

Business Standard

Empowering women is the smartest economic decision India can make

Ensuring they have access to education, health care and a chance to become entrepreneurs will be fair and financially wise

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In the heart of India's villages and towns, a quiet yet powerful transformation is taking place. Women, long sidelined in economic conversations, are now stepping into the roles of entrepreneurs, educators, and change-makers. This shift is not just about equality: It's about unlocking a massive economic opportunity. Investing in women-led development at the grass roots is not just a social imperative, it is the smartest economic decision India can make.

Numbers don't lie. Closing gender gaps in workforce participation globally could add \$28 trillion to the gross domestic product (GDP), according to the World Bank. India alone stands to gain \$770 billion with just a 10 per cent increase in female labour force participation. However, despite government initiatives like the Skill India Mission, which aims to train millions of women, India's female workforce participation remains alarmingly low at around 25 per cent.

Economic empowerment is not just about employment: It is about enabling women to become self-sufficient. Programmes like Ladli Laxmi Yojana and Beti Bachao Beti Padhao have begun to shift mindsets by incentivising girls' education. But systemic challenges remain, from societal biases to lack of workplace safety. The question is: Are we doing enough?

An educated woman is an economic asset. Studies show that every additional year of schooling for a girl increases her future earnings by 10–20 per cent. The National Education Policy 2020 has taken a commendable step in bridging gender gaps, especially in science, technology, engineering, and mathematics. But education is not just about degrees: It is about skills that lead to employability and entrepreneurship, especially at the grass roots.

Paavni Devi, who lives in Rajasthan, has worked against all odds and broken gender stereotypes and biases to emerge as a leading voice of change in a traditionally conservative society. Paavni Devi began her journey by learning sewing skills, developing her own microenterprise, contributing to her family income, and finally inspiring many other women to come out of their homes to pursue their dreams. Her life has been a harbinger of hope for many women and has garnered support across communities. Through upskilling she is now earning more than Rs 10,000 per month, and through SHGs she has created a multiplier effect by employing more women and creating job opportunities for them.

According to a report by UNICEF, when women earn, they reinvest 90 per cent of their income into their families and communities: For men the figure is 30–40 per cent. This statistic alone should push policymakers to invest in women-led enterprises.

Organisations like SEWA (Self-Employed Women's Association) have empowered more than two million women in India, providing financial independence and fuelling rural economies. Women-led startups are growing at a steady rate, proving that when given the right support, women don't just participate in the economy—they lead it.

This is the story of Daichi, an Udaipur-based brand of savouries, honey and other products. At the heart of this initiative are women who live in rural areas and create high quality products from a small unit in Zawar. We feel proud to see the success of the women at Daichi, knowing that we actively empowered them to create this brand and become financially independent. It is an example of how companies can contribute and support this revolution at the grass roots by encouraging women-

led self-help groups, providing them with training, financial support, and direct market access – ensuring that we have many more success stories like Daichi. Women's participation in such initiatives has helped increase household incomes by 20–30 per cent on average, leading to better standards of living. With stable incomes, families invest more in education, with girl child school enrolments rising steadily in these areas. This domino effect outlines the power of women in the economy.

This changing face of the Indian economy was highlighted in a Niti Aayog report that recently outlined a significant rise in women's participation in entrepreneurship across India. The number of women borrowers has tripled between 2019 and 2024, with 60 per cent of them coming from semi-urban and rural areas, reflecting deeper financial inclusion – and growth of microenterprises across the nation. Since 2019, women's share in business loan origination has increased by 14 per cent. By December 2024, women accounted for 35 per cent of business borrowers, showcasing their expanding role in India's entrepreneurial landscape. These trends underscore women's increasing financial empowerment and their active contribution to the nation's economic growth.

Empowering a woman doesn't just change her life – it changes generations. Studies show that a child born to a literate mother is twice as likely to attend school. When women gain economic independence, they uplift entire communities – reducing child marriage rates, improving education, and breaking the cycle of poverty. Women in India's villages are rewriting their destinies – moving from survival to success.

Investing in women-led development is smart economics. Economic growth isn't just about infrastructure, industries, or foreign investments. It's about people. And India's biggest untapped resource is its women. Empowering them through education, health care, and entrepreneurship is not just about fairness – it is about financial sense.

Women in India's villages and small towns aren't waiting for change; they are creating it. They are turning kitchens into microbusinesses, classrooms into launchpads, and small loans into thriving enterprises. They are proving that ambition isn't just an urban luxury – it's a rural reality.

If India is to truly rise as an economic powerhouse, it must stop viewing women as passive beneficiaries and start recognising them as the architects of progress. The next big revolution won't come from boardrooms or policy papers – it will come from the quiet determination of millions of women rewriting their own stories.

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