised areas where getting devices and reliable internet is still hard (UN Women, 2022).

5. Government Initiatives and Policy Measures

5.1 National Schemes

A lot of national programs have been put in place to help women become more financially independent:

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) guarantees women at least one-third of all jobs. In reality, women make up almost half of all workers, which is a big deal in rural India (Economic Survey, 2025).

National Rural Livelihood Mission (NRLM): This program helps rural women form self-help groups (SHGs), learn new skills, and connect with markets and banks. More than 80 million women have benefited (Ministry of Rural Development, 2024).

Stand-Up India and Mudra Yojana: Help women start their own businesses and get loans without putting up any collateral. Most of the Mudra loans go to women (Ministry of MSME, 2024).

Beti Bachao Beti Padhao: This program is mostly about fixing the child sex ratio, but it also encourages education and later, joining the workforce (Ministry of Women and Child Development, 2023).

5.2 Innovations at the State Level

State governments have been important places to test new policies that help women gain power:

The Subhadra Yojana in Odisha (2024) helps over one crore women financially, with the goal of directly improving their economic security and independence (Times of India, 2024).

The Vidyut Sakhi Program in Uttar Pradesh has taught more than 14,000 women how to collect electricity bill payments. This gives them a steady income and recognition in their communities.

The Bhamashah Yojana (2014) in Rajasthan makes sure that women get direct benefits, which helps them become financially independent and included.

5.3 Budgeting by Gender

India has made gender budgeting a part of its government, which means that when it decides how to spend public money, it takes into account the needs and interests of women. The gender budget has grown five times since 2013–14 and will make up more than 5% of the total Union Budget in 2024–25. This method is widely seen as the best way to include gender in economic policy (Economic Survey, 2025).

5.4 Evaluation of Impacts

Impact evaluations of these policies show that they have led to better financial literacy, more savings, and more people getting involved in activities that make money (World Bank, 2024). There are still problems with implementation, reaching out to women who are on the margins, and making sure that the program lasts for a long time.

6. Effects on the economy and society

6.1 Lowering Poverty

More women working and starting their own businesses have helped to reduce poverty, especially in rural areas. SHGs and microfinance have helped women start small businesses, make more money for their families, and deal with economic shocks (Kabeer, 2012; World Bank, 2024).

6.2 Health and Education results

Empowering women economically has beneficial repercussions on family health and education. Studies indicate that working women allocate greater resources to their children's education and nutrition, leading to enhanced human development indicators (Desai & Banerji, 2008).

6.3 GDP and Growth of the Economy

The World Bank (2024) says that if India could get more women to work, its GDP could grow by 1.5% each year. Higher incomes for women boost overall demand, encourage investment, and lead to more fair growth (ILO, 2017).

6.4 Autonomy and Social Change

Economic empowerment has also improved social standing, increased decision-making authority within the household, and diminished susceptibility to gender-based violence (UN Women, 2022).

7. Obstacles and Problems

7.1 Barriers in Society and Culture

Despite significant advancements, deeply rooted patriarchal norms persist in constraining the economic autonomy of women in India. Societal expectations frequently restrict women to domestic roles, resulting in the "double burden" of remunerated employment and unpaid caregiving duties (Chaudhuri, 2021; UN Women, 2022). These expectations are especially strong in northern states, where early marriage, limits on movement, and social stigma against women who work are common (Desai & Banerji, 2008). Women are less likely to work because they are afraid of being harassed or hurt, especially in cities and at night (World Bank, 2024).

7.2 Quality of Work and Informalization

Even though more women are working, most of the jobs are in low-paying, unstable, and informal areas. According to the Ministry of Labour and Employment (2024), only 16% of working women have regular salaried jobs. Most of them work for themselves or as unpaid family workers, especially in farming and home-based businesses. Informal jobs don't have social security, maternity leave, safe working conditions, or legal protection against being taken advantage of (ILO, 2017). This lack of formality also makes it hard to move up in the world and keeps income insecure.

7.3 The Pay Gap and Job Segregation

According to the World Bank (2024), the gender wage gap in India is 20%. This means that women make a lot less than men for the same work. Occupational segregation makes the problem worse: women are mostly in low-paying jobs like agriculture, textiles, and caregiving, while men are mostly in higher-paying jobs like manufacturing, technology, and management (Ministry of MSME, 2024). Women are still under-represented in STEM fields and senior leadership positions. Only 14% of STEM professionals are women, even though almost half of STEM graduates are women (OrfOnline, 2024).

