

Economic Empowerment of Women In India: A Narrative Review of Challenges and Transformative Strategies

Dr. Musaraf Ali¹, Sangita Medda²

¹Guest Faculty, Department of Education, Rabindra Bharati University

²Former Research Scholar, Department of Education, Diamond Harbour Women's University

Abstract

A patriarchal nation like India still lacks economic empowerment for the majority of its women. To advance social justice and equality, decrease poverty, and enhance national economic growth, economic empowerment of women is vital. It results in increased workforce participation and entrepreneurship, gender equality, economic independence and stability. This study was an attempt to explore the challenges that hinder the economic empowerment of women in India and to identify the transformative strategies to enhance their financial independence. The present study adopted a narrative review approach. A comprehensive search was completed using academic databases like Google Scholar, ResearchGate, and Shodhganga – INFLIBNET Centre. Articles were selected based on some inclusion criteria such as empirical studies, studies conducted in India, and open-access documents. It has been seen that adequate knowledge and training, lack of digital literacy, lack of access to financial resources, socio-cultural barriers, limited support for women entrepreneurs, employment conditions, and family issues prevent women in India from achieving economic empowerment. However, financial inclusion through government initiatives, financial literacy, entrepreneurship, self-help groups (SHGs), digital banking and fintech solutions and the digital economy of today accelerates women's economic empowerment by presenting new opportunities for women entrepreneurs. The paper also emphasized the role of the government and policymakers by outlining future directions.

Keywords: Economic Empowerment, Challenges, Transformative Strategies, Women Entrepreneurship, Financial Inclusion, Narrative Review

1. INTRODUCTION

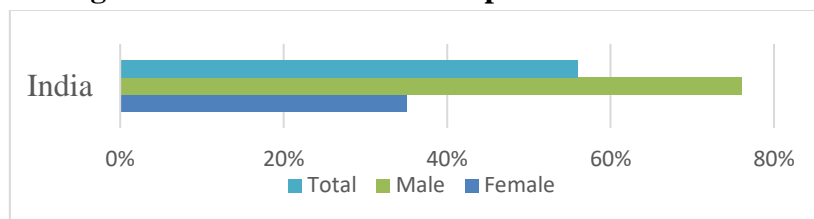
To advance social justice and equality, reduce poverty and foster a nation's inclusive economic growth, the economic empowerment of women is essential. It refers to the process of enhancing an individual's financial abilities so that they can manage their finances, make financial decisions, access resources and take a more active role in economic activities. Economic empowerment is the ability to take control and manage economic resources and power to make and act on economic decisions [1]. It leads to greater workforce participation and entrepreneurship, promotes gender equality, enhances economic independence and stability, and improves overall well-being and quality of life for women.

Economic empowerment ensures women's control over household finances, fostering independent savings, increasing their participation in household decisions, improving access to credit, and supporting

property and land ownership [2]. Financially independent women practice greater autonomy compared to those who are financially dependent, particularly in consulting family members on matters such as taking personal loans, buying life insurance policies, covering medical expenses, buying vehicles, and making family investments [3]. Economic empowerment helps women to secure a strong position in their own family, share equal power in a household environment, and ensure financial security. It can transform women’s lives at the household level as well as in society at large.

A patriarchal nation like India still lacks economic empowerment for the majority of its women. The current labour force participation rates in India for females, males and total, respectively 35.1%, 76.4%, and 55.8%, indicate an immense gender difference that affects India's economic dynamics (figure 1) [4].

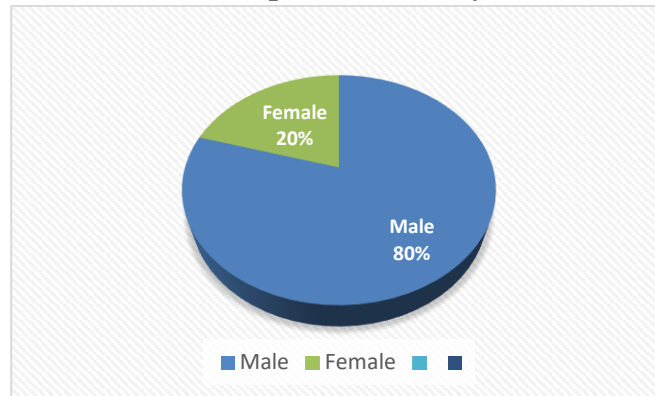
Figure 1: Labour Force Participation Rates in India



Source: International Labour Organization. Labour Force Statistics Database (2024)

The MSME Annual Report 2023-24 highlighted a significant gender disparity in the ownership of proprietary MSMEs in India, with male entrepreneurs owning 79.63% of enterprises, while female ownership accounts for only 20.37% (figure 2) [5].

