Transforming Gender Relations through Digital Financial Inclusion in India

Abstract

This article provides a brief overview of digital financial inclusion for marginalised and vulnerable populations, particularly women. The focus is on understanding the status and how digital financial inclusion for women is critical for achieving gender parity, their empowerment, and overall gender equality. The article assesses the Pradhan Mantri Jan Dhan Yojana (PMJDY), which claims to promote financial inclusion and gender equality by extending and expanding affordable access to financial services such as bank accounts, remittances, credit, insurance, and pensions. The framework of intersectionality is used to theorise digital financial inclusion and its implications for marginalised and vulnerable sections of society, followed by policy recommendations.

Key words: Gender equality, Digital financial inclusion, PMJDY, intersectionality, women, policy

Introduction

The Sustainable Development Goal (SDG)-5 of the 17 SDGs recognizes gender equality as not only a fundamental human right but also an important precondition for a peaceful, prosperous and sustainable world. Though women and girls represent half of the global population and its potential, there persists inequality at every stage thus stagnating the social and economic development. Moreover, for a healthy society, it is critical to prioritise advancing gender equality in all spheres, including poverty reduction, health, education, safety, and general well-being of all.

Women experience discrimination and are disproportionately susceptible in many civilizations. The most fundamental facets of freedom, dignity, and self-determination are all impacted by unequal gender roles, and this influences financial inclusion or lack thereof. The current state of global attempts to increase women's financial inclusion, particularly digital, has not progressed enough. But over time, it is deemed that gender dynamics can bring about changes. The digital financial services sector has both the potential to contribute to promote gender equality and serve as a benchmark for it. However, financial inclusion by itself cannot bring about gender equality. Women can only hope to achieve social empowerment, only if they have equitable access to the entire spectrum of needs-based financial services, including credit, insurance, savings, and payments, as well as the functional financial education that goes along with it (ILO, 2020).

This article expands on this idea by examining the ways in which digital financial inclusion cannot be seen in isolation instead as a complex intersection of gender, society (specifically existing patriarchy, social relations, power structure) and the technology itself. Although technology is meant to empower women and it certainly does but comes with a cost. It can exacerbate the social relations complexities that women already face in both public and private settings. On the one hand, the women feel strong and in control, but on the other hand, instances of abuse, oppression, and subordination are also experienced by women that contributes to their vulnerability and marginalisation.

This article studies the transforming gender relations in the context of digital financial inclusion and gender equality in India. The chapter analyses the intersection between digital financial inclusion, gender and society and interprets the changing gender relations in both public and private spaces which has both positive and negative implications. Accordingly, the first section of the chapter outlines the state of women and finance while the second part focuses on the global significance of digital financial inclusion. The third part of the chapter discusses the gendered digital divide while the fourth part critically analyses PMJDY and its role to reduce gender disparities. The fifth section of this chapter uses the framework of intersectionality to theorize digital financial inclusion to understand its implications on marginalized and vulnerable sections of the society. After this follows the policy recommendations to bridge the existing gap and final chapter includes the conclusion.

State of Women in Finance

In recent years, there has been a positive shift in the relationship between women and finances. However, there are still significant disparities that must be acknowledged and addressed. Historically, women have encountered obstacles when it comes to accessing financial services, securing credit, and accumulating wealth in comparison to men. Despite these challenges, there has been a growing movement to promote gender equality in the financial sector.

Efforts to empower women financially have been gaining traction, with a focus on enhancing financial literacy, providing opportunities for microfinance, and supporting women entrepreneurs. Yet, there remains a gender gap in financial inclusion, with many women around the world lacking access to formal banking services and ownership of assets. Bridging this gap is essential for advancing women's economic empowerment, fostering gender equality, and driving economic growth as a whole. By recognizing and addressing the distinct financial needs and obstacles faced by women, we can strive towards establishing a more inclusive and fair financial system that benefits everyone.

