



Research Paper

Self-Help Groups and Digital Financial Inclusion among Scheduled Caste Women: Opportunities and Challenges

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Abstract

Self-Help Groups (SHGs) have become an important institutional space for improving women's access to savings, credit, livelihoods and local social networks in rural India. For Scheduled Caste (SC) women, however, financial inclusion involves more than owning a bank account or receiving formal credit. Their participation in economic and digital institutions is shaped by caste, class and gender which often influence access to money, technology, information and institutional support. Drawing on intersectionality, subaltern studies, social capital and women's empowerment, this paper examines the role of SHGs in promoting digital financial inclusion among SC women. It uses existing literature on caste exclusion and SHGs, alongside recent studies on financial inclusion and digital empowerment. The paper argues that SHGs can support financial literacy, digital learning, social networking and women's decision-making capacity. Yet smartphone inequality, limited digital skills, family dependence, cyber risks and weak institutional support can restrict meaningful participation. The study therefore shifts attention from bank account ownership toward autonomous and meaningful digital financial participation among SC women.

Keywords: Self-Help Groups, Scheduled Caste Women, Digital Financial Inclusion, Caste Inequality, Financial Literacy, Social Capital, Women's Empowerment

Received 25 Sep., 2026; Revised 03 Oct., 2026; Accepted 05 Oct., 2026 © The author(s) 2026.

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I. Introduction

Financial inclusion has become an important part of social and economic development in contemporary India. Access to banking, savings, credit, insurance and digital payments can improve economic opportunities and give people greater control over financial decisions. Yet these opportunities do not reach all social groups in the same way. Caste, class and gender continue to shape access to resources and institutions, particularly in rural areas. The position of Scheduled Caste (SC) women deserves attention because caste-based exclusion is often combined with economic disadvantage and patriarchal relations. These conditions can limit their control over financial resources and reduce their participation in decision making. Mitra (2023) shows how caste inequality has historically produced marginalization, exclusion and unequal access to social resources. Mitra (2019) further explains that caste, class and gender can intersect within rural subaltern communities, creating overlapping forms of disadvantage. Self Help Groups (SHGs) provide an important setting for understanding these conditions. Through collective savings, internal lending and livelihood activities, SHGs bring women into regular contact with financial institutions and other members of the community. Mishra and Kashyap (2024) connect SHG participation with women's economic and social empowerment while their later study highlights financial literacy, self-confidence, social awareness and participation in decision making (Mishra & Kashyap, 2026). These changes matter. With the spread of digital banking and mobile payments, financial participation is increasingly linked to digital access and skills. Having a bank account or mobile phone alone does not ensure independent financial use. Roy and Patro (2025) therefore examine women's financial inclusion through access, usage and autonomy, showing how SHG participation may support a wider form of inclusion. This paper examines SHGs as a possible bridge between socially excluded SC women and India's growing digital financial system. The focus is on everyday access and actual use. That distinction matters.

II. Review of Literature

Caste remains a major source of social inequality in India. It has shaped people's social position, access to resources and relations with institutions over a long period. Mitra (2023) links caste inequality with hierarchical status, marginalization and unequal access to social and economic resources. Constitutional safeguards and welfare measures have opened new opportunities for Scheduled Castes but their effects have been uneven. SC women often face these conditions within households and communities where gender and economic disadvantage also matter. Access to education, land, employment, credit and institutional services can therefore remain limited. Financial inclusion has to be viewed within this wider social setting. Bank access alone tells only part of the story. Mitra (2019) uses intersectionality and a subaltern perspective to explain how caste, class and gender can operate together in rural India. Crenshaw (1989) similarly shows that different forms of inequality can intersect and produce particular experiences of disadvantage. This perspective is useful for understanding SC women's digital financial participation, since poverty, limited education and restricted mobility may affect access to smartphones, internet services and financial information. Digital technology can open new opportunities, but access remains uneven. That gap matters.

