

Women's Economic Independence and Its Influence on Family Relationships and Social Perceptions in India

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ABSTRACT

Women's economic independence is widely regarded as a cornerstone of empowerment. In India, it is advancing unevenly. Access to bank accounts, mobile phones and public employment schemes has expanded rapidly. Yet women's participation in paid work has declined, and control over earnings and assets remains limited. This article examines how women's economic independence influences family relationships and social perceptions in India. It draws on household bargaining models, Sen's cooperative-conflict framework, Kabeer's resources–agency–achievements approach and research on gender identity. It reviews national evidence from the Census of India 2011, the National Sample Survey Office (NSSO), the third and fourth National Family Health Surveys (NFHS-3 and NFHS-4) and the World Bank's Global Findex database. The data show that the share of women with a bank account they use rose from 15.1 percent in 2005–06 to 53.0 percent in 2015–16. Married women's participation in household decisions rose from 76.5 to 84.0 percent, and reported spousal violence fell from 37.2 to 28.8 percent. Over the same period, the rural female worker population ratio fell from 327 to 248 per 1,000 women. The article argues that economic independence strengthens women's voice in household decisions, spending priorities and investment in children. Its effects on the division of domestic labour and on violence are more ambiguous and depend on prevailing norms. Social perceptions of women's earning remain mixed: work is accepted as economic necessity but often viewed as a threat to family status and male authority. The article concludes with implications for policy, including the need to pair economic opportunity with changes in norms, safety and care infrastructure.

Keywords: women's economic independence, household bargaining, family relationships, social perceptions, female labour force participation, financial inclusion, India

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1. INTRODUCTION

Economic independence is the capacity to earn, own, control and spend resources without depending entirely on others. For women, it has long been regarded as central to empowerment. A woman with her own income, savings or property can make choices about her life, contribute to household decisions and leave relationships that are harmful. She can also invest in her children and herself. Economic independence also changes how others see her: as a contributor rather than a dependant, and potentially as a person with authority in the household and community.

India presents a striking paradox in this respect. Over the past decade, the country has made rapid progress in women's financial inclusion. The Pradhan Mantri Jan Dhan Yojana, launched in 2014, opened tens of millions of bank accounts. Women's mobile phone use has expanded, and women account for a majority of employment under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Female literacy rose from 53.7 percent in 2001 to 65.5 percent in 2011. Yet women's participation in the paid labour force has fallen, particularly in rural areas. According to the Census of 2011 (Office of the Registrar General &

Census Commissioner, India, 2011), only about one in four Indian women was counted as a worker, compared with more than half of men.

This combination raises important questions. How does economic independence, where it exists, change relationships within Indian families? Does a woman's income increase her voice in decisions, alter the division of domestic work or reduce violence? How do families and communities perceive women who earn? And why, despite rising education and incomes, do many women remain outside paid work?

This article addresses these questions. Section 2 sets out the theoretical framework. Section 3 presents the national picture of women's economic participation and financial inclusion. Section 4 examines the influence of economic independence on family relationships. Section 5 turns to social perceptions. Section 6 discusses barriers and paradoxes. Section 7 offers implications for policy and practice, and Section 8 concludes.

2. THEORETICAL FRAMEWORK

2.1 Models of the household

Economists have proposed several models of how households make decisions, summarised in Table 1. The unitary model associated with Becker (1981) treats the household as a single unit with common preferences, so that it does not matter who earns income. Bargaining models challenge this view. Manser and Brown (1980)

Table 1

Theoretical models of household decision-making

Model	Key assumption	Implication of a woman's income
Unitary (Becker, 1981)	Household acts as one unit with shared preferences	Who earns does not matter for outcomes
Cooperative bargaining (Manser & Brown, 1980; McElroy & Horney, 1981)	Spouses bargain; outcomes depend on fall-back positions	Higher income improves her fall-back position and influence
Separate spheres (Lundberg & Pollak, 1993)	Threat point is non-cooperation within marriage along gender roles	Income matters, but roles and norms limit its effect
Cooperative conflict (Sen, 1990)	Bargaining is shaped by perceived contributions and perceived interests	Visible earnings raise her perceived contribution and status

The weight of empirical evidence across countries supports bargaining models: income in women's hands is spent differently from income in men's hands. Women's income tends to go more toward children's health, nutrition and education (Duflo, 2012).

