

FINANCIAL INCLUSION AND EMPOWERMENT OF WOMEN: BUILDING BRIDGES TO EQUALITY

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<https://doi.org/10.34293/9789361634925.ch.005>

Abstract

Financial inclusion is not merely an economic strategy—it is a catalyst for social change and women's empowerment. In developing nations like India, where cultural and systemic barriers limit women's access to formal finance, financial inclusion becomes a lifeline. This paper explores how digital innovation, financial literacy, microfinance, and government schemes such as PMJDY and DBT are reshaping the lives of Indian women. Through real-life stories from rural India and Kenya, it highlights how financial access enables women to become active economic participants, improve household well-being, and uplift entire communities. These case-based insights show that true empowerment comes not just from access, but from understanding, confidence, and inclusion.

Keywords: *Financial Inclusion, Women Empowerment, Microfinance, Digital Finance, Gender Equality, Financial Literacy, Government Schemes, India, Rural Women, Social Change, Self-Help Groups (SHGs), Direct Benefit Transfer (DBT), PMJDY, Aadhaar, UPI, Mobile Banking, Economic Empowerment, Digital Payments*

The Transformative Power of Financial Inclusion

Financial inclusion is more than just opening a bank account—it's about unlocking potential. Imagine a woman in a rural village gaining access to microcredit. With a small loan, she starts a tailoring business, supports her children's education, and lifts her family out of poverty. Or a street vendor uses a mobile wallet to safely save money and access digital payments, no longer relying on risky cash transactions. These small steps lead to big changes. Financial inclusion empowers people with dignity, choices, and security. It's not just financial growth—it's a pathway to human development, equity, and lasting transformation. Pradhan Mantri Jan Dhan Yojana (PMJDY), launched in 2014, is a flagship financial inclusion initiative by the Government of India. It aims to provide every household with access to banking services like savings accounts, credit, insurance, and pension. zero-balance accounts, RuPay debit cards, and accidental insurance, the scheme empowers the poor to participate in the formal economy. For example, daily wage earners can now save securely and receive government subsidies directly. PMJDY is not just a banking scheme—it's a step towards economic dignity, empowering millions to move from financial exclusion to inclusion and self-reliance. While progress is being made, there are still glaring gaps. According to the Global Findex Database by the World Bank, in many developing countries, women are still less likely than men to have a bank account. This digital and financial gap is felt strongly in rural areas.

Women-Focused Financial Literacy Program

Financial literacy isn't just about numbers—it's about giving women the power to shape their futures. In many households, women silently manage daily expenses, stretch every rupee, and make sacrifices to educate their children. Yet, most of them have never stepped inside a bank or held a debit card. A women-focused financial literacy program bridges this gap by empowering them with the knowledge and confidence to take control of their finances—and their lives. That things changed. Now, she not only sends and receives money digitally but also helps her peers learn how to use mobile payments. Financial literacy, more than access to bank accounts, is what turns financial inclusion into real empowerment. When women are given the tools to learn programs like

- Budgeting and saving
- Understanding bank accounts and using ATMs
- Learning about insurance, pensions, and credit
- Safe use of digital financial tools (UPI, mobile wallets)
- Government schemes like PMJDY, PMSBY, and MUDRA

Financial Inclusion and its Importance for Women

Financial inclusion means ensuring individuals and businesses have access to affordable financial services—savings, credit, insurance and digital payment platforms. But for women, especially in low-income and rural areas, the barriers are higher and the stakes greater.

Globally, nearly one billion women still do not have access to formal financial systems. Cultural norms, legal constraints, lack of documentation, limited mobility, and digital illiteracy often shut them out. When women are excluded financially, their autonomy is limited, and their potential is stifled. Conversely, when women are included, they invest more in families, health, and education—creating a ripple effect that benefits everyone.