Women account for just 17 percent of GDP in India that is less than half the global average (IMF, 2019). The 2014 Sixth Economic Census found that just 14% of Indian women are business owners or operators. Approximately 79 percent of women-owned businesses are self-financed, and over 90% of them are microenterprises. India performs poorly in entrepreneurship indexes as well. In the year 2018 Mastercard Index of Women Entrepreneurs, India stood at number 52 out of 57 countries, behind Tunisia and ahead of Iran. The index considers factors such as ease of doing business, financial access, and advancement outcomes. According to Aparna Saraogi, cofounder of the Women Entrepreneurship and Empowerment (WEE) Foundation -there are often pressures and opposition from within the family due to societal stereotypes that force women to just take care of the house as her key responsibility. In addition, women are disadvantaged by the absence of child-care support networks (IMF, 2019).

Existing body of literature also reflects upon the relation between women and finance. Compared to men, women are found to be significantly less capable of exercising economic control, being less well-educated, paid less, and having fewer possessions. Their financial development is hampered by this discrimination, particularly in education, which results in income inequality (Gonzales et al., 2015). As a result, women experience difficulties with their health, education, employment prospects, ownership of tangible assests and autonomy over their own lives and decisions (Kabeer, 1999). Moreover, lack of access to formal financial intermediaries' services causes women to be less likely than men to own accounts, obtain credit, or use insurance facilities (Demirguc-Kunt et al., 2018, 2017, 2015).

In addition to these, women lack identification documents, mobile phones, digital skills, financial capability, and appropriate financial products (GPFI, 2020).

As per the Sustainable Development Goals (SDG), gender equality can only be attained through gender empowerment (SDG 5). Accordingly, achieving inclusive economic growth and welfare depends on universal financial inclusion. Greta Bull, Director of Women's Economic Empowerment, Bill & Melinda Gates Foundation believes that “women’s economic empowerment is going to take more than bank accounts. But bank accounts can be powerful tools in the hands of women who are determined to take more control over their lives” (CGAP, 2021). Despite rapid growth, wide gender disparities in the economic sphere have been stubbornly persistent. The question persists “How can the financial inclusion community use technology and financial services to help solve such complex problems?” To build more resilient, inclusive, and environmentally friendly futures, financial inclusion is crucial. Hence, to maximise the benefits of inclusive finance, however, one needs to look beyond financial account accessibility. Additionally, it needs to deal with other intertwined issues as discussed in the chapter that make it further complex and complicated.

Digital Financial Inclusion and its Global Significance

Digital Financial Inclusion has the potential to reach out to billions of customers. It builds upon the strategies that have been employed for years to enhance access channels for those already served by banks and other financial institutions. Both banks and nonbanks have started to offer digital financial services for financially excluded and underserved populations with the potential to reach billions of new customers. According to the CGAP (2015), digital financial inclusion refers to “deployment of the cost-saving digital means to reach currently financially excluded and underserved populations with a range of formal financial services suited to their needs that are responsibly delivered at a cost affordable to customers and sustainable for providers”. There are three key components of any such digital financial services: a digital transactional platform, retail agents, and device (commonly a mobile phone) that is used by customers and agents to transact via the platform.

Due to the significant improvements in accessibility and affordability provided by digital financial services, millions of impoverished consumers are moving from solely cash-based transactions to formal financial services. This development benefits not only the customers but also the economies in which they and their families reside by fostering economic growth and stability. As per the findings of the World Bank's Global Findex Survey 2021, 76% of adults globally possess financial accounts, with developing countries accounting for 71% of this figure (Demirguc-Kunt et al. 2022). These accounts were held by banks or other regulated businesses like credit unions, mobile money services, and microfinance firms. Globally, the percentage of adults who own an account has risen from 51% in 2011 (Ray, et al., 2022). From 63% of adults in developing nations in 2017, the percentage of adults with an account climbed by 8 percentage points (Ray, et al., 2022).

It is true that developed and developing nations have different proportions of internet users, even though this difference somewhat narrowed in 2021 (International Telecommunication Union, 2021). Internet usage statistics are biassed in favour of men, younger people, and people living in cities in both developed and developing nations. These distinctions, though, are more pronounced in developing economies. Following a slight decline in 2020, mobile cellular subscriptions increased in 2021. Subscriptions for mobile broadband showed a similar trend. While some nations have achieved gender parity in terms of mobile phone ownership, there are still some where the population is skewed towards males in terms of mobile phone ownership (OECD 2018).