Research on Self-Help Groups shows a similar pattern of change and constraint. Mishra and Kashyap (2024) connect SHG participation with savings, credit, livelihood activities, awareness and women's empowerment. Their later study associates SHG participation with financial literacy, confidence and greater involvement in household decisions (Mishra & Kashyap, 2026). Kumar et al. (2021) also found improvements in women's control over income, credit-related decisions and group participation. Deshpande and Khanna (2021) highlight the role of SHGs in developing social capital and collective action.

Digital finance has added another layer to this discussion. Rice et al. (2023) show that digital access can support women's empowerment, although social and gender norms continue to influence technology use. Roy and Patro (2025) link SHG participation with financial inclusion through access, usage and autonomy. Silveru and Sankineni (2025) also point to the relevance of SHGs for financial inclusion among Scheduled Caste households. Overall, the literature suggests that meaningful inclusion depends on actual use and control. SHGs may provide a useful space where SC women can develop financial knowledge, digital skills and greater decision-making autonomy.

Theoretical and Conceptual Framework

The present analysis brings together intersectionality, subaltern theory, social capital and the empowerment approach to understand how Self-Help Groups (SHGs) may influence digital financial inclusion among Scheduled Caste women. These perspectives help connect everyday experiences with the wider social structures within which women use financial and digital services.

Intersectionality, particularly associated with Crenshaw (1989), explains how caste, class and gender can operate together and shape unequal experiences. An SC woman from a poor rural household may face caste discrimination while also dealing with limited income, restricted mobility and patriarchal control over financial decisions. These conditions can affect her access to smartphones, banking services, information and digital skills. The problem is social as well as economic.

The subaltern perspective, drawing from Gramsci and Spivak (1988), brings attention to groups whose voices and interests often remain weak within dominant social arrangements. Mitra (2019) applies this perspective to rural subaltern communities and shows how marginalization is sustained through unequal social relations. In this setting, SHGs may create a small but important space where SC women exchange information, discuss common problems and gradually participate in decisions affecting their lives.

Social capital adds another dimension. SHGs bring women into regular interaction and can create networks based on trust, information sharing and mutual support. Deshpande and Khanna (2021) associate SHG participation with stronger social capital and personal efficacy. Such networks may help women learn about banking procedures and digital payments, particularly when formal institutions seem difficult to approach.

Kabeer's (1999) empowerment approach focuses on resources, agency and achievements. Financial resources and digital access can expand women's choices; agency concerns their ability to use these resources and make decisions; achievements refer to the outcomes that follow. Digital financial inclusion is therefore understood here as the ability to access, understand, use and benefit from digital financial services with a reasonable degree of independence. Account ownership matters. But actual control matters more.

SHGs as an Institutional Bridge to Digital Financial Inclusion

Self-Help Groups (SHGs) have gradually taken on a wider role in rural women's lives. Their work now reaches beyond savings and small loans, especially as banking itself is becoming more digital. This change is important for SC women, whose access to formal institutions may already be shaped by caste, income and gender relations. SHGs can provide a familiar point of entry. At the financial level, SHGs encourage regular saving and internal lending among members. Women gain practical experience with saving, borrowing, repayment and basic

banking procedures through repeated participation. Mishra and Kashyap (2024) connect SHG participation with financial awareness, savings, credit and economic empowerment. Such everyday experience can make formal financial institutions easier to approach. It builds familiarity slowly.

SHGs also create social spaces where women meet, exchange information and discuss common concerns. This matters when household restrictions or social norms limit women's mobility and wider interaction. Deshpande and Khanna (2021) found that SHG participation can strengthen social capital, personal efficacy and collective action. Information moves through these networks, and so does confidence. For SC women, that social connection may be especially useful when dealing with institutions that otherwise appear distant or difficult to navigate. The growing use of mobile banking and digital payments has added a new learning requirement. Women need to understand UPI transactions, mobile banking, authentication, account security and common forms of digital fraud. SHG meetings can provide a practical setting for this learning, where members learn from one another and from trained facilitators. Rice et al. (2023) similarly link digital access with social capital and women's empowerment collectives, suggesting that technology becomes more useful when social support and practical skills exist alongside access.