Figure 2: Distribution of Enterprises owned by Males / Females in India



Source: MSME Annual Report 2023-24

Addressing this discrepancy has become essential for promoting women's economic empowerment and attaining more equitable and inclusive development in the economy. Therefore, the present study aims to explore the challenges that hinder the economic empowerment of women in India and to identify transformative strategies to enhance their financial independence.

2. Materials and Method

The present study adopted a narrative review approach to explore the challenges and effective strategies related to the women’s economic empowerment of women in India. The study integrated and synthesized existing literature such as thesis, dissertation, journal articles, and government reports.

A comprehensive search was completed using academic databases like Google Scholar, ResearchGate, and Shodhganga – INFLIBNET Centre. The article search related to the above-mentioned aspects was conducted by using the following “Search terms” and “Boolean”: “Economic Empowerment of Women” AND “India” AND “Challenges” OR “Strategies” OR “Transformative Strategies” OR “Interventions” OR “Women Entrepreneurship” OR “Financial Inclusion”. The time period for the search was delimited to studies published after the year 2015. Articles were selected based on some inclusion criteria such as empirical studies, studies conducted in India, and open-access documents. The present study excluded review papers, conference proceedings and edited book chapters. The final selection for review was done after scrutinizing the titles and abstracts of the articles. For in-depth understanding, other data sources like government reports were also searched and integrated into the study.

3. Results and Discussion

3.1 What the Literature Reveals About Challenges?

The following discussion highlights the major challenges to women’s economic empowerment based on a review of the identified studies and documents.

3.1.1 Education, Knowledge and Training

There is a substantial educational gap between men and women in India. Cultural traditions and economic constraints contribute to girls' increased probability of dropping out of school. According to the National Family Health Survey (2019-2021), women continue to have lower literacy rates than men, which influences their economic opportunities and development of skills [6]. Chauhan (2018) showed that the majority of women respondents in the Udaipur district of Rajasthan were illiterate, which prevented them from engaging in developmental activities and exposure [7]. Also, lack of business knowledge and adequate training, make it difficult for women to run a successful business. A study conducted in Jammu district revealed that 70 % of women respondents who were involved in online business, cooking, art, and craft had never taken a course or received any formal training [8]. Moreover, low financial literacy creates significant obstacles to women’s full participation in the financial system [8, 9].

3.1.2 Lack of Digital literacy

In today’s rapidly evolving digital world, digital literacy is essential for achieving success in both service and business. However, the lack of digital literacy among women limits their ability to grab new opportunities for economic growth and innovation. Kumari (2021) revealed that women entrepreneurs in Gurugram struggle with limited technical skills and knowledge, making it difficult for them to fully harness digital tools and platforms [10]. In a study on the financial management and digital marketing skills of young women entrepreneurs Ramachandran & Arockiaraj (2024) reported that the major three challenges respondents faced in digital marketing were lack of ICT devices (77.4%), inadequate internet access (40.8%), lack of knowledge on digital applications to promote marketing (40.2%) [11].

3.1.3 Access to Financial Resources

Women, particularly in rural regions, face barriers to accessing credit and financial services due to a lack of financial awareness [10]. In his study on financial inclusion and women’s empowerment in Jammu district, Javeed (2024) reported that women lacked awareness of financial inclusion programmes and credit facilities launched by the Government of India [8]. As a result, most of the women were largely dependent on their families for financial support. They have limited access to banks and microfinance institutions [8], particularly in remote areas. Rani and Kumar (2024) highlighted that complex

documentation requirements and bureaucratic procedures create significant challenges for women so they rely on informal sources such as moneylenders for finance with high interest rates [9]. Similarly, Bhatia & Singh (2019) revealed that women living in urban slums face multiple financial challenges, including dependence on a cash-based economy, informal credit systems, unstable incomes, and non-contractual informal jobs [12]. Ramachandran & Arockiaraj (2024) found that the major financial challenges faced by women included a lack of fixed capital, limited access to credit, and an absence of billing software usage [11]. Additionally, women do not have much access to asset ownership of the property. They face barriers to income-producing assets such as land, finance, and digital technology that push them lower down the economic hierarchy [13].

3.1.4 Socio-cultural Barriers

Socio-cultural factors influence women's willingness to engage in entrepreneurial activity. Due to socio-cultural norms, women are typically expected to perform unpaid care duties, which is a substantial obstacle to women entering the workforce. Cultural norms create additional barriers for women in business, making it challenging for them to travel alone, stay in hotels, and engage in meetings with their male counterparts [8]. Social barriers including social fragmentations [12], stereotypes and discrimination based on gender [9] limited women's financial access, mobility and decision-making power.

3.1.5 Limited support for women entrepreneurs

Women entrepreneurs in India confront numerous hurdles, including limited access to funds, restricted business connections, limited transportation and security concerns, inadequate training, and fewer opportunities for network building. Pandhare et al. (2024) highlighted that a lack of business information, resources, adequate training, market availability for products or services and governmental support hampers the entrepreneurial activities of rural women [2]. Additionally, family life and work conflict, Competition, and heavy workloads limit their ability to establish, manage and expand their businesses [14].

3.1.6 Employment Conditions

According to the Asian Development Bank Institute (2023), the majority of women work in agriculture, informal sectors, and small business-based entrepreneurship, which limits their economic well-being [13].

3.1.7 Family issues

In India, 35% of married women (ages 15-49) have experienced physical or sexual violence committed by their husbands or partners [15]. Furthermore, family obligations, expectations, limited decision-making power in the family and other factors prevent women in India from achieving economic empowerment.

3.2 Transformative Strategies: Insights from the Literature

3.2.1 Financial Inclusion through Government Initiatives and Support

Financial inclusion is crucial for enhancing different aspects of socio-economic empowerment, such as education, financial security, economic development and job opportunities [16]. Goyal et al. (2024) found a significant and strong association between economic inclusion and the economic empowerment of women [17]. Women's economic inclusion has been made easier by various government initiatives including the Self-Employed Women's Association (SEWA), Start-up India scheme, National Rural Employment Guarantee Act (NREGA), Stand up India Scheme (2016), and Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri Mudra Yojana (PMMY). Javeed (2024) revealed that government programmes Pradhan Mantri Jan Dhan Yojana (PMJDY) and the promotion of women's self-help groups (SHGs) have been effective in increasing women's access to financial services and

empowering them economically [8]. These programmes helped women in savings, access credit and entrepreneurship opportunities, allowing them to contribute to their households' income and overall financial stability. Bhatia & Singh (2019) studied financial inclusion in urban slums through government schemes and found that women who have greater access to Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), and financial services including opening bank accounts and availing insurance, have higher levels of social, political, and economic empowerment [12].

3.2.2 Financial Literacy

Financial literacy is the knowledge and skills one's has regarding the financial components including, investing, borrowing, budgeting, taxation, and personal financial management. Financial literacy serves as a foundation of women's economic empowerment, equipping them with the necessary knowledge, skills and confidence to make informed financial decisions, manage resources effectively, engage more actively in social and community life and navigate the complexities of modern economic scenarios [16, 18]. Showkat et al. (2025) explored the effect of financial literacy on women's economic empowerment through digital media services and revealed a positive relationship between financial literacy and the use of digital financial services among women [18].

3.2.3 Entrepreneurship

Entrepreneurship plays a key role in improving the economic conditions of women. Entrepreneurial Interventions have the potential to enhance women's social economic and psychological empowerment by fostering financial independence, expanding social networks and strengthening their confidence in decision-making [2]. Senapati & Ojha (2019) explored women's socioeconomic empowerment through entrepreneurship and concluded that economic factors such as income, expenditure and enterprise decision-making play a crucial role in increasing their economic empowerment level [14]. Women might apply for and raise funds from government schemes and microfinance institutions to start or expand small businesses. Microfinance institutions sometimes offer loans at more affordable interest rates than traditional lenders. The Ministry of Women and Child Development developed the Mahila E-Haat (2016) portal, which enables female entrepreneurs to promote and sell their products. The Women Entrepreneurship Platform (WEP), launched by NITI Aayog in 2017, provides a support structure for women entrepreneurs involving networking, financing, assistance, and improvement of skills.