Another important aspect associated with digital financial inclusion is digital literacy. Although education increases financial literacy, it has an indirect impact on how financial services are used. In the context of digital financial inclusion, digital skills and financial literacy help customers use financial services more effectively and minimise risks. The financial literacy score is 11.9 for India. This clearly indicates that it ranks quite below as compared with other G20 countries. Moreover, approximately two thirds of those without bank accounts are ignorant of how to use financial institution accounts. For instance, in sub-Saharan Africa, almost one-third of account holders need assistance to access their mobile money accounts; women are more affected than men in this regard. (Klapper and Arora, 2022).

G20/OECD INFE-Financial Literacy Score

Country	**Financial Literacy Score (Maximum Score: 21)**
France	14.9
Canada	14.6
People's Republic of China	14.1
Republic of Korea	13.9
Germany	13.8
Indonesia	13.4
United Kingdom	13.1
Türkiye	12.5
Russian Federation	12.2
Brazil	12.1
Mexico	12.1
India	11.9
Argentina	11.4
Italy	11.0
Saudi Arabia	9.6

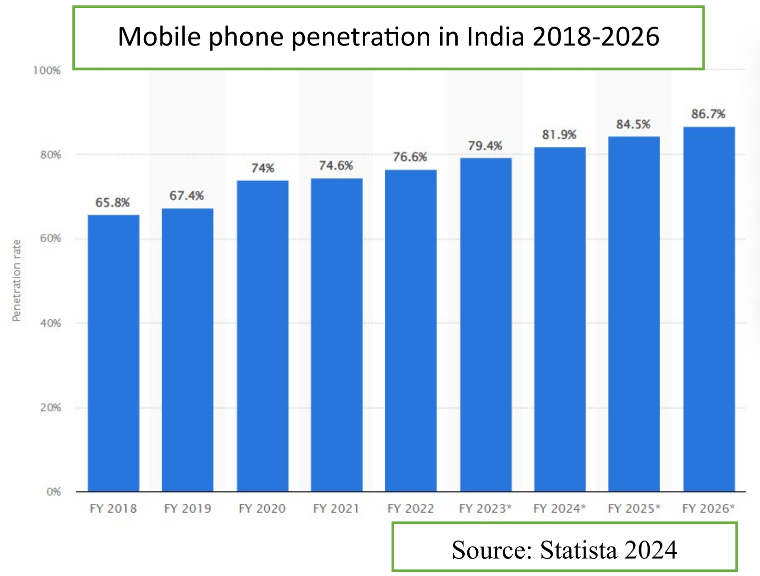
INFE = International Network for Financial Education, OECD = Organisation for Economic Co-operation and Development.

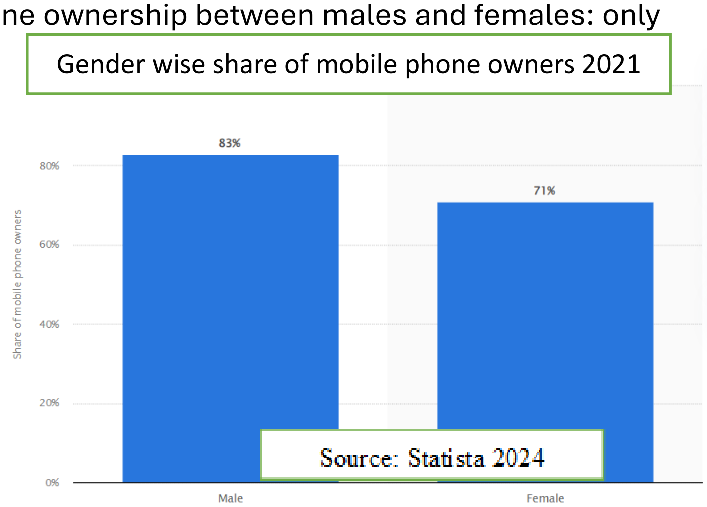
Note: Financial literacy scores for Japan and South Africa are not available.

Source: G20/OECD INFE report on adult financial literacy in G20 countries (2017).