Example: Aadhaar and DBT in Action

Without Financial Inclusion: The Risk of Dependency

Without access to banks or mobile payments, many Indian women remain financially dependent on male family members—even for their personal needs. This often leads to:

- Economic abuse
- Lack of privacy in financial matters
- Vulnerability during emergencies or widowhood

Digital Finance – Reaching Women through Technology

The power of **technology** has reshaped access to finance in unimaginable ways. In **Kenya**, the rise of **M-Pesa** allowed women, especially in rural areas, to manage money on their phones. This service, which started as a simple money transfer platform, has transformed the financial landscape. In India, **aadhaar-linked bank accounts** have become the norm, **Direct Benefit Transfer (DBT)** scheme, which sends government subsidies directly to women's bank accounts, is helping reduce corruption and ensure that benefits are directly accessible to the intended recipients. **Geeta**, a rural housewife from Rajasthan, shared her joy when she finally received her subsidy directly into her account—something that had been difficult for her to access before due to intermediaries and lack of documentation.

Example: Digital Inclusion in Rajasthan

Financial Literacy – Empowering through Knowledge

Financial literacy is not just about understanding numbers or managing accounts—it’s about giving people the confidence to take charge of their lives. For many, especially women and those from underserved communities, it is the first step toward independence and dignity. When a woman learns how to budget, save, or use a digital wallet, she’s not just learning finance—she’s learning freedom. She can plan her children’s education, start a small business, or handle emergencies without fear. Financial literacy empowers people with the knowledge to make smart choices, avoid debt traps, and build a future filled with possibility and hope. Programs to Enrich Financial Literacy

1. Community-Based Financial Literacy Camps

Organize regular workshops in villages, urban slums, and women’s self-help groups (SHGs). These sessions can cover basic banking, budgeting, savings, insurance, credit, and digital payments.

Example: A local NGO partners with a bank to run sessions for domestic workers on how to use ATM cards and mobile wallets.

2. School and College Financial Education Modules

Introduce age-appropriate financial education in school and college curriculums. Cover topics like saving, needs vs. wants, using digital wallets, and planning for the future.

Example: A “Money Matters” week in schools where students participate in games and activities related to smart money habits.

3. Mobile-Based Learning Platforms

Develop mobile apps or WhatsApp-based learning modules in local languages with short videos, quizzes, and interactive tips on personal finance.

Example: A woman vendor in Bihar uses a voice-enabled app to learn about microloans in 5-minute daily capsules while cooking.⁵

4. Corporate Social Responsibility (CSR) Initiatives

Companies can run tailored financial literacy drives for the families of employees, local communities, or low-income households.

Example: A manufacturing firm partners with a microfinance institution to deliver weekend financial workshops to women workers and their families.

5. Government Schemes Awareness Drives

Many people remain unaware of life-changing schemes like PMJDY, PMSBY, or APY. Create easy-to-understand guides, posters, and training modules for women.

Example: A Panchayat-led mela where women enroll in schemes, play financial games, and attend mini financial literacy talks.

Microfinance – Small Loans, Big Impact

Microfinance is a powerful tool that provides small, affordable loans to individuals—especially women—who lack access to traditional banking services. It’s not just about lending money; it’s about building hope, confidence, and self-reliance. Even a modest loan can spark a big transformation in someone’s life, especially in low-income communities. In many rural areas,

women with dreams of starting a small business or supporting their families often have no credit history, collateral, or financial support. Microfinance bridges that gap. These loans, often as small as ₹5,000–₹50,000, allow women to launch or expand income-generating activities like tailoring, livestock farming, food stalls, or handicrafts.

I. Government-Supported Microfinance Initiatives

- **NABARD (National Bank for Agriculture and Rural Development)**-Apex development bank promoting rural prosperity.nabard pioneered the **SELF-HELP GROUP – BANK LINKAGE PROGRAMME (SHG-BLP)**, the world's largest microfinance program. through this initiative, millions of rural women in shgs have been able to access bank loans without formal collateral.
- **SIDBI (Small Industries Development Bank of India)**-promotes small and medium enterprises (smes).operates the **sidbi foundation for micro credit (sfmc)**, which refinances and supports microfinance institutions (mfis).it funds smaller mfis to increase outreach to underserved populations.
- **NRLM (National Rural Livelihoods Mission) – Deendayal Antyodaya Yojana**-Ministry of Rural Development, Government of India.Empower rural poor women through SHGs with financial literacy, credit access, and livelihood support.Under NRLM, SHG women in states like Bihar and Jharkhand receive revolving funds and credit linkage support to start micro-enterprises.