2.2 Cooperative conflict and perceived contribution

Sen (1990) argued that households involve both cooperation and conflict, and that outcomes depend not only on objective fall-back positions but also on perceptions. Two perceptions matter most: who is seen to contribute to the household, and whether a person recognises her own interests as distinct from those of the family. Women's domestic work is often invisible, so their contribution is undervalued. Paid work that brings visible cash income can raise women's perceived contribution and therefore their bargaining position. This framework links economic independence directly to social perception.

2.3 Resources, agency and achievements

Kabeer (1999) defined empowerment as the expansion of people's ability to make strategic life choices in contexts where this ability was previously denied. She identified three interrelated dimensions: resources (including income and assets), agency (the ability to define goals and act on them) and achievements (outcomes). Economic resources are necessary but not sufficient for empowerment. Their effect depends on whether women control them and whether social norms allow women to act on them.

and McElroy and Horney (1981) modelled household decisions as the outcome of bargaining between spouses, each of whom has a threat point or fall-back position determined by what they would have if cooperation broke down. Lundberg and Pollak (1993) proposed a separate spheres model in which the threat point is not divorce but a non-cooperative arrangement within marriage, shaped by traditional gender roles.

2.4 Bargaining power and property

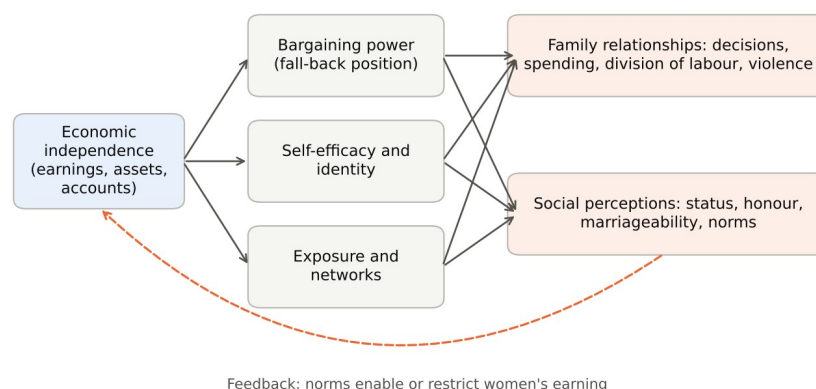
Agarwal (1997) emphasised that bargaining power depends on assets as well as income, particularly land and housing, and on extra-household factors such as community norms, state support and social networks. Ownership of property gives women a secure fall-back position that does not depend on continued employment.

2.5 Gender identity and backlash

Economic independence can also threaten established gender identities. Bertrand et al. (2015), using data from the United States, found that couples in which the wife earns more than the husband report lower marital satisfaction and are more likely to divorce. Wives who earn more than their husbands also spend more time on housework, as if to compensate. Such findings suggest that norms about male breadwinning can blunt or even reverse the expected benefits of women's income. Kandiyoti's (1988) notion of the patriarchal bargain adds that women may strategically limit their economic independence to retain security and respectability within patriarchal families.

2.6 A conceptual framework

Figure 1 summarises the framework adopted in this article. Economic independence affects family relationships and social perceptions through three channels. The first is bargaining power: an improved fall-back position. The second is self-efficacy and identity, as women come to see themselves as capable contributors. The third is exposure and networks, through contact with institutions, colleagues and information outside the household. In turn, social perceptions feed back to enable or constrain women's earning.

Figure 1. Conceptual framework: pathways of influence

3. THE NATIONAL PICTURE

3.1 Women's work participation

Table 2 shows work participation rates from the Census of India 2011. Only 25.5 percent of women were

classified as workers, compared with 53.3 percent of men. The gap was widest in urban areas, where just 15.4 percent of women were workers.