The adoption of digital payments was spurred by the COVID-19 pandemic. In India, China, and other developing economies, the use of digital merchant payments increased following the coronavirus outbreak, according to the Global Findex Database 2021 report (Demirguç-Kunt, et al. 2022). During the pandemic-induced lockdown, some Indian households made their first digital transactions (Reserve Bank of India, 2022). The use of digital payments in India has been fueled by smartphone ownership in addition to other elements like having a debit card, having access to "bank mitra," and using mobile banking apps. Research has shown that older survey participants preferred cards as a method of payment, while younger and middle-aged respondents favored mobile wallets and India's digital payment gateway, the United Payments Interface (UPI) (Reserve Bank of India, 2022).

In the fiscal year 2022, mobile phone penetration in India was approximately 76.6%. It is anticipated that in the country's fiscal year 2026, this would increase significantly to more than 86 percent (Statista, 2024). According to a 2021 survey carried out in India, 83 percent of adult males and only 71 percent of adult females owned a phone. Among which, there was the largest disparity in smartphone ownership between males and females: only 26% of Indian adult women and 49% of Indian adult men owned smartphones (Statista, 2024). It is estimated that 1.55 billion Indians will own smartphones by 2040 (Statista, 2024). These datasets evidently illustrate the existing gender disparity withing the context of digital divide in India.





Having digital access to financial services could be revolutionary for the adults who still transact all of their business in cash because they do not have effective access to formal financial services. However, there are benefits and drawbacks to clients who were previously ineligible using digital financial services; in part, this is because these clients usually have limited access to formal financial services and are unaware of their rights as consumers (CGAP, 2015). World bank (n.d) has indicated a few advantages of digital financial inclusion for the underprivileged and financially excluded and they are as follows;

- **access to formal financial services** – payments, transfers, savings, credit, insurance, securities, etc.
- **lower costs** of digital transactional platforms — both to the provider and thereby the customer — allow customers to **transact locally in irregular, tiny amounts**, helping them to manage their characteristically uneven income and expenses
- **additional financial services tailored to customers' needs and financial circumstances** are made possible by the payment, transfer, and value storage services embedded in the digital transaction platform itself, and the data generated within it
- **reduced risks** of loss, theft, and other financial crimes posed by cash-based transactions, as well as the **reduced costs** associated with transacting in cash and using informal providers
- it can also promote **economic empowerment by enabling asset accumulation** and, for **women in particular**, increasing their economic participation

The same vulnerable customers who are financially excluded and underserved but benefit from digital financial inclusion also face risks.

- **Novelty risks** primarily stem from customers' unfamiliarity with the products, services, and providers, which leaves them open to exploitation and abuse.
- **Risks associated with agents** because newly established service providers are not covered by the consumer protection laws that govern banks and other established financial institutions.

- **Risks associated with digital technology** can result in loss of data and interrupted services, including payment instructions. There's also a chance that data transmitted and stored digitally could compromise privacy or compromise security.

India, with the consistent development of its digital financial infrastructure and programs to improve financial literacy, has made headway in recent years on the front of digital financial inclusion. Under these circumstances, India can take the lead in the G20's efforts to enhance digital financial inclusion while it holds the presidency (Ray, et al., 2023). According to Duvendack et al., 2023), India has significantly advanced the cause of digital financial inclusion, but the nation has also had difficulty achieving gender parity, even in the context of initiatives aimed at enhancing gender inclusivity that are specifically focused on finance. To promote gender-inclusive digital financial inclusion, it is critical to comprehend the variables that may facilitate or impede women's access to digital financial services (Duvendack & Mader, 2020). The national strategies that encourage service providers to take a more gender sensitive approach to promote women’s use of digital financial services.

Gendered Digital Divide

As discussed in the preceding section, digital financial services are changing people's lives by giving the underprivileged greater access to financial services. Examples of these services include those that operate through mobile phones or the internet. However, the benefits are not being felt equally by all groups or segments of people. With increasing digitisation, it is evident that women are the most underrepresented in both the fields of technology and finance. Women with limited access to digital financial services signifies that they encounter dual constraints as both financial services and digital technology represent male domain and their domination (Molinier 2019; Mariscal et al. 2019). Globally, women still face technological, cultural, and socioeconomic barriers to financial services; only 65% of women have an account with a financial institution, compared to 72% of men

(Demirguç-Kunt, et al., 2018).Women in India have much less access to and use of mobile phones than men, according to recent studies on the device—which is the primary means of gaining access to digital services in the country (GSMA, 2022). This implies that issues pertaining to digital technology may impede women's access to digital financial services and, consequently, their participation in the digital financial system (Duvendack, et al., 2023).