SHGs may also influence women's decision-making agency. Mishra and Kashyap (2026) associate participation with greater involvement in household decisions concerning expenditure, education, health and livelihood activities. Yet financial access does not automatically create control. Field et al. (2022) show that changes in decision making can depend on how financial interventions are designed and implemented. The relationship is therefore more complex than a simple access to agency pathway. Women need knowledge, control over resources and space for collective participation. Without these, digital access may remain largely formal. The account exists, but meaningful control remains elsewhere.

Opportunities for Scheduled Caste Women

Self-Help Groups (SHGs) can open a practical route toward greater financial participation among Scheduled Caste women. Regular savings and group based lending allow women to handle financial transactions, understand repayment procedures and become more familiar with formal banking. Mishra and Kashyap (2024) connect SHG participation with savings, credit and financial awareness. For women who experience difficulty approaching formal institutions because of social or economic conditions, the group can provide a useful first step. Small financial practices can build wider institutional familiarity over time.

Digital financial literacy offers another important opportunity. Banking increasingly depends on mobile phones, UPI and other digital platforms, so women need to understand transactions, authentication, account security and possible fraud. SHG meetings can provide a setting where members learn together and help each other when problems arise. This kind of collective learning may make technology easier to use, particularly for women with little previous experience. Rice et al. (2023) similarly connect digital technology with empowerment within women's collectives. Learning becomes easier when support is close by. Financial autonomy is equally important. Roy and Patro (2025) argue that financial inclusion should include women's autonomy alongside access and usage. For SC women, the important question is whether they can independently access, understand and use their financial resources, and whether they can participate in decisions concerning those resources. A bank account alone cannot answer that question. Control matters.

SHGs can also build social capital through everyday interaction. Women exchange information about banks, government schemes, markets, credit and digital services while group relationships can make institutional knowledge easier to share. Deshpande and Khanna (2021) highlight the role of SHGs in developing social capital, personal efficacy and collective action. For SC women, such networks may reduce dependence on individual contacts when navigating unfamiliar institutions. A further opportunity lies in public participation. Evidence from West Bengal suggests that women's SHGs can participate in community projects and local decision-making, extending women's engagement beyond the household. For SC women, this wider participation can strengthen their ability to express concerns, negotiate with institutions and act collectively. Empowerment, then, reaches beyond individual income or bank access. It also concerns voice and participation. That shift is important for meaningful digital financial inclusion.

III. Challenges and Constraints

Digital financial inclusion among Scheduled Caste women remains closely tied to unequal access to technology. Smartphones, internet connectivity and reliable electricity are still unevenly available across rural households. A woman may have a bank account and still depend on her husband, son or another family member's phone to complete a transaction. Formal access, therefore, does not always lead to actual digital use. The technology has to be available and usable in everyday life. Digital skills create another barrier. Women with limited experience of smartphones may struggle with banking applications, UPI payments, PINs, authentication or digital messages. Suspicious calls and messages can be difficult to identify as well. Physical access alone is insufficient. Confidence and practical knowledge matter greatly. Control over technology is also shaped by

