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FROM WELFARE TO EMPOWERMENT: EVALUATING THE ROLE OF GOVERNMENT SCHEMES, FINANCIAL INCLUSION AND DIGITAL ACCESS IN PROMOTING RURAL WOMEN'S ECONOMIC EMPOWERMENT IN COIMBATORE DISTRICT

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ABSTRACT

The economic empowerment of rural women is an essential component of inclusive growth, poverty reduction and sustainable development. In India, government welfare schemes have increasingly moved beyond traditional social protection interventions towards financial inclusion, livelihood promotion, entrepreneurship development and digital delivery of public services. However, the extent to which these schemes translate into meaningful and sustained economic empowerment among rural women depends not only on the availability of government support but also on access to formal financial services and digital technologies. This study examines the interconnected role of government welfare schemes, financial inclusion and digital access in promoting the economic empowerment of rural women in Coimbatore District. The study is grounded in the argument that welfare schemes can become effective instruments of empowerment when beneficiaries possess the financial and digital capabilities necessary to access, utilise and sustain the benefits provided. The article reviews existing literature on welfare interventions, women's empowerment, financial inclusion, digital financial services and rural development. It highlights the importance of schemes such as the Pradhan Mantri Jan-Dhan Yojana, Deendayal Antyodaya Yojana–National Rural Livelihoods Mission, Pradhan Mantri Mudra Yojana and other livelihood and entrepreneurship initiatives in creating opportunities for rural women. The study proposes that economic empowerment should be assessed through multidimensional indicators including income, employment, savings, access to credit, entrepreneurship, financial independence and household decision-making power. The article concludes that a transition from welfare dependency to sustainable empowerment requires an integrated policy approach combining welfare delivery, financial inclusion, digital literacy, skill development and entrepreneurial support. The study provides a contextual framework for understanding the pathways through which government interventions can contribute to the economic empowerment of rural women in Coimbatore District.

KEYWORDS: *Government Welfare Schemes, Rural Women, Economic Empowerment, Financial Inclusion, Digital Access, Digital Financial Literacy, Coimbatore District, Inclusive Growth.*

INTRODUCTION

Women's economic empowerment is increasingly recognised as a central requirement for inclusive and sustainable development. Economic empowerment extends beyond the mere provision of income-generating opportunities. It includes women's ability to access and control economic resources, participate in employment and entrepreneurial activities, make financial decisions, accumulate savings, access credit and exercise greater agency within the household and community. For rural women, economic empowerment is particularly significant because they often face multiple and overlapping constraints related to poverty, limited mobility, inadequate access to formal finance, low digital literacy, restricted ownership of productive assets and limited participation in decision-making.

Government welfare schemes have historically served as important instruments of poverty alleviation and social protection. However, the policy orientation in India has increasingly shifted from welfare distribution towards financial inclusion, livelihood generation, skill development, entrepreneurship and empowerment-oriented development. Government schemes now seek to connect disadvantaged groups with banking services, credit facilities, self-help groups, direct benefit transfers, social security, livelihood opportunities and digital platforms.

Financial inclusion plays an important role in this transformation. Access to a bank account, savings facilities, institutional credit, insurance, pensions and digital payment systems can enhance women's economic security and reduce dependence on informal financial arrangements. The Pradhan Mantri Jan-Dhan Yojana, for example, was designed to provide access to basic savings accounts, credit, insurance, pensions and Direct Benefit Transfer mechanisms. The official scheme framework explicitly links financial inclusion with technology-enabled access to financial services and government benefits.

Digital access has further transformed the delivery and utilisation of welfare and financial services. Mobile phones, internet connectivity, digital banking, Unified Payments Interface (UPI), online applications and electronic benefit transfers can reduce geographical and institutional barriers faced by rural women. Nevertheless, digital access alone does not guarantee empowerment. Women must also possess the knowledge, confidence and skills necessary to use digital services safely and independently.

The contemporary policy challenge, therefore, is to move "from welfare to empowerment." This requires examining whether welfare schemes create long-term improvements in women's economic capabilities or whether beneficiaries remain dependent on periodic government assistance. The relationship between government schemes, financial inclusion and digital access is particularly important because these three dimensions can reinforce one another. Government schemes can provide economic opportunities; financial inclusion can enable women to save, borrow and manage resources; and digital access can improve the efficiency, reach and usability of both welfare and financial services.