According to (ORF, 2021), women face three distinct disadvantages that often contribute to the gendered digital divide in India. First, there is the digital divide between rural and urban areas, with rural broadband penetration standing at just 29% compared to the national average of 51%. Women who live in rural areas are less likely than those who live in urban areas to own mobile phones; the differences between rural and urban areas are greatest in West Bengal, Gujarat, Maharashtra, Andhra Pradesh, and Telangana, and the narrowest in Goa, Kerala, and the northeastern states. Second, there is a digital divide between households that is based on income. Our estimates indicate that each GB of data costs low-income households (earning less than US$2/day) 3 percent of their monthly income, compared to 0.2 percent for middle-income households (earning more than US$2/day), given the average price for data in India is US $0.68/GB. Lastly, discrimination within the household keeps women from having equal access to digital devices in the home, which exacerbates the gender gap in the digital sphere (ORF, 2021).

Likewise, Khera, et al., (2022) has identified three main drivers that contribute to the existing gender disparity. Firstly, women frequently lack the basic resources needed to access digital services like the internet and mobile phones. Secondly, in certain nations, women's financial literacy is restricted by cultural norms, as evidenced by the proportion of women who have completed upper secondary education and finally, the proportion of women in STEM (science, technology, engineering, and mathematics) fields indicates how illiterate women are when it comes to digital and technology literacy; globally, this percentage is only around 15 percent.

There are other social norms that deter women from using digital technology, online spaces and smart devices. Women's online activities are frequently controlled by male relatives, even in cases where they are allowed to own or use mobile devices for the home. Before marriage, mobile phones are thought to pose a threat to a woman's reputation; however, after marriage, using a phone is seen as a disruption to caregiving duties (ORF, 2021). Because of social norms and fear of being judged, women typically avoid talking on their phones in public and instead choose to talk on them at home. Because of this social structure, women have been shut out of the expanding digital economy since COVID-19, particularly when it comes to opportunities for online education, skill development, entrepreneurship, and employment. The lack of digital literacy and inexperience with digital platforms prevented female entrepreneurs from transitioning to online marketplaces after the COVID-19 pandemic. State-wide, women from Self-Help Groups (SHGs) in Maharashtra, Telangana, Andhra Pradesh, and Gujarat reported that while they used their phones for personal purposes, they were not able to conduct financial transactions online and were not using them for business purposes (ORF, 2021).

A growing body of research indicates that enhancing women's access to and usage of financial services, as well as digital financial inclusion, is positively correlated with economic growth, which benefits society overall (Khera, et al., 2021). According to Koning, et al., (2021) and Lyons, et al. (2022), as women utilize digital financial services more frequently, women can alter gender norms and have a greater influence in their communities. National planning strategies must encourage the adoption of national policies that support the hiring and advancement of women in leadership and decision-making positions in the financial, fintech, and digital sectors, as well as constructive measures to lessen gender discrimination (Kuroda et al., 2019). These measures will have a direct impact on the GDP. Additionally, a greater diversity of talent entering the workforce is likely to support economic output growth and boost productivity (Ostry et al., 2018). Thus, financial inclusion for women is one of the many potent levers that can increase economic growth, financial stability, and income equality while also advancing gender equality. The increased presence of women in leadership roles within the fintech industry will stimulate the creation of financial services and products that are specifically designed, and tailor made for women, thus contributing towards bridging the existing digital gender gap.

Pradhan Mantri Jan Dhan Yojna and bridging gender gaps

The Prime Minister formally inaugurated the Pradhan Mantri Jan Dhan Yojana (PMJDY), a national initiative on financial inclusion, on August 28, 2014, with the goal of boosting and augmenting banking penetration and fostering financial inclusion. The goal of PMJDY is to provide coverage to every household in the nation having at least one bank account. The program's foundation is "Sab ka Saath Sab ka Vikas," fostering inclusive growth via "Mera Khata Bhagya Vidhata." Under this scheme, account holders will receive a zero-balance bank account, a RuPay debit card, and accidental insurance cover. After opening a bank account, the holders are eligible for an overdraft facility of Rs 5,000 for six months. Furthermore, the PMJDY aims to guarantee affordable access to financial services, such as basic savings and deposit accounts, remittance, credit, insurance, and pensions. For those without any other accounts, the programme allows them to open a basic savings bank deposit (BSBD) account at any bank branch or Business Correspondent (Bank Mitra) outlet. Access to finance remains challenging for women in rural India. The “Digital sakhi” (digital friend) programme, launched in 2016, offers a model combining inclusive development with digital finance in India.