household gender relations. A woman may have an account in her own name while someone else controls the phone, ATM card, PIN or major financial decisions. Rice et al. (2023) show that gender norms continue to influence women's access to and use of digital technologies. Digitalization can therefore leave older patterns of dependence largely unchanged. Caste based inequality also continues to matter. Mitra (2023) shows that caste exclusion operates through wider social and institutional structures. Shifting banking services onto digital platforms changes the method of delivery, but it does not remove unequal education, income, information or institutional support. Technology alone cannot settle an older social problem. Financial autonomy presents a related concern. Account ownership may coexist with limited control over money. Roy and Patro (2025) therefore place autonomy alongside access and usage in understanding financial inclusion. For SC women, meaningful inclusion requires the ability to access, understand and use financial resources with some degree of independent control. Digital finance also brings new risks. Fraudulent calls, phishing messages, unauthorized transactions and deceptive links can create serious problems for women with limited digital experience. Financial literacy must therefore include safe use of passwords, PINs and authentication, along with the ability to identify suspicious activity and respond appropriately. The quality of SHG functioning varies as well. Some groups may meet regularly and maintain strong institutional links, while others may become inactive or receive limited training. Roy and Patro (2025) stress the need for stronger monitoring and training related to financial rights and management. Membership alone cannot guarantee meaningful outcomes. Finally, credit does not automatically produce empowerment. Field et al. (2022) show that the effect of financial interventions on women's decision making can depend on their size and implementation. For SC women, digital financial inclusion therefore needs a wider focus on skills, autonomy, social networks and control over resources. Access is the starting point. Agency determines what follows.

IV. Policy Implications

A stronger approach to digital financial inclusion among Scheduled Caste women needs to focus on what women can actually do with financial and digital services. Opening accounts or extending credit is only the first step. The real concern is whether women can use these services with confidence and some control over their own resources. Digital financial literacy can be built into regular SHG meetings where women already have a familiar space for discussion and learning. Training should deal with everyday practices such as UPI payments, mobile banking, authentication and account security. SHGs could also train local 'digital didis' who can help members solve basic problems and understand government financial services. Local support can make a real difference. Financial literacy and digital literacy should be taught together. Knowing how to save or borrow does not automatically mean that a woman can safely complete a digital transaction. Training should therefore include fraud awareness, PIN and password protection, suspicious messages and safe authentication. Cybersecurity belongs inside financial education. Women's autonomy also needs direct attention. Roy and Patro (2025) argue for including autonomy within the understanding of financial inclusion. Policy programmes should therefore examine who owns the phone, who operates the account and who makes decisions about income. These details matter greatly. SHGs should also develop stronger links with banks, markets, entrepreneurship programmes and relevant government schemes. Financial inclusion becomes more useful when it connects with livelihood opportunities and everyday economic activity. The group can serve as a bridge between women and these institutions. Evaluation needs a wider lens as well. Counting accounts and loans gives only a partial picture. Programmes should examine women's control over digital devices, digital financial skills, actual transaction patterns, financial decision-making and participation in household and community institutions. Experiences of exclusion and digital fraud should also be recorded. The policy goal should be simple: women should be able to use financial technology safely, independently and in ways that improve their real choices. That is meaningful inclusion.

V. Conclusion

The relationship between Self-Help Groups and digital financial inclusion among Scheduled Caste women needs to be understood within the wider social relations of caste, class and gender. Studies shows why the socio-economic position of SC women requires attention to structural exclusion and intersecting inequalities. Their experiences are shaped by social position as well as household conditions. This matters for digital finance too. Research on SHGs points to their wider role in women's empowerment. Other studies also associate SHGs with social capital, collective participation and financial inclusion. The group can become a useful social space. It can also become a learning space. Digital technology may extend these opportunities but access to technology alone cannot ensure meaningful inclusion. Women need the resources, knowledge and autonomy required to use digital financial services in everyday situations. This is especially important where caste disadvantage and household gender relations continue to shape access and control. The central argument of this paper is that SHGs can serve as an institutional bridge between social exclusion and meaningful digital financial inclusion, although they cannot remove structural inequalities by themselves. The process involves moving from financial access to

digital skills, regular usage, greater autonomy and, ultimately, stronger agency. Each stage matters. For SC women, this approach connects digital financial inclusion with wider questions of social justice, participation and empowerment. The real measure of inclusion lies in what women can actually control and do.

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