



FINANCIAL INCLUSION IN KERALA: THE CASE OF BANK CREDIT TO WOMEN

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Abstract

Financial inclusion seeks to ensure affordable access to formal sector financial services, like the credit facilities of commercial banks (CBs) and is a key element of the notion of inclusive growth in India. The case of bank credit to women in respect of the Kerala State is sought to be studied in detail in this paper within the broader framework of India as a whole, with a view to offer suitable strategies for the greater representation of women in bank credit thus leading to faster and equitable economic growth.

Key words: *Financial Inclusion, Bank Credit, Women Empowerment, Inclusive Growth, ICT.*

Introduction

Commercial banks (CBs) play a vital role in mobilizing funds and channelling them toward productive economic activities, thereby influencing economic growth, stability, and overall societal development. In Kerala well known for its high literacy levels, strong cooperative banking network, and extensive financial penetration loan and credit distribution holds strategic importance for promoting inclusive growth. Lending by both public and private sector banks shapes outcomes in key sectors such as agriculture, micro and small enterprises, education, and infrastructure. Tracking these patterns enables policymakers to assess how effectively the banking sector meets shifting economic demands and developmental priorities (RBI, 2023). The State Level Bankers' Committee (SLBC) Kerala operates as the principal coordinating body for the state's banking activities. Its periodic reports compile detailed statistics on overall credit flow, targeted lending initiatives such as the Micro Units Development and Refinance Agency (MUDRA), Prime Minister's Employment Generation Programme (PMEGP), and educational loans, alongside important indicators like the Credit–Deposit (CD) ratio. The 2024 SLBC dataset offers a timely opportunity to study year-on-year changes in lending, evaluate the inclusivity of financial schemes, and compare the outreach performance of public and private sector banks (SLBC Kerala, 2024). From a theoretical viewpoint, Financial Intermediation Theory (Merton & Bodie, 1995) sees banks as intermediaries that turn savings into productive investments. They also help reduce transaction costs and close information gaps. Evidence from India shows that special loans to women (like, microfinance, SHGs etc.) have boosted micro-entrepreneurship, especially those of low-income households (Datta & Sahu, 2021). Similarly, educational loan schemes have expanded access to higher education for disadvantaged students, though disparities in coverage persist (Nair & Thomas, 2022). In Kerala, the CD ratio is often used to gauge how efficiently deposits are converted into loans. A higher ratio generally signals greater credit deployment, which can boost local economic activity (Mohan & Raj, 2019). But, performance gaps remain between public and private sector institutions in priority sector loans (PSL) and rural outreach (Babu & Paul, 2020). Against this backdrop, the case of bank credit to women in respect of Kerala State is sought to be studied in detail for the period FY 2020–2024, with a focus on scheme outcomes, inclusivity, and institutional performance.



Objectives of the Study

- i. To study the relevance of financial inclusion in India with a focus on bank credit to women by the commercial banks (CBs), its broad trends and implications, for the period FY 2020 to FY 2024;
- ii. To study the specific case of Kerala State in particular in respect of bank credit to women by CBs;
- iii. To suggest strategies for enhancing the share of women in bank credit by the CBs in Kerala.

Methodology

The present study is based mainly on the authentic data from secondary sources. The major sources of data are the publications of the SLBC (State Level Bankers' Committee)-Kerala, the RBI, the State and Central Governments etc. For instance, the SLBC data contain the time series data on the bank credit by the CBs in Kerala, while the publications of the Govt. of India (like, Economic Survey) provide the national level data including the bank credit to women beneficiaries. The period of analysis covers four financial years from 2020 to 2024. It employs a descriptive-analytical approach, and uses trend analysis as well as other basic statistical tools including CAGR (Compounded Average Growth Rate).

Significance of the Study

Bank credit is a vital element for financial inclusion which in turn can facilitate inclusive and equitable economic growth. Financial inclusion in general and women empowerment in specific being a key need in India in the ongoing era, the case of bank credit to women beneficiaries in Kerala State deserves special attention. This is because of the fact that women empowerment is a vital component of inclusive and equitable economic growth. It is in the above context that bank credit to women beneficiaries in the State of Kerala is sought to be studied in detail from the broader picture at the national level, i.e. India as a whole. Such a comparative study can throw light on the current situation and its trend (2020-2024) in this regard over the years and can help to design strategies for the greater share of women in bank credit.

Literature Review

Bank Credit, Financial Intermediation, Economic Growth

Stiglitz and Weiss (1981) give a foundational explanation for inclusive growth through their theory of credit rationing under imperfect information. They note that even creditworthy borrowers may be excluded from formal financial system due to asymmetric information, leading banks to restrict lending rather than adjust interest rates. This view is principally relevant for small and micro enterprises, which in turn lack collateral, formal records, and credit histories. Actually, the relationship between bank credit and economic growth has long been a central theme in development economics. Early theoretical narratives sought to stress the role of financial intermediation in garnering savings, efficiently allocating capital, and supporting productivity growth. In this regard, the case of Financial Intermediation Theory (Merton & Bodie, 1995) views the banks as intermediaries which can turn savings into productive investments. Banks help to reduce transaction costs, to close information gaps. Beck, Demirgüç-Kunt, and Levine (2007) argue that well-developed financial systems not only enhance growth but also reduce income inequality by expanding access to finance for poorer sections of society. Their cross-country study shows that financial inclusion is a key channel through which finance enables to pro-poor growth.

Erstwhile models like SEZs (of early 2000s) have lost steam. The SEZ-based route for inclusive growth, Manoj, P.K (2009) 'Special economic zones in India: financial inclusion: challenges and opportunities' has its own limits. Rather, today the finance-growth nexus can play a key role in development discourses, since a large body of evidence shows that efficient financial intermediation can accelerate economic growth by savings mobilisation, capital allocation, innovation etc. While Rangarajan and Dev



(2014) emphasise financial inclusion and access to institutional credit are critical for inclusive growth, Manoj, P. K. (2012), 'Potential of micro enterprises in women empowerment: A critical study of micro enterprises run by women under the Kudumbashree Programme in Kerala' has observed the key role of financial inclusion of women through SHGs under the GOK-controlled 'Kudumbashree' project for grassroot level industrialization and financial security. Manoj, P.K. (2015) 'Housing Microfinance: A Study on Quality, Cost and Default Rