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EMPOWERING WOMEN THROUGH FINANCIAL INDEPENDENCE

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ABSTRACT

This paper highlights the significance of women's empowerment through financial independence and literacy. Over time, women have progressed significantly compared to past generations, breaking barriers and achieving greater autonomy. In India, women historically faced numerous societal constraints that limited their opportunities. However, with growing awareness, education, and supportive policies, they have started asserting their independence and striving for economic self-sufficiency. Financial independence is essential for both men and women, as it provides the freedom to make choices and live with dignity. However, there is a greater need to focus on women's financial empowerment to ensure they are not reliant on their husbands or family members for basic needs. Women have the right to economic self-sufficiency, allowing them to contribute to their families, society, and the economy. This paper explores key factors influencing women's financial independence, including education, employment opportunities, entrepreneurship, and policy support. It also examines challenges such as gender biases, workplace inequalities, and limited access to financial resources. Addressing these issues is crucial to fostering a more inclusive society where women can thrive independently.

Keywords: *Financial Independence, Women, Empowerment, Literacy, Awareness*

1. Financial Independence

Oxford Dictionaries defines empowerment as '*making (someone) stronger, more confident, especially in controlling their life and claiming their rights*'.²

Financial independence occurs when an individual has sufficient personal wealth to live, without having to work actively for basic necessities. It enables individual freedom to shape and adjust one's circumstances based on what life allows, and does not allow, if one has the finances to do so. In many traditional societies, women have been dependent on male relatives fathers, brothers, husbands and in-law, for financial support. Gradually, women are engulfed in this dependence not because they are incompetent, but because society ties women to the four walls and discourages them from working outside. Cultural norms often prescribe that women take on domestic responsibilities and men work outside the home. These rigid gender roles hamper the economic independence and personal development of women. Empowering women financially means breaking these traditional mentalities, educating, working, and providing means to be self-sufficient. This financial autonomy provides the freedom to pursue personal interests, retire early, or engage in activities without the necessity of earning a paycheck. The journey to financial independence typically requires disciplined financial planning, prudent spending, strategic investments, and the development of multiple income streams.

2. Why Financial Independence Matters?

Empowerment is not a mere word; it represents providing people with the strength to control their own lives and enforce their rights. When a woman is genuinely empowered, she is no longer reliant on other people for her most basic needs. Financial freedom ought not be merely an objective but a pathway toward a life that is rich, self-reliant, and fulfilling.

Yet, even now, women who toil day and night are frequently paid less than men who work regular 9-to-5 shifts. Why is this disparity still so prevalent? Many husbands continue to dissuade their wives from working outside the home, relying on them to focus on domestic duties and childrearing. This cultural attitude still constrains women's possibilities, perpetuating economic dependence and limiting their individual development.

² Available at: <https://www.oed.com/search/advanced/Entries?q=financial+Independence&sortOption=Frequency>

When women have financial autonomy, they can make independent decisions, support their families, and contribute to economic development. Financially Independent women can make choices without being constraint by economic dependence. Women's participation in economy boost the national development and the growth of the country as well.

India stands at 120 out of 131 countries on female labor force participation rates and gender-based violence rates are unacceptably high. It is difficult to grow in an inclusive and sustainable manner when half the population is not engaged in the economy. At 17% of GDP, Indian women's economic contribution is below half the world average and compares poorly with the 40% in China, for example. India would be able to increase its growth rate by 1.5 percentage points to 9 percent annually if about 50% of women were able to enter the work force.³

3. Way to Achieve Financial Independence

There are a number of critical steps towards financial independence of women in society. Economic empowerment for women involves a multi-dimensional approach, which targets social, educational, and economic constraints that inhibit their development.

- ***Financial Inclusion Through Government Initiatives***

The Government of India has launched several programs and initiatives focused on enhancing women's economic independence through the provision of access to banking, credit, skill building, entrepreneurial opportunities, and social security.

Pradhan Mantri Jan Dhan Yojana⁴ (PMJDY) (2014): Envisages the opening of bank account in every household. More than 460 million bank accounts opened, with 56% opened by women. according to Ministry of Rural Development⁵ report, total 20, 63,036 women Jan Dhan account holder have availed the ex-gratia payment of Rs. 500 per month for three months, 2020 in Delhi

Mahila E-Haat⁶ (2016): This one-of-a-kind e-platform will further enhance the socio-economic empowerment of women because it will organize and give improved opportunities to them. Over 10000 Self Help Groups (SHGs) and 1.25 Lakh women beneficiaries would be

³ Available at: <https://www.worldbank.org/en/news/speech/2018/03/17/women-indias-economic-growth>

⁴ Pradhan Mantri Jan Dhan Yojna (Ministry of Finance), 2014, <https://pmjdy.gov.in/>

⁵ Available at: <https://rural.gov.in/en>

⁶ Mahila E-Haat 2016, MSME Development Institute, Available at: <http://www.msmedinewdelhi.gov.in/en/Mahila%20eHaat.asp>

benefitted from the launch day of the site itself. All Indian women citizens above the age of 18 years and women SHGs who want marketing their lawful products/services after indemnifying RMK from any/all acts of transaction are eligible for participation in e-Haat.⁷

Nari Shakti Puraskar⁸: It is an award given by Ministry of Women and Child Development, on International Women's Day, annually to those women who have made significant contribution to the women empowerment. Awards remarkable efforts by an individual or an institution in economically and socially empowering women.

Even with these efforts, 20% of Indian women remain without access to a bank account, and most available accounts are dormant due to poor financial literacy.

- ***Expanding Access to Credit and Savings***

Women's financial independence is highly enhanced when they are able to access credit and savings. There have been numerous initiatives by the Indian government aimed at providing economic assistance to women entrepreneurs so that they can initiate and grow their businesses.

Pradhan Mantri Mudra Yojna,⁹ 2015: It provides the loans to the non-corporate, micro enterprises, non-farms upto 10 lakhs. With more than 68% of the recipients being women, PMMY has empowered numerous micro and small businesses, especially in rural regions. Women who worked in handicrafts, retailing, food processing, and small-scale industries benefited from the program.

Stand-Up India Scheme¹⁰, 2016: this scheme is available for the SC/ST and women entrepreneurs. It offers loans of INR 10 lakh to INR 1 crore to women business units, especially manufacturing, trading, and services sectors. This scheme is of key importance to meet gender differences in business lending by promoting women entrepreneurs.

Self Employed Women's Association Bank¹¹: Self Employed Women's Association (SEWA), is the largest individual Central Trade Union of the women working in the unorganized sector of India. We are registered with the Trade Union's Act, 1926 on April 12, 1972. Bank supports

⁷ Available at: <https://pib.gov.in/newsite/printrelease.aspx?relid=137415>

⁸ Nari Shakti Puraskar, Ministry of Women and Child Development (WCD), <https://awards.gov.in/>

⁹ Pradhan Mantri Mudra Yojna (PMMY), 2015 Ministry of Finance, Government of India, Available at: <https://www.mudra.org.in/mudra-kahaniyaan-v2/women.html>

¹⁰ Stand-Up India Scheme, 2016, Government of India, Available at: <https://www.standupmitra.in/>

¹¹ Self Employed Women's Association NGO, Available at: https://www.sewa.org/?gad_source=1&gclid=CjwKCAiAt4C-BhBcEiwA8Kp0Cfv7weT-lfn_MYp2L7rA1kU8QF7EDB0F5P_zZrBFWI7I9oUeFhSd6hoCwvgQAvD_BwE

low-income women by providing microloans and financial literacy programs to promote savings and investment.

Apart from these efforts, many women are unable to obtain large-scale financing owing to inadequate collateral, financial illiteracy, and societal limitations. Intensifying such programs, promoting awareness, and easing bureaucratic obstacles can help fill the financial gap further and facilitate better economic empowerment of women.

- **Skill Development and Employment Generation**

For financial autonomy, women require access to vocational training, education, and work opportunities. Various initiatives have been introduced by the Indian government with the aim of empowering women and helping them find stable employment, establish enterprises, and contribute to economic development.

Support to Training and Employment Program for Women¹²: This scheme assisted women to establish in micro enterprises but first of all trained the women in agriculture, handloom, designing, handicraft and other non-traditional ventures through which women became economically self-sufficient. It especially benefited to the women who belongs to the rural and marginalised region.

Beti Bachao Beti Padhao¹³: It is launched by Prime Minister on 22nd January, 2015 by addressed the decline of Child Sex Ratio (CSR). It plays a significant role in increasing the female literacy in India. 422 districts out of the 640 districts covered under BBBP have shown improvement in SRB from 2014-15 to 2018-19¹⁴.

Deendayal Antyodaya Yojana – National Rural Livelihoods Mission¹⁵: It supports the Women Self-Help Groups (SHGs) by providing financial aids, skill training and so on. Supported in part by investment financing from the World Bank, the Mission seeks to establish effective and

¹² Support to Training and Employment Program for Women (STEP) 1986, Available at:

<https://www.india.gov.in/support-training-and-employment-programme-women>, Government of India.

¹³ Beti Bachao Beti Padhao (BBBP), 2015, Available at: <https://www.india.gov.in/beti-bachao-beti-padhao-scheme-ministry-women-child-development?page=1>

¹⁴ Available at: <https://www.myscheme.gov.in/schemes/bbbp>

¹⁵ Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM) (2011), Ministry of Rural Development (MoRD), Government of India.

efficient institutional platforms of the rural poor to enhance household income through sustainable livelihoods improvements and better access to financial services.¹⁶

These programs are critical in closing the gender gap in labor and facilitating sustainable economic empowerment of women.

- **Legal and Policy Framework for Women's Financial Rights**

For fostering the financial independence and economic empowerment of women, India has enacted a number of laws and policies that guarantee equal pay, inheritance rights, job security, and economic protection. These legal safeguards seek to eradicate gender discrimination, guarantee economic security, and provide equal opportunities for women in all areas.

Equal Remuneration Act, 1976¹⁷: This Act provide the equal pay for equal work to both the man and women, prohibiting the discrimination in the society. Section 4¹⁸ of the Act, mandates to prohibition any discrimination in remuneration on the grounds of gender where Section 5¹⁹ states that, no discrimination shall be made while recruiting the workers either man or women.

Hindu Succession (Amendment) Act, 2005²⁰: This Amendment grants daughters equal rights in ancestral property, promoting gender equality in inheritance laws. Section 6²¹ specifies that the daughter of a coparcener in a Joint Hindu family according to Mitakshara²² law must:

- a) become a coparcener in her own right from birth, just like the boy.
- b) own the coparcenary property with the same rights that she would have if she had been a son.
- c) have the same obligations regarding the coparcenary property as a son would.

Women's economic autonomy is possible through inclusive policies, access to resources, skills development, and protection under the law. The support of these pillars guarantees economic empowerment, equality, and long-term financial security for women.

¹⁶ Available at: <https://aajeevika.gov.in/>

¹⁷ Equal Remuneration Act [Act No. 25 of 1976], Government of India, Available at: Available at: https://labour.gov.in/sites/default/files/equal_remuneration_rules_1976.pdf

¹⁸ Section 4 of the Equal Remuneration Act, 1976 (Section4: Duty of employer to pay equal remuneration to men and women workers for same work or work of a similar nature.) Available at: <https://indiankanoon.org/doc/830768/>

¹⁹ Section 5 of the Equal Remuneration Act, 1976

²⁰ Hindu Succession Amendment Act of 2005, Available at: <https://pib.gov.in/newsite/erecontent.aspx?relid=11899>

²¹ Section 6 of Hindu Succession Act, 2005, Government of India.

²²The word "Mitakshara" means "a concise explanation or Inheritance by Birth". It's based on the commentary of Vijnaneswara on the Yajnavalkya Smriti. Available at: https://www.ebc-india.com/lawyer/articles/2005_7_3.htm

4. Impact on Women's Financial Independence on Society

The financial independence of Indian women brings with it a series of long-term implications that go a long way towards shaping society, driving economic development, and promoting gender equality.

- *Economic Growth and Development*

The PLFS²³ 2022-23 registers a sharp increase in the LFPR²⁴ of women to 37.0%. This expansion means that more women are included in the economy and are boosting family income²⁵. In a DBS Bank²⁶ India and CRISIL²⁷ survey held in 2024, it was discovered that almost 47% of females controlled their funds. This financial independence allows women to consume, save, and invest in order to care for their households and the economy.²⁸

- *Gender Equality and Social Empowerment*

The women due to childcare or to taken care of the family not joining the labour force. Sometimes the husband and in-laws prevent from sending the women of their family outside the house for the work which is one of the biggest reasons behind the leading role of males in the labour force. Addressing these challenges through supportive policies can further promote gender equality.

- *Improved Education and Healthcare*

Studies show that economically empowered women give greater priority to children's education, especially that of daughters, leading to long-term social development. Economically empowered women invest in maternal health, nutrition, and healthcare, and infant and maternal mortality is reduced to a minimum.

²³ The Periodic Labour Force Survey (PLFS), Ministry of Statistics and Programme Implementation, Available at: https://www.mospi.gov.in/download-reports?main_cat=ODU5&cat=All&sub_category=All

²⁴ LFPR stands for Labor Force Participation Rate

²⁵ Available at: Available at: <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2034928>

²⁶ DBS Bank India has developed products and services to support women's financial management, <https://www.dbs.com/women-and-finance/index.html>

²⁷ CRISIL stands for Credit Rating Information Services of India Limited, Available at: <https://www.crisil.com/content/crisilcom/en/home/our-analysis/reports.html>

²⁸ Available at: <https://economictimes.indiatimes.com/jobs/hr-policies-trends/51-of-women-in-india-prefer-low-risk-financial-instruments-only-7-invest-in-stocks-survey/articleshow/106924216.cms?from=mdr>

5. Suggestions

Adopt national women's financial literacy programs, especially in rural regions. Make financial education available in schools for preliminary exposure. Encourage SHGs and financial literacy at the grassroots level.

Scale up women-oriented financial programs like PMJDY, Mudra Yojana, and Stand-Up India. Simplify women entrepreneurs' loan requests. Expand microfinance and cooperative banking for women business owners.

Implement the Equal Remuneration Act 1976, to narrow the disparities in gender wage gaps. Promote flexible work, paid maternity leave, and affordable childcare to increase women's workforce participation.

6. Conclusion

Financial independence of women is very crucial for gender equality, societal progress, and economic growth. Enabling women to educate themselves about money, to work and earn a job, and to be entrepreneurs makes people stronger and makes families and societies stronger. Government programs have come a long way in involving more people in finance, but issues such as gender pay gaps, workplace biases, and unavailability of credit still linger. By promoting economic independence via protectionist policies, skill development, and support, India can bridge the gender gap in the economy. Increasing the number of women in the workforce can lead to GDP growth, better education, and better access to health care. Removing social barriers and opening up more economic opportunities for women will lead to a more equitable, inclusive, and prosperous society. Empowerment occurs when women can make their own economic decisions, meaningfully contribute to the economy, and plan their future on their own.