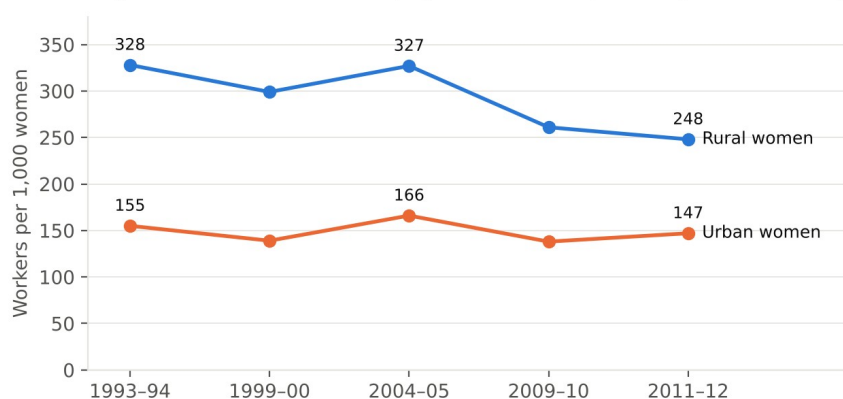
Table 2

Work participation rate by sex and residence, Census of India 2011

Area	Women (%)	Men (%)	Gap (percentage points)
Rural	30.0	53.0	23.0
Urban	15.4	53.8	38.4
Total	25.5	53.3	27.8

Survey data from the National Sample Survey Office (2014) show a similar pattern and a declining trend. As Figure 2 shows, the rural female worker population ratio fell from 327 per 1,000 women in 2004–05 to 248 per 1,000 in 2011–12, while the urban ratio remained low at

around 140 to 165 per 1,000. In 2011–12, the labour force participation rate was 25.3 percent for rural women and 15.5 percent for urban women, against 55.3 and 56.3 percent for rural and urban men respectively (Ministry of Statistics and Programme Implementation, 2014).

Figure 2. Female worker population ratio, India (usual status)

Source: NSSO Employment and Unemployment Surveys, rounds 50, 55, 61, 66 and 68.

Researchers have advanced several explanations for this decline. They include rising enrolment of young women in education, rising household incomes that allow families to withdraw women from labour, a shortage of suitable jobs close to home, mechanisation of agriculture and social norms that associate women's withdrawal from

work with family status (Klasen & Pieters, 2015). Some of the decline may also reflect measurement problems, as much of women's work, such as unpaid family labour and home-based production, is poorly captured in surveys.

3.2 Financial inclusion and household agency

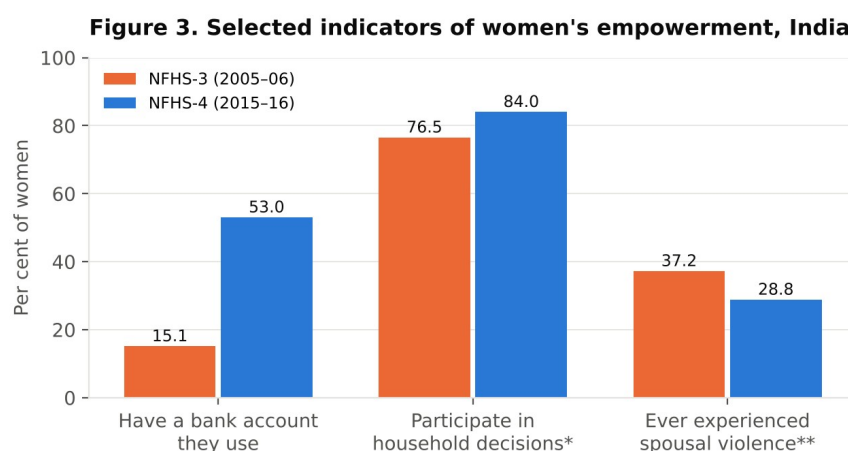
While work participation has declined, other indicators of women's economic agency have improved markedly.

Table 3

Selected indicators of women's economic agency and household relations, India

Indicator	NFHS-3 (2005–06)	NFHS-4 (2015–16)
Women with a bank or savings account they themselves use (%)	15.1	53.0
Currently married women who usually participate in household decisions (%)	76.5	84.0
Women who own a house and/or land, alone or jointly (%)	—	38.4
Women with a mobile phone they themselves use (%) — urban / rural / total	—	61.8 / 36.9 / 45.9
Ever-married women who have ever experienced spousal violence (%)	37.2	28.8
Women who agree a husband is justified in beating his wife for at least one reason (%)	—	52
Men who agree a husband is justified in beating his wife for at least one reason (%)	—	42