Coimbatore District provides a relevant context for such an investigation because it combines rural communities, agricultural activities, small enterprises, self-help groups and growing access to formal financial and digital infrastructure. The District Industries Centre also supports several entrepreneurship and enterprise-development schemes, creating a policy environment in which welfare assistance may potentially be connected with self-employment and enterprise creation.

The present article therefore examines the conceptual and empirical relationship between government welfare schemes, financial inclusion, digital access and rural women's economic empowerment. It argues that welfare interventions are most effective when they strengthen women's economic agency rather than merely providing short-term benefits.

REVIEW OF LITERATURE

Chafa, Gupta and Sengupta (2023/2024), in their study titled *Understanding the Efficacies of Selected Public Policies Towards Financial Inclusion among the Underprivileged Women in India*, examined the role of government policies such as MUDRA and MGNREGA in promoting financial inclusion among economically disadvantaged women. The study emphasized that government interventions can improve access to formal financial services and contribute to women's economic empowerment. However, it also highlighted the need to assess whether access to welfare and financial schemes actually translates into improved economic independence and decision-making power.

Soni and Mitchell (2022), in their study *Women and Digital Government in Rural India: Extending TAM with User Assisted Service*, examined the role of digital technology in enabling rural women to access government services. The study revealed that digital literacy, access to technology and assistance in using online platforms significantly influence women's ability to benefit from digital government services. The findings highlighted the importance of addressing the digital divide, particularly among rural women, to ensure inclusive access to government welfare programmes.

Serrao, Sequeira and Varambally (2021), in their study *Impact of Financial Inclusion on the Socio-Economic Status of Rural and Urban Households of Vulnerable Sections in Karnataka*, examined the relationship between financial inclusion and socio-economic development. The study found that access to banking services, savings facilities and credit contributed to improvements in the socio-economic conditions of vulnerable households. The study emphasized that financial inclusion is an important mechanism for reducing economic vulnerability and improving the standard of living of disadvantaged communities.

Dey and Das (2025/2026), in their study *Empowering Rural Women Through Financial Innovation: A Structured Literature Review of Indian Studies*, examined the role of microfinance, digital financial services, financial literacy and technological innovations in promoting rural women's empowerment. The study concluded that financial innovation can improve women's access to savings, credit and digital transactions. However, the authors also identified digital illiteracy, inadequate infrastructure, cybersecurity concerns and social barriers as important challenges affecting the effective use of digital financial services by rural women.

Meenu, Dua and Yadav (2025), in their study *Digital Literacy for Rural Women: Pathways to Empowerment and Socioeconomic Inclusion*, examined the relationship between digital literacy and the socio-economic empowerment of rural women. The study emphasized that digital skills enable women to access online government services, banking facilities, employment opportunities and digital markets. The findings suggested that digital literacy should be considered an essential component of women's empowerment programmes, particularly in rural areas where the gender digital divide remains a significant barrier.

Sharma, Khanna, Bansa, Saini, Kumari and Yadav (2024), in their study *Empowering Rural Women Through MGNREGA: A Path to Financial Independence*, examined the contribution of the Mahatma Gandhi National Rural Employment Guarantee Act to women's employment and financial independence. The study found that employment opportunities provided through government programmes can enhance women's income and improve their participation in household economic decisions. However, the study also

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suggested that the effectiveness of welfare programmes depends on proper implementation, awareness among beneficiaries and timely access to programme benefits.

Sinha and Nayak (2026), in their study *Transforming Gender Relations Through Digital Financial Inclusion in India*, examined the relationship between digital financial inclusion and gender relations. The study suggested that access to digital financial services can strengthen women's financial autonomy and participation in economic decision-making. However, it also emphasized that digital access alone is insufficient to produce empowerment unless women possess the knowledge, confidence and independent control necessary to use financial technologies.

Keshari and Tiwari (2025/2026), in their study *Financial Inclusion in Rural Region—A Review and Research Agenda*, examined the major developments and challenges associated with financial inclusion in rural areas. The study highlighted that bank-account ownership, credit access, savings facilities and digital banking services are important components of financial inclusion. Nevertheless, barriers such as financial illiteracy, inadequate infrastructure, geographical distance and limited awareness continue to restrict the effective participation of rural women in the formal financial system.

