

Empowering Divorced Women and Their Children : The Impact of Government Policies and Schemes on Women's Entrepreneurship

Mayurika Chauhan¹
Dr. Amit Verma²

Abstract

Divorced women in India face numerous challenges, including financial instability, societal stigma, and limited opportunities for economic independence. These challenges are exacerbated by unreliable alimony and child support, often leaving women and their children in vulnerable positions. Government schemes such as Pradhan Mantri Mudra Yojana and Stand-Up India aim to address these issues by promoting women's entrepreneurship. This study examines the intersection of socio-legal frameworks and entrepreneurship schemes to understand their impact on the financial independence of divorced women and their ability to secure a stable future for their children. Adopting a mixed-method approach, the study analyzes quantitative data from government reports, including the Pradhan Mantri Mudra Yojana Annual Reports and NSSO data on women's economic participation, to assess the utilization of these schemes. Additionally, the paper reviews legal frameworks, such as the Hindu Marriage Act, the Domestic Violence Act, and Section 125 of the Crpc, to evaluate their role in supporting women post-divorce.

Keywords: Divorced Women, Entrepreneurship, Government Schemes, Financial Independence.

Introduction

Divorce, though increasingly acknowledged in Indian society, remains a deeply stigmatized experience for women. Post-divorce life is fraught with social alienation, financial instability, and legal ambiguities. Divorced women, especially those with children, often struggle to maintain a dignified life, as societal support systems diminish and family structures fragment. The absence of consistent financial support—either due to evasion of alimony obligations or slow judicial enforcement—further exacerbates their challenges.

In such a context, entrepreneurship becomes not just an economic activity but a form of empowerment and self-determination. The Indian government, through policies like Pradhan Mantri Mudra Yojana and Stand-Up India, seeks to promote entrepreneurship among women. However, divorced women occupy a unique intersection of vulnerability that these schemes rarely address in practice.

This paper critically examines the socio-legal environment affecting divorced women and explores how entrepreneurship initiatives can be better aligned to empower them and ensure better futures for their children.

Socio-Legal Challenges Faced by Divorced Women in India

1. Stigma and Marginalization

Society often blames women for marital breakdowns. Divorced women may face discrimination in housing, employment, and social circles. Such ostracization can lead to emotional distress and a lack of confidence, which hinders their ability to engage in entrepreneurial activities. Indian society, though constitutionally secular and democratic, remains patriarchal. Divorce is often

¹ Research Scholar, College of Law and Legal Studies, Teerthanker Mahaveer University,

² Associate Professor, College of Law and Legal Studies, Teerthanker Mahaveer University, Moradabad, Uttar Pradesh

viewed through a moral lens, casting divorced women as social deviants. This stigma leads to ostracism, affecting their social networks and, subsequently, their access to resources and opportunities.

2. Custody and Financial Strain

Divorced women often experience a sudden fall in their economic status. Many lack employable skills or face resistance from employers due to their marital status. When children are involved, the financial burden multiplies, as they become sole caregivers without adequate support from former spouses or families. While courts often grant custody of children to the mother, child support and alimony enforcement remain weak. CrPC which mandates maintenance, is limited both in terms of quantum and enforceability. As a result, divorced women are often primary caregivers without consistent financial support.

3. Limited Economic Opportunities

Despite educational qualifications, many women find it hard to re-enter the workforce post-divorce due to gaps in employment, ageism, or the need for flexible work hours. Entrepreneurship provides a flexible alternative, but capital access, financial literacy, and business networks are often out of reach.

Legal Frameworks Supporting Divorced Women

1 HMA, 1955

This statute provides for permanent alimony and maintenance. However, judicial discretion results in inconsistent awards, and enforcement remains a challenge, especially in rural areas where legal literacy is low.

2 PWDVA, 2005

This Act is instrumental in securing the rights of divorced and separated women to reside in the matrimonial home and claim maintenance. It broadens the scope of support from mere physical abuse to emotional and economic abuse, which is significant for entrepreneurship.

3 Sec. 125 of CrPC

Though secular in application, the section is conservative in scope. The term “sufficient means” remains ambiguously interpreted, and often the burden falls on the woman to prove financial need and neglect by the husband. These

laws, while progressive in intent, are often inaccessible to the very women they are meant to protect due to socio-cultural, economic and institutional barriers.

Government Schemes Promoting Women’s Entrepreneurship

1. Pradhan Mantri Mudra Yojana (PMMY)

Launched in 2015, this scheme provides loans up to 10 lakhs rupees without collateral. Women entrepreneurs are given preference, and interest subsidies are offered. The scheme categorizes loans into Shishu (up to 50,000), Kishore (50,000 to 5 lakhs), and Tarun (5 to 10 lakhs), enabling step-by-step growth. This scheme offers collateral-free micro-credit for small-scale business ventures. It aims to support underprivileged entrepreneurs, with a special focus on women. While it presents a promising avenue, the practical barriers often deter divorced women from applying.

Though not exclusive to divorced women, the scheme aligns with constitutional value which allows special provisions for women. Case examples like self-help groups of divorced women in Tamil Nadu starting tailoring units exemplify its transformative potential.

2. Stand-Up India Scheme

This scheme targets women and SC/ST entrepreneurs for loans between 10 lakhs to 1 crore. Each bank branch is required to support at least one woman entrepreneur. It mandates handholding support, which is crucial for first-time businesswomen.