II. Prominent Private Microfinance Institutions (MFIs)

SKS Microfinance (Now known as Bharat Financial Inclusion Ltd.)-Provides micro-loans to rural women for income-generating activities.Uses group lending methodology with weekly repayment systems.Has empowered lakhs of women across India's poorest districts.

- **Bandhan Bank (Originally Bandhan Financial Services)** -Began as an MFI and later became a full-fledged bank.Women in rural and semi-urban areas. Offers micro-loans, savings accounts, and insurance.
- **Ujjivan Small Finance Bank** -Started as a microfinance company and now operates as a small finance bank, financially excluded urban and semi-urban poor.

III. International NGOs and Collaborations in Microfinance

- **SEWA Bank (Self Employed Women's Association)** – Gujarat-cooperative bank run by women for women. Provides credit, savings, insurance, and training to self-employed women.a vegetable seller can open an account and get a small loan to increase her stock.
- **ASA International India** -Provides small loans to low-income women entrepreneurs. Offers group-based microfinance loans and capacity-building support.

Policy Initiatives: The Role of Government in Financial Empowerment

The Government of India has played a pivotal role in advancing financial empowerment, especially for the underserved and marginalized populations. Through targeted policy initiatives, the government has ensured that access to financial services is no longer a privilege, but a right for every citizen. These policies not only aim to increase financial access but also to promote financial literacy, inclusion, and self-reliance.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

To ensure universal access to banking facilities. Over 50 crore bank accounts opened with zero balance facility, RuPay debit cards, and accidental insurance. Women in rural villages now receive direct benefit transfers (DBT) into their own accounts—giving them financial control and dignity.

Direct Benefit Transfer (DBT) Scheme

To transfer subsidies and welfare benefits directly into beneficiaries' bank accounts. Reduces leakages, ensures transparency, and empowers women as primary account holders in many households. **Example:** LPG subsidy under *PAHAL* scheme directly credited to the woman of the house.

MUDRA Scheme (Micro Units Development and Refinance Agency)

To provide loans to micro and small entrepreneurs, especially non-corporate, non-farm small businesses. Shishu (up to ₹50,000), Kishore (₹50,000–₹5 lakh), and Tarun (₹5–₹10 lakh). **Example:** A woman starting a home-based food delivery business avails a Shishu loan and scales up with a Tarun loan later.

Stand-Up India Scheme

Women and SC/ST entrepreneurs. Loans between ₹10 lakh and ₹1 crore to start a Greenfield enterprise. Encourages first-time women entrepreneurs to step into manufacturing, trading, or service sectors.

Atal Pension Yojana (APY)

To create a pension system for workers in the unorganized sector. Empowers women domestic workers, vegetable vendors, and laborers to plan for old age security.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) & Pradhan Mantri Suraksha Bima Yojana (PMSBY)

Affordable life and accidental insurance. Linked with Jan Dhan accounts; premium auto-debited annually. **Example:** A daily wage laborer's family receives financial support after a fatal accident, thanks to PMSBY coverage.

A Future Built on Empowerment

Empowerment is not just a policy goal—it is a personal journey. When a woman opens her first bank account, when a street vendor learns to use a digital wallet, or when a young girl understands how to budget her scholarship money, something powerful happens. They are no longer just surviving—they are shaping their own future. **Women's World Banking (WWB)**, an NGO focused on empowering women globally, has partnered with financial institutions in emerging markets to provide products that are specifically designed for women's needs. Through their **Women's Financial Inclusion Index**, they are pushing for systemic change by working with governments and private sector partners. Financial inclusion, literacy, and support are not about numbers on a chart; they are about **dignity, choices, and hope**. A future built on empowerment is one where every individual, regardless of background, has the tools to dream bigger, decide boldly, and live with confidence.

Conclusion

Financial inclusion is not just a financial term—it is the foundation of freedom, dignity, and opportunity for millions of women. When women gain access to banking, credit, insurance, and digital tools, they become contributors to their family’s stability, their community’s growth, and their nation’s economy. This paper shows how integrated efforts from government schemes, microfinance institutions, NGOs, and technology platforms are removing long-standing barriers. The stories of women like Geeta and countless others demonstrate that inclusion leads to transformation—not just for individuals, but for generations. The journey ahead calls for sustained efforts in financial education, targeted policy interventions, and technology-enabled outreach to ensure no woman is left behind.

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