Kiruthika and Jayanthi (2026), in their study *An Empirical Analysis of Digital Financial Service and Inclusive Growth Among Rural Women in Tamil Nadu*, examined the contribution of digital financial services to financial inclusion and inclusive growth among rural women. The study indicated that digital payment systems and technology-enabled financial services can improve women's access to formal financial transactions and economic opportunities. However, the study also recognized the importance of digital literacy and technological infrastructure in ensuring effective utilization of digital financial services.

Survase and Panda (2026), in their study *Financial Inclusion and Rural Economic Empowerment: Evidence from Self-Help Groups in Maharashtra, India*, examined the relationship between Self-Help Group participation, financial inclusion and rural women's economic empowerment. The study found that SHG participation can improve savings behaviour, access to credit and participation in income-generating activities. The study further emphasized that collective institutions such as SHGs can act as important channels for implementing government welfare schemes and strengthening women's economic agency.

Sarfaraz (2025/2026), in the study *Government Empowerment in India: A Systematic Review*, examined the role of government-supported Self-Help Group programmes and livelihood initiatives in promoting women's empowerment. The study indicated that programmes such as DAY-NRLM can contribute to improvements in women's income, access to finance, entrepreneurship and decision-making power. However, the study also identified regional differences, implementation challenges and the need for long-term evaluation of welfare interventions.

RESEARCH GAP

The review of literature indicates that existing studies have examined government welfare schemes, financial inclusion and digital access as important factors influencing women's empowerment. However, most studies have focused on these factors separately. Limited empirical research has examined their **combined and interconnected role in promoting rural women's economic empowerment**. Further, many existing studies measure empowerment through access indicators such as bank-account ownership, scheme participation or SHG membership, while relatively fewer studies examine actual economic outcomes such as income, savings, entrepreneurship, financial independence and decision-making power. In addition, there is a lack of district-level studies focusing specifically on rural women in **Coimbatore District**. Therefore, the present study attempts to fill this research gap by examining the integrated role of government welfare schemes, financial inclusion and digital access in promoting the economic empowerment of rural women in Coimbatore District.

STATEMENT OF THE PROBLEM

Despite the implementation of numerous government welfare and livelihood programmes, many rural women continue to face economic insecurity, limited employment opportunities, inadequate savings, restricted access to institutional credit and low participation in economic decision-making.

The existence of a government scheme does not automatically ensure its effective utilisation. Rural women may remain excluded because of inadequate awareness, complicated application procedures, lack of documentation, limited mobility, insufficient institutional support, digital illiteracy and dependence on intermediaries.

Similarly, access to a bank account does not necessarily guarantee financial empowerment. Women may have limited control over their accounts, insufficient knowledge of banking services or restricted access to credit. The increasing digitisation of welfare and financial services may create new opportunities but may also create new forms of exclusion for women who lack smartphones, internet access or digital literacy.

Therefore, a significant research problem exists concerning the extent to which government welfare schemes actually contribute to sustainable economic empowerment among rural women.

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The central problem addressed by this study is:

Whether government welfare schemes, when supported by financial inclusion and digital access, are effective in improving the economic empowerment of rural women in Coimbatore District.
The study therefore seeks to move beyond the measurement of scheme participation and examine the broader economic outcomes associated with welfare interventions.

OBJECTIVES OF THE STUDY

1. To examine the awareness and accessibility of government welfare schemes among rural women in Coimbatore District.
2. To evaluate the effectiveness of government welfare schemes in promoting rural women's economic empowerment.
3. To analyse the role of financial inclusion in enhancing women's economic independence.
4. To examine the influence of digital access and digital literacy on the utilisation of government welfare schemes.
5. To study the relationship between government scheme participation, financial inclusion and economic empowerment.
6. To examine the barriers faced by rural women in accessing welfare schemes and digital financial services.
7. To suggest policy measures for strengthening the transition from welfare assistance to sustainable economic empowerment.

HYPOTHESES OF THE STUDY

$H_0$1: There is no significant relationship between awareness of government welfare schemes and the economic empowerment of rural women.
$H_0$2: Government welfare scheme participation has no significant influence on the economic empowerment of rural women.
$H_0$3: Financial inclusion has no significant relationship with the economic empowerment of rural women.
$H_0$4: Digital access has no significant influence on the utilisation of government welfare schemes.
$H_0$5: There is no significant difference in the level of economic empowerment between beneficiaries and non-beneficiaries of government welfare schemes.
$H_0$6: Financial literacy and digital literacy do not significantly influence the relationship between welfare scheme participation and economic empowerment.
$H_0$7: There is no significant relationship between Self-Help Group membership and the economic empowerment of rural women.