Targeting women and SC/ST communities, this scheme encourages bank financing for new businesses. Though conceptually inclusive, divorced women face challenges in availing its benefits due to lack of documentation, low credit history, and absence of social guarantors. The scheme complements DPSP Directive Principles of State Policy by promoting equal opportunity in economic participation.

3. Mahila E-Haat and Udyam Sakhi Portal

Initiatives like Mahila E-Haat provide platforms for women to market their products. However, success on such platforms often requires digital literacy, entrepreneurial training, and product visibility—resources that many divorced women do not possess without targeted support.

These digital platforms allow women to showcase and sell products. While not directly financial schemes, they provide a vital market link, allowing divorced women to build independent economic identities.

Barriers to Accessing These Schemes

1. Bureaucratic Complexities

Lengthy documentation, lack of clear guidelines, and institutional apathy deter applicants. Many divorced women lack the formal documents (e.g., income proof, residence proof, separation decree) required to avail loans. Due to lacking in permanent addresses, bank accounts, or property in their names, made them ineligible for schemes that demand collateral, guarantors, or stable residence proof.

2. Lack of Awareness

Despite efforts by NGOs and state agencies, awareness about these schemes remains low, especially in non-urban settings. Divorced women are often excluded from mainstream communication channels.

3. Cultural Constraints

Family pressure, social stigma, and the notion of female dependency hinder divorced women from stepping into business roles. A woman starting a business may face resistance from her parental family, especially if custody responsibilities are involved. Even the bank officials consciously or unconsciously discriminate against single women or hesitate to approve loans due to perceived risk. The institutional attitude can be patronizing or dismissive.

Intersection of Legal Rights and Entrepreneurship

Thus, the intersection of law and policy does not merely serve as a support mechanism—it becomes an active driver of transformation. Legal protections ensure justice and enforcement, while policy interventions provide the practical tools and platforms for self-sufficiency. The combination of both fosters a holistic ecosystem that enables divorced women to reclaim agency, ensure the welfare of their children, and assert their dignity in society.

1. Right to Livelihood

The Supreme Court recognized the right to livelihood as part of Art. 21. Entrepreneurship as a means of livelihood for divorced women thus gains constitutional legitimacy.

2. Access to Credit as a Right

While not a fundamental right, access to financial institutions for credit is increasingly being viewed as a necessary condition for achieving equality. The legal obligation of banks to disburse under PMMY and Stand-Up India implies a quasi-right to access capital.

3. Entrepreneurship as Empowerment

Entrepreneurship fosters independence, self-esteem, and community respect—elements necessary for divorced women to break free from victimhood. When supported by legal remedies and policy interventions, it serves as a holistic empowerment tool.

Recommendations for Legal and Policy Reform

1. **Legal Literacy Camps Targeted awareness programs through Legal Services Authorities (LSAs) should focus on informing divorced women about their rights and available schemes.**
2. **Simplified Documentation Government should consider alternative documentation (e.g., self-declaration forms) for women lacking formal records due to domestic estrangement or displacement.**
3. **Financial Literacy as Part of Divorce Settlements Courts should mandate attendance in entrepreneurship and financial literacy workshops as part of counseling or divorce proceedings.**
4. **Integration of Schemes with Legal Remedies Schemes like PMMY could be linked with maintenance orders or domestic violence judgments, streamlining access for verified claimants.**
5. **Monitoring and Evaluation through Legal Forums Periodic reviews by family courts or women's commissions could assess the economic rehabilitation of divorced women, thereby creating a feedback loop for policy improvement.**

Conclusion

Empowering divorced women demands more than isolated legal remedies or stand-alone financial schemes. The transformative potential lies in the synergy between robust legal frameworks and targeted policy interventions. Together, they provide the dual support of enforceable rights and actionable opportunities. Laws such as the HMA and DVA affirm women's rights, while schemes like PMMY and Stand-Up India translate those rights into tangible economic pathways.

By bridging these domains, the State does not merely

fulfill a welfare function—it builds a resilient foundation for financial independence, self-worth, and intergenerational security. When combined effectively, legal and policy instruments uplift divorced women from passive recipients of aid to active contributors in the economic and social fabric

of the country. This integrative approach is not only just but necessary for creating a society rooted in equity, dignity, and empowerment for all, especially for vulnerable groups like divorced women and their children.

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⁵Deshpande, Satish. *Single Women and Social Insecurity in India*, EPW, Vol. 44, No. 17, 2009

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⁷Section 25 of Hindu Marriage Act, 1955

⁸Section 3 of The Protection Of Women From Domestic Violence Act, 2005

⁹Sharma, Rashmi. *Divorce and Gender Inequality in India*. *Indian Journal of Law and Society*, 2018

¹⁰Article 15(3) Constitution of India- affirmative action provision intended to remedy the disadvantage faced by women.

¹¹Article 39A- Equal justice and free legal aid - The State shall secure that the operation of the legal system promotes justice, on a basis of equal opportunity, and shall, in particular, provide free legal aid, by suitable legislation or schemes or in any other way, to ensure that opportunities for securing justice are not denied to any citizen by reason of economic or other disabilities.

¹²Veena Poonacha, "Patriarchy and Control: Narratives of Independent Women," *Indian Feminist Review*, 2018.

¹³*Olga Tellis v. Bombay Municipal Corporation* (1985) SC 180

¹⁴Protection of life and personal liberty - No person shall be deprived of his life or personal liberty except according to procedure established by law.

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