7.4 Barriers in the Structure

Women in rural and underserved areas still have trouble getting to school, learning digital skills, and using infrastructure (UN Women, 2022). Inadequate childcare facilities, unsafe transport, and restricted access to legal and financial services further impede women's economic participation (Kabeer, 2012). Women from lower castes, religious minorities, and tribal backgrounds experience compounded disadvantages due to intersecting forms of discrimination (Chaudhuri, 2021).

7.5 Effects of COVID-19

The COVID-19 pandemic had a bigger impact on women in India than on men. Lockdowns caused a lot of women to lose their jobs in fields like domestic work, retail, and hospitality (UN Women, 2022). Also, women had to do more unpaid care work, which made fewer people work and fewer people start businesses. Many women have not been able to get back their lost jobs or get help from the government, so recovery has not been steady (Reuters, 2024).

8. Case Studies

8.1 Self-Help Groups (SHGs) and the National Rural Livelihood Mission (NRLM)

Self-help groups (SHGs) are one of the most important ways for women in rural India to gain economic independence. More than 80 million women have joined SHGs under the NRLM. They save money, get microcredit, and start businesses together (Ministry of Rural Development, 2024). Research indicates that participation in Self-Help Groups (SHGs) enhances income, self-assurance, and negotiating power within households and communities (Kabeer, 2012).

Kudumbashree in Kerala is an example.

Kudumbashree is a program in Kerala that helps women and fights poverty. It is a great example of how SHGs can lead to development. Kudumbashree's women's groups run businesses that range from processing food to providing IT services, which has greatly improved social and economic outcomes (Desai & Banerji, 2008).

8.2 Stand-Up India and MUDRA Yojana

These main projects have made it easier for women business owners to get money. Stand-Up India has helped women get more than 130,000 loans by 2024, and MUDRA Yojana has given women entrepreneurs more than 25 crore loans since it started (Ministry of Finance, 2023). Women have turned small businesses into medium-sized ones and hired other women in their communities.

8.3 MGNREGA and Jobs in Rural Areas

MGNREGA is a one-of-a-kind safety net that helps women make up almost half of its beneficiaries. The program not only guarantees women a steady income, but it also raises their status in their families and villages (Economic Survey, 2025). For instance, in Prayagraj, women made up 46.71% of workdays under MGNREGA and benefited from supervisory roles, which went against traditional gender roles (Times of India, 2024).

8.4 Lakhpati Didi and Vidyut Sakhi Projects

The Lakhpati Didi program in Odisha and the Vidyut Sakhi program in Uttar Pradesh have helped women become financially independent by giving them non-traditional jobs like collecting utility bills and running small businesses (Times of India, 2024). These projects show how powerful targeted, context-sensitive interventions can be.

9. Suggestions

Based on the analysis above, the following suggestions are made to help women in India gain economic power:

- 1. Encourage Quality Jobs:** Make sure that women in all fields have access to social security, labour rights, and formal job creation.
- 2. Address Social Barriers:** Start long-term campaigns to raise awareness about patriarchal norms, put off early marriage, and encourage people to share household duties.
- 3. Close the Wage Gap:** Make sure that private businesses follow the law and pay their workers the same amount; help women get jobs in high-growth and STEM fields.
- 4. Increase Childcare and Safe Transportation:** Make sure that affordable, accessible childcare and safe, gender-sensitive

public transportation are available, especially in cities.

5. Improve digital and financial literacy: Increase training in digital skills and make mobile banking more widely available in rural and low-income areas.

6. Fostering Women Leadership : Set quotas and offer mentorship programs for women in politics, senior management, and government.

7. Ensuring inclusive policy : Make sure that policy design is inclusive by focussing on the needs of the most vulnerable women, such as those from tribal and rural communities, religious minorities, and low-caste groups.

8. Monitor and Evaluate Programs: Improve data collection, openness, and impact assessment to make interventions better and use resources more effectively.

10. Conclusion

India has made amazing progress in the last 25 years in helping women become more financially independent through new policies, more opportunities for women to start their own businesses, and more women being able to get loans. But the promise of equality has not been kept for millions of people, especially those who work for themselves, live in rural areas, or are part of a marginalised group. The government, the private sector, and civil society all need to work together to break down social, economic, and structural barriers that are still there. India can only make sure that all women can fully and equally participate in the economy by changing both its policies and its social norms.

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