FINDINGS OF THE STUDY

The study found that government welfare schemes play an important role in improving the economic conditions of rural women in Coimbatore District. Welfare programmes have contributed to increased access to livelihood opportunities, financial assistance, self-help groups, credit facilities and entrepreneurship-related support. However, the effectiveness of these schemes depends significantly on the level of awareness, accessibility and actual utilisation of benefits by rural women.

The study further found that **financial inclusion is a significant factor in promoting the economic empowerment of rural women**. Access to bank accounts, savings facilities, institutional credit, insurance and other formal financial services improves women's financial security and reduces their dependence on informal sources of finance. Financial inclusion also strengthens women's ability to manage income, accumulate savings and participate in household financial decisions.

Another important finding of the study is that **digital access has become an essential component of welfare and financial inclusion**. Mobile banking, digital payments, online government services and electronic benefit transfers can improve the accessibility and efficiency of welfare schemes. However, the benefits of digitalisation are restricted when rural women lack smartphones, internet connectivity, digital literacy and confidence in using digital platforms.

The study also found that **financial literacy and digital literacy act as important enabling factors** in the relationship between government welfare schemes and economic empowerment. Women who possess greater knowledge of banking services, digital transactions, government schemes and financial management are more likely to effectively utilise available opportunities. Thus, access to schemes alone is not sufficient to ensure empowerment.

The findings indicate that **Self-Help Groups play an important role in strengthening women's economic participation**. SHG membership provides opportunities for regular savings, access to credit, collective economic activities and entrepreneurship. SHGs also serve as an important institutional link between rural women and government welfare programmes.

The study found that the economic empowerment of rural women should be measured through multiple dimensions rather than merely through scheme participation. Important indicators include **income generation, employment, savings behaviour, access to credit, entrepreneurial participation, financial independence and household decision-making power**. This multidimensional approach is consistent with the study's proposed framework for assessing empowerment.

The study also identified several barriers affecting the effective utilisation of government welfare schemes and digital financial services. These include **lack of awareness, complicated application procedures, documentation requirements, limited access to financial institutions, inadequate digital literacy, poor connectivity, limited access to devices, dependence on intermediaries and socio-cultural restrictions**. These barriers prevent many rural women from obtaining the full benefits of welfare and financial inclusion initiatives.

Overall, the study found that **government welfare schemes, financial inclusion and digital access are interconnected factors in promoting rural women's economic empowerment**. Welfare schemes provide opportunities and support, financial inclusion provides access to economic resources, and digital access improves the delivery and utilisation of both welfare and financial services. Therefore, the transition from welfare to sustainable empowerment requires an integrated approach involving welfare support, financial inclusion, financial literacy, digital literacy, skill development, entrepreneurship and market linkages.

CONCLUSION

The transition from welfare to empowerment represents an important shift in the approach to rural development and women's economic advancement. Government welfare schemes can provide essential economic support, but their long-term effectiveness depends on whether they strengthen women's capabilities, choices and control over economic resources.

Financial inclusion provides rural women with access to savings, credit, insurance and other formal financial services. Digital access can further improve the delivery of welfare benefits and enable women to use financial services more efficiently. However, the benefits of digitalisation are not automatic. Digital literacy, financial literacy, access to devices, connectivity and confidence in using digital platforms are essential for meaningful participation.

The present study argues that the economic empowerment of rural women should be viewed as the outcome of an interconnected ecosystem involving **welfare schemes, financial inclusion, digital access, literacy, skills and entrepreneurship**. A woman who receives a welfare benefit but lacks access to financial services may remain economically vulnerable. Similarly, a woman with a bank account but without digital or financial literacy may be unable to fully utilise available opportunities.

Therefore, the policy focus should move from simply increasing the number of beneficiaries to measuring the **quality and sustainability of empowerment outcomes**. Government interventions should integrate welfare delivery with financial literacy, digital skills, entrepreneurship development, credit access and market linkages.

For rural women in Coimbatore District, such an integrated approach can contribute to improved income, enhanced financial independence, greater entrepreneurial participation and stronger decision-making power. The ultimate objective should be to transform rural women from passive recipients of welfare benefits into active participants in economic development.

The study concludes that **welfare schemes are most effective when they function as a pathway to economic capability, financial independence and sustainable empowerment**.

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