There is no doubt that PMJDY is intended to advance the financial inclusion initiatives of the Government of India. However, there are several issues and challenges associated with such a policy. Simply opening bank accounts may not fulfill the scheme's aim; continuous operation of these accounts is essential for the scheme to achieve real success (Shettar, 2016). The regular operation of individual bank accounts depends on a consistent income source and stable livelihoods, which is not always the case. The employment scenario in India shows a downward trend with rising unemployment and jobless growth (Chakravarty, 2024). This is the biggest challenge facing PMJDY as a policy of financial inclusion.

The Pradhan Mantri Jan Dhan Yojana (PMJDY), a flagship financial inclusion program in India, has yet to implement specific measures aimed at breaking the entrenched shackles of patriarchy that systematically hinder women's access to banking and finance (Roy & Patro, 2022). While the PMJDY has succeeded in opening millions of bank accounts, its impact on gender equality remains limited due to the pervasive structural discrimination faced by women. For the PMJDY to genuinely transform gender relations and enhance women's access to financial resources and institutions, it is imperative to address and dismantle all forms of patriarchy within the Indian socio-economic landscape. This involves not only policy changes but also a cultural shift that empowers women, promotes gender sensitivity among banking professionals, and ensures that financial services are designed to meet the unique needs of women.

Therefore, efforts to improve women's financial inclusion must go beyond merely increasing the number of bank accounts. The Government of India needs to focus on enhancing women's financial literacy, providing targeted financial products, and creating supportive environments that encourage women to engage with financial institutions confidently. It is also imperative to develop robust mechanisms to protect women from financial exploitation and ensure their security and autonomy in financial decision-making. By addressing these deeper issues, the PMJDY can play a crucial role in transforming gender dynamics in India, ultimately contributing to a more equitable and inclusive financial system that benefits all segments of society in India with women’s financial empowerment and economic security.

Theorising the Digital Financial Inclusion – Using the Framework of Intersectionality

A Case study

Salma, a household helper working at multiple residences in a neighborhood in NCR, India, faced numerous challenges in her personal life. Aged around... years and a... pass, she dedicated her days to cleaning, dusting, mopping, and washing dishes. Her routine involved leaving her house at 6 am, returning for a brief break at 2 pm, and then resuming work from 4.00 pm to 8.00 pm.

Salma's husband, who occasionally sold vegetables but struggled with alcohol addiction, left her solely responsible for managing household expenses and looking after their son. Initially, all the money she earned was taken by her husband, leaving her with very little for essentials. She confided in a friend about the daily arguments and problems at home.

Recognizing the need for financial independence, Salma's friend encouraged her to open a bank account. Assisting her in the process, the friend also helped Salma save money. With some saved funds, Salma purchased a budget-friendly smartphone, installed a banking app, and learned to manage her savings and transactions through the app. Understanding the importance of password protection, she ensured the security of her account. As Salma relied more on digital transactions, her husband grew suspicious and resorted to violence to extract information about her earnings. In fear for her safety, Salma decided to keep her smartphone with her friend and used a basic phone for communication, claiming she had lost her original device. Through the support of her friend, Salma took steps towards financial independence and safeguarded her earnings. She uses her income to run her family as her husband is negligent towards work and hence fails to contribute towards running and managing the house. Moreover, change in power dynamics can be observes as women now controls her earnings and decides for the house while her husband now has no access to her income earned due to introduction of technology. This is a clear sign of Salma feeling empowered and emancipated while on the other hand Salma constantly experiences abuse and domestic violence as her husband fails to have access to her earnings. She ends up narrating that most of the domestic workers living in and around her area witness some or the other kind of challenges and problems.