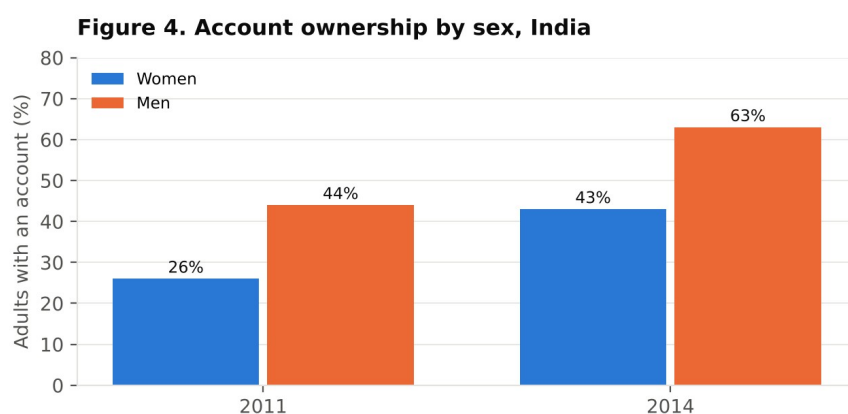
Note. Dashes indicate that a comparable figure is not reported here. Source: International Institute for Population Sciences (IIPS) and ICF (2017).



Source: IIPS & ICF, NFHS-4 (2017). *Currently married women. **Ever-married women aged 15–49.

The most dramatic change is in bank account use, which more than tripled in a decade. The World Bank's Global Findex database confirms a narrowing but still substantial gender gap in account ownership (Figure 4). In 2011, 26 percent of Indian women had an account,

compared with 44 percent of men; by 2014 the figures had risen to 43 and 63 percent respectively (Demirgüç-Kunt et al., 2015). The expansion of accounts since 2014 under the Jan Dhan scheme is likely to have narrowed the gap further.



Source: World Bank Global Findex Database (Demirgüç-Kunt et al., 2015).

3.3 Public employment

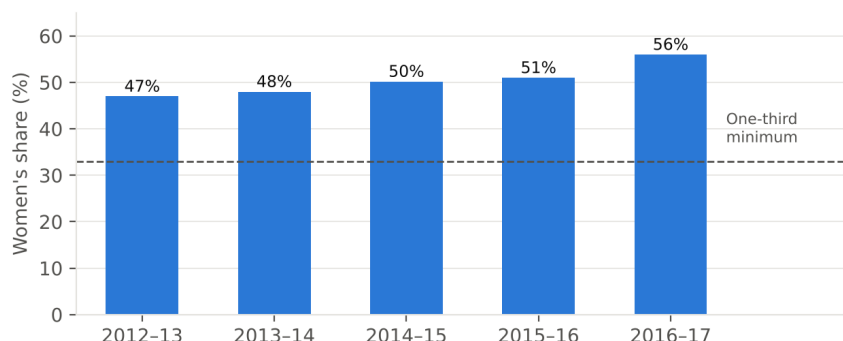
MGNREGA guarantees up to 100 days of wage employment per year to rural households and requires that

at least one-third of beneficiaries be women. Women's share of MGNREGA employment has consistently exceeded this minimum and rose to 56 percent in 2016–

17, the highest since the scheme began (Figure 5). Because MGNREGA pays equal wages to men and women, often directly into individual bank accounts, it

has been an important source of independent cash income for rural women, many of whom had little prior access to paid work.

Figure 5. Women's share of MGNREGA employment



Source: Ministry of Rural Development, as reported in *The Asian Age* (29 April 2017).

4. ECONOMIC INDEPENDENCE AND FAMILY RELATIONSHIPS

4.1 Decision-making

The most consistent finding in the literature is that women's earnings increase their participation in household decisions. Analyses of NFHS data have repeatedly found that women employed for cash are more likely to participate in decisions about their own health care, major household purchases and visits to relatives than women who are not employed (Kishor & Gupta, 2009). Anderson and Eswaran (2009), studying Bangladesh, found that it is earned income, rather than unearned income or assets brought into marriage, that most strongly increases women's autonomy. Their finding suggests that the act of earning, and the visibility of the contribution, matters in itself.

4.2 Spending priorities and children's welfare

When women control income, household spending tends to shift toward children's nutrition, health and education. Duflo (2012) reviewed evidence from several countries showing that income in women's hands has larger effects on children's well-being than equivalent income in men's hands. Qian (2008) found that in China, increases in the value of tea, a crop in which women had a comparative advantage, raised the survival rates and educational attainment of girls. Increases in the value of crops in which men had an advantage had the opposite effect. In India, Jensen (2012) showed that improving young women's access to well-paid jobs led families to invest more in girls' schooling and health, suggesting that the prospect of women's economic independence changes how families value daughters.