3.2.4 Self-Help Groups (SHGs) and Microfinance

Rural women can obtain small loans to invest in their small-scale businesses by participating in SHGs. It helps women satisfy their essential financial needs. Self-help groups often offer financial education and training to assist women improve their financial literacy and making sound financial decisions. Studies highlighted the transformative impact of microfinance and self-help groups on women's economic empowerment. Singh, Shridhar, & Sharma (2024) found that microfinance significantly enhanced financial independence, decision-making ability within households, and self-confidence among women who engaged in Minor Forest Produce activities in Bilaspur, Chhattisgarh [19]. Similarly, Chauhan (2018) observed a highly significant difference in employment status, monthly income, and savings among women in the Udaipur cluster after joining SHGs [7]. It helps women to be more self-reliant and financially supportive of their families. Involvement in SHGs enables rural women to start businesses, strengthen household decision-making power, enhance communication skills and self-esteem, and reduce poverty and dependency [2]. Moreover, the SHGs programme plays a crucial role in promoting women's economic empowerment by creating an environment beneficial for entrepreneurial success [2]. Jisha (2017) further

showed that active participation in SHGs leads to improvements in monthly income, savings, financial decision-making, household expenditure, and asset ownership of women beneficiaries. It helps to enhance the financial sustainability of women beneficiaries [20].

3.2.5 Digital Banking and Fintech Solutions

There have been numerous opportunities for women in the digital era. Digital banking and fintech solutions expand the efficiency, accessibility, and usability of financial procedures. Digital banking through technologies enables women to have quick access to financial services when they no longer need to visit actual Banks physically. Fintech platforms such as Razorpay Paytm, PhonePe, Groww, and Zerodha provide regular support for small business owners, by simplifying financial management, investments, and digitalizing payments. Digital platforms also enable women to earn money in an increasing variety of marketplaces by combining supply and demand in areas like online sales or freelance work, as well as providing them with up-to-date market data. Kumari (2021) reported that digital technologies, including E-commerce platforms and online marketplaces have empowered women entrepreneurs in Gurugram by expanding their customer reach beyond geographical limitations [10]. These technologies helped more effective business operations and enhanced productivity. Similarly, Gupta et al. (2024) explored the role of fintech in the financial inclusion of women in India and reported that it significantly enhanced women's access to financial services, investment and saving opportunities by overcoming cultural and geographical boundaries [21]. By using mobile banking, and micro-lending platforms fintech enables women to manage their funds and gain credit more effectively. Showkat et al. (2025) found a significant positive impact of digital financial services on women's economic empowerment [18]. These services provide secure and easily accessible financial solutions and also enhance women's financial skills and decision-making power. Remote work through digital platforms can provide a better work-life balance, which is especially useful for women who have various responsibilities in their home and professional lives.

4. Future Directions

- The government should create more employment opportunities and offer scholarship and mentorship programmes to support women in pursuing higher education and technical skills. Additionally, initiatives should be taken to provide business and vocational training with a focus on emerging sectors such as digital marketing, renewable energy and data analytics to women.
- The government should implement gender-sensitive educational curricula that promote equal opportunities for all, challenge social stereotypes and encourage girls to explore non-traditional career paths.
- The government should take the initiative in the expansion of digital literacy as well as financial knowledge and literacy in women, particularly in rural and underserved areas. Additionally, financial institutions should be encouraged to support capacity building in financial management by offering low-interest loans and micro-credit schemes for women entrepreneurs.
- The government should support women-led startups by establishing incubation centres, providing business development services, offering seed funding opportunities, ensuring market access, and extending tax benefits, subsidies and grants.
- The government and stakeholders should work towards reforming societal norms by addressing cultural barriers and promoting gender equality. Nationwide awareness campaigns should be conducted through civil society groups, community programmes and educational institutions to

remove gender biases and encourage shared household responsibilities.

- Through targeted policymaking and additional studies, stakeholders will efficiently address the many obstacles to women's economic empowerment in India and capitalize on fresh opportunities to create a sustainable and equitable socioeconomic landscape.

5. Conclusion

In India, women's economic empowerment represents both a difficulty and an opportunity that could revolutionize the country's socioeconomic structure. However, the entire potential of women remains unrecognized due to obstacles including socio-cultural limitations, lack of access to capital, and gender inequity. People have optimism regarding the future because of new opportunities brought about by governmental changes, the growth of women-led businesses, and digital inclusion. Stakeholders, such as governments, corporations, and civil society, need to collaborate to promote an environment that supports and capitalizes on women's talents and aspirations. Only then can India truly achieve inclusive and sustainable growth. Policies and programmes supported by governmental and non-governmental organisations, education and skill development, access to financing and financial services, and education can help all women achieve economic empowerment.

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