The study draws on theoretical framework of intersectionality to understand digital financial inclusion in India. Kimberlé Williams Crenshaw, a renowned scholar of critical race theory and an American civil rights activist who first used the term "intersectionality" (also known as "intersectional theory") in 1989. It is the study of social identities that overlap or intersect with associated oppressive, dominating, or discriminatory systems. Through the lens of intersectionality, one can examine the points of intersection and collision between power. It goes deeper than just identifying issues with race, gender or class identity.

Three dimensions of intersectionality were identified by Crenshaw (1989) including structural, political, and representational. It helps to investigate how social categories of people in society encounter marginalisation as a result of the social relations and context in which they are situated. Moreover, these approaches focus on studies of social groups (domestic workers in this case) in society that are situated at the intersection of various categories including class, gender, location, and access to technology. The term "intersectionality" is used in this chapter to demonstrate how domestic workers' multiple identities affect their ability to access technology and digital financial services to attain financial independence and empowerment. Moreover, intersectionality offers a useful theoretical framework for investigating how socioeconomic factors contribute to and perpetuate digital financial exclusion. The case of Salma and many like her is analysed using the theoretical lens of intersectionality and the analysis is as follows;

- Intersectionality recognizes that individuals can face multiple forms of discrimination. Women from poorer communities' experience compounded/ multiple obstacles to digital financial inclusion. In this case Salma belongs to a poorer community (class), she is a woman (gender) and is mostly illiterate, speaks local language (Hindi), lacks access to digital device and technology and negligible access to bank demonstrates the compounded effects that she experiences. Research on intersectionality, particularly in feminist scholarship, has shown that gender and race are intertwined and that it is impossible to separate their effects (Bailey 2009; Crenshaw 1991). Similarly in this case class (poor) and gender (women) are intertwined and their effects to obtain digital financial services is rather constrained as they fail to afford devices and access required technology for financial services and hence remain excluded. This implies that people (more specifically women) in lower social classes—those with less income and education, will hardly be able to afford assets (device- mobile handset) coupled with limited access to technology for digital financial services. Hence, the whole mandate and vision of achieving digital financial inclusion remains defeated.

- Intersectionality recognizes and is concerned with marginalised individuals within sections that are traditionally composed of minorities or historically disadvantaged groups. Moreover, intersectionality compels academic scholars and researchers to acknowledge the historical legacy of exclusion (Nash, 2008). Likewise, the case of Salma resonates with the scholars who argue women belonging to marginalised or minority racial groups might experience greater disadvantages (Romero and Valdez 2016; Valdez 2011). Though interventions by the government, voluntary and civil society organisations work towards achieving digital financial inclusion as a tool to reduce poverty and promote growth, but their efforts remain limited and undermined by exclusion from finance, credit and financial services, particularly due marginalised women's limited skills and knowledge regarding technology and inability to afford digital device.

- Given the premise, an individual (woman in this case) can concurrently face both privilege and subjugation. For instance, while women have difficulty in accessing digital financial services, educated and skilled women are less likely to encounter difficulties as compared to illiterate women with low skillsets. In the case of Salma, the process of transformation too is accompanied by both privilege and subjugation. The woman with intermediary support now owns an asset (digital device) and has acquired the functional skills of accessing digital financial services which can be categorised under the bracket of privilege. This whole experience aligns with economic progress, financial independence, women empowerment and emancipation. However, on the other front (private and domestic setting) the woman confronts abuse and domestic violence that is patriarchal, oppressive and exploitative. The twin experiences of privilege and subjugation by and individual (women in this case) are quite complex. Within the same community, different women face different issue and problems. By acknowledging intra-group variations, intersectionality framing demonstrates that an individual's experiences do not always correspond to the experiences of the group or community (Nash 2008). Hence, this calls for greater attention and strategic action by the state and policy makers.

The initiative to revolutionise digital financial inclusion might have greater success if women and other minorities could afford a small asset in the form of a smart phone and had better access to education. Given the potential for women to exclude themselves from digital financial services, policy initiatives should also create initiatives to boost the confidence of women (especially those belonging to marginalised communities).