4.3 Division of domestic labour

Economic independence has less effect on the division of domestic work. Indian women who work outside the home typically continue to bear most responsibility for cooking, cleaning and care, resulting in a double burden.

Husbands' participation in housework increases only modestly when wives earn. The gender identity effect described by Bertrand et al. (2015) may operate here too: in families where male breadwinning is central to identity, working women may intensify their domestic work to reassure husbands and in-laws that they have not abandoned their roles.

4.4 Marital relationships and violence

The relationship between women's economic independence and domestic violence is complex. Bargaining theory predicts that women with better fall-back positions should face less violence, because they can credibly threaten to leave. Panda and Agarwal (2005), studying women in Kerala, found that women who owned land or a house were significantly less likely to experience physical and psychological violence from their husbands. Property ownership provided both a deterrent and a means of exit.

Employment, however, does not always have the same effect. Some Indian studies find that employed women report higher rates of spousal violence than non-employed women. Eswaran and Malhotra (2011) interpreted this pattern as consistent with men using violence to reassert control when women gain autonomy. Part of the association may also reflect the fact that poorer women, who face higher risks of violence for other reasons, are more likely to work out of necessity. The national decline in reported spousal violence between NFHS-3 and NFHS-4, from 37.2 to 28.8 percent, coincided with rising education, financial inclusion and decision-making. This suggests that broader improvements in women's position can reduce violence over time, even if individual transitions into work sometimes provoke conflict.

4.5 Relationships with the extended family

In joint families, a daughter-in-law's earnings can change her relationship with her husband's parents. An earning daughter-in-law may gain respect and some exemption from household duties. But she may also face suspicion,

particularly if she controls her own income or spends time outside the home. In many families, earnings are pooled and controlled by the husband or mother-in-law, limiting the young woman's independence. Whether earnings translate into autonomy therefore depends on control, not just on receipt.

4.6 Relationships with the natal family

Economic independence can also strengthen women's ties with their natal families. Women with their own income may support ageing parents, contribute to siblings' education or maintain contact that patrilocal norms might otherwise discourage. Such support challenges the traditional view of daughters as *paraya dhan*, wealth that belongs to another family, and may gradually change parents' attitudes toward investing in daughters.

5. ECONOMIC INDEPENDENCE AND SOCIAL PERCEPTIONS

5.1 Work as necessity versus work as choice

Social perceptions of women's earning in India are strongly shaped by the reasons for and the nature of the work. Work undertaken out of economic necessity, such as agricultural labour by poor women or MGNREGA employment, is broadly accepted, though often not valued. Work as a career or source of identity is viewed more ambivalently, especially if it involves travel, late hours or contact with unrelated men.

5.2 Status and the U-shaped pattern

Goldin (1995) observed that across countries, women's labour force participation tends to follow a U-shape with economic development. It is high in poor agrarian economies, falls as incomes rise and stigma attaches to women's manual work outside the home, and rises again as education and white-collar jobs expand. In India, this pattern is reinforced by caste-linked norms in which the seclusion of women signals household status. Eswaran et al. (2013) found that in rural India, women's participation in work outside the home declines as household status rises, consistent with the use of female seclusion as a status marker. As a result, rising incomes can reduce rather than increase women's paid work in the short term.

5.3 Marriageability and respectability

Perceptions of women's earning also interact with marriage. An educated, employed woman may be seen as an asset in some urban marriage markets, especially among professional families. In other settings, families worry that a working woman will be less obedient, less devoted to household duties or more exposed to inappropriate contact. Radhakrishnan (2009) found that professional women in India's information technology sector actively framed their work as compatible with respectable femininity. They emphasised family values and modest behaviour to secure social acceptance.

5.4 Shifting norms

There is also evidence that perceptions are changing. Visible role models, from village council leaders to successful professionals and entrepreneurs, have weakened the association between respectability and economic dependence. Participation in self-help groups has enabled many rural women to save, borrow and run small enterprises collectively, giving them a recognised economic role in their communities. Swain and Wallentin (2009) found that participation in self-help groups in India was associated with significant improvements in women's empowerment, including decision-making and mobility. Media representations of working women have also become more common and more positive.