Bridging the existing policy gaps

In order to alleviate existing gender disparities and transform women’s lives in the field of digital financial inclusion, following policies recommendations are suggested. Each of the policy gaps and what corrective measures can be taken are describes as below.

1. Augmenting and deepening the outreach

   This can be done by creating awareness about the significance of digital financial inclusion amongst women and girls. The existing Business Correspondents (BCs) model can be extended to reach out the women by hiring more women BCs. Since they offer doorstep banking services and women find female BCs more approachable and trustworthy, so they prefer to visit them. According to Klapper and Arora (2022), women made up less than 10% of BCs. The BC model can be of great significance to address the issues and challenges of women related to literacy and mobility.

2. Leveraging grassroot level partnerships with existing SHGs

   Like the community liaison model, this women-led strategy leverages peer networks, existing local institutions, group support, and trusted female relationships. This can be an effective route for learning and support within a female led environment (Tyers, et al., 2021). Through the SHG-Bank Linkage Programme, self-help groups (SHGs) have historically been crucial to women's financial inclusion in India. The National Rural Livelihoods Mission prepares SHG members to work as BCs in rural areas through the Bank Sakhis program. The program are vehicles to increase women's access to financial services, which has turned out to be effective in enhancing rural India's transaction volume. SHGs' programs for skill development and livelihood can be combined with other efforts aimed at promoting digital financial inclusion (ORF, 2023).

3. Enhancing women’s access and literacy in digital tools.

   The inability of women to conduct transactions is a fundamental barrier to their use of formal financial services. Women are less likely than men to own a smart phone, which hinders their ability to acquire digital financial literacy. The government, private sector and voluntary sector can collaborate to promote digital literacy through policy initiatives on skilling and digital literacy like the National Digital Literacy Mission. Additionally, SHGs can also be used and a vehicle to manage female-only digital financial literacy centers. The “Digital sakhi” (digital friend) programme, launched in 2016, offers a strategic resource and model that can be leveraged for enhancing womens literacy skills and hence access to digital financial services.

4. Safeguard and collective networks for women

The case study on a domestic worker as discussed in this chapter, makes it abundantly evident how technology is evolving and having a positive impact—in this case, digital financial inclusion. It does add to womens' economic empowerment and provides a sense of emancipation amongst the most vulnerable and marginalized sections. But in a patriarchal society like India where men still control and take decisions related to finance and accounts. So the change in power dynamics due to digital financial inclusion triggers household level conflicts and abuse. Moreover, slower rate of change in society and people's mindset including social norms, women are more likely to experience various forms of abuse, domestic violence, and conflicts at the household level. In addition to being vigilant, the women and SHGs need to have basic legal awareness of what needs to be done and whom to approach to address such issues and problems. Safeguarding women from such abuses and conflicts at the household level can be catered by providing more legal awareness programmes for both men and women.

5. Alignment with Alliance for Financial Inclusion (AFI)

   India is a member of the Alliance for Financial Inclusion (AFI), which is a coalition of central banks and financial regulatory agencies that leads policy. AFI is the world's leading organisation in terms of financial inclusion policy & regulation. As a result, it has pledged to implement the Denarau Action Plan, which members of the AFI adopted in 2016, in order to close the gender gap in financial inclusion. Promoting best practices in the gathering, analysing, and application of sex-disaggregated data to advance financial inclusion for women is one of the Plan's commitments. India can adopt this as a goal for its policies and can collect gender-disaggregated data and develop strategies to form women-centric approaches and tangible actions.

Conclusion

India is undoubtedly becoming digital at a very rapid pace. In the process, women should not be left out and hence policies to make them virtually inclusive should be the core. Giving women equal access to smartphones and the internet will give them the information and tools they need to contribute to the country's economy. Because smartphone ownership encourages internet usage, it is crucial to increase the number of women who own smartphones. Additionally, digital literacy initiatives should be accelerated by joining hands with the Digital Literacy Mission, and efforts to eradicate gender-based digital discrimination should be made.

In order to bring about significant improvements in the lives of women, one needs to work towards dismantling societal stereotypes, which is a more complex and complicated task. If a woman is unable to own a phone or leave the house, what use are a bank account or mobile wallet? (Gates, 2019). The nuanced truth is that social norms have a significant impact on the roles that women are expected to perform in society.

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