5.5 Persistent attitudes

Nonetheless, attitudes that justify male authority persist. In NFHS-4, 52 percent of women and 42 percent of men agreed that a husband is justified in beating his wife for at least one specified reason, such as neglecting the house or children or showing disrespect to in-laws. These figures, summarised in Table 3, indicate that economic gains have not yet transformed beliefs about gender roles within marriage. Women's own endorsement of such views reflects how deeply norms are internalised.

6. BARRIERS AND PARADOXES

Table 4 summarises the main barriers that prevent women's economic gains from translating into independence and changed relationships.

Table 4

Barriers to women's economic independence and their consequences

Barrier	How it operates	Effect on family relationships and perceptions
Limited control over earnings	Income is pooled or controlled by husband or in-laws	Earning without autonomy; little change in bargaining power
Double burden	Paid work added to unchanged domestic responsibilities	Stress, fatigue and pressure to withdraw from work
Status norms	Women's seclusion signals family respectability	Rising incomes may reduce women's work
Lack of suitable jobs	Few safe, nearby, flexible jobs for educated women	Educated women remain outside the labour force
Safety and mobility	Harassment and restricted movement outside the home	Families restrict the types and locations of work
Weak asset ownership	Limited land and property in women's names	Fragile fall-back position despite income
Backlash	Men may respond to women's autonomy with control or violence	Short-term increases in conflict

These barriers help explain the central paradox of the Indian data. Financial inclusion and decision-making have improved substantially, while labour force participation has declined. Account ownership and public employment provide women with channels to receive and hold money. But without suitable jobs, control over income, safety and changes in domestic roles, these channels do not produce full economic independence.

7. IMPLICATIONS FOR POLICY AND PRACTICE

1. **Create suitable jobs.** Expanding safe, flexible and local employment, particularly in services, manufacturing and the care economy, is essential if educated women are to enter paid work.
2. **Ensure control over income.** Paying wages and benefits directly into women's own accounts, as under MGNREGA, increases the likelihood that women control their earnings. Account access should be accompanied by financial literacy and digital skills.
3. **Strengthen asset ownership.** Effective implementation of equal inheritance rights, joint titling of land and housing, and incentives for registering property in women's names can improve women's fall-back positions and reduce vulnerability to violence.
4. **Invest in care infrastructure.** Crèches, pre-schools, elder care services and time-saving household infrastructure, such as piped water and clean cooking fuel, reduce women's unpaid work burden and enable paid work.
5. **Improve safety and mobility.** Safe public transport, street lighting and effective responses to harassment reduce families' concerns about women working outside the home.
6. **Engage men and families.** Programmes that encourage men's participation in domestic work and challenge the link between male authority and breadwinning can reduce backlash and spread the benefits of women's earnings.
7. **Support collective institutions.** Self-help groups, cooperatives and producer organisations provide women with economic opportunities, networks and a collective voice that individual employment may not.
8. **Improve measurement.** Surveys should better capture women's unpaid, home-based and informal work, as well as control over income and assets, so that policy is based on an accurate picture of women's economic lives.

8. CONCLUSION

Women's economic independence has significant effects on family relationships and social perceptions in India, but these effects are neither automatic nor uniform. National data show substantial gains in financial

inclusion, household decision-making and reductions in reported spousal violence between 2005–06 and 2015–16. Women's share of public employment under MGNREGA has also risen steadily. At the same time, women's participation in paid work has declined, and attitudes that justify male authority remain widespread among both women and men.

The evidence reviewed in this article indicates that economic independence strengthens women's voice in household decisions and shifts spending toward children. Ownership of property, in particular, protects women against violence. Its effects on the division of domestic work are limited, and transitions into work can provoke conflict where male breadwinning is central to family identity. Social perceptions remain divided between acceptance of work as necessity and suspicion of work as independence, shaped by status norms, marriage expectations and concerns about respectability.

For economic independence to deliver its full potential, policy must go beyond opening accounts and creating jobs. It must ensure that women control their income and assets, reduce the burden of unpaid care, make public spaces safe and engage men and families in rethinking gender roles. When these conditions are met, women's economic independence can transform not only their own lives but also the relationships and perceptions of the families and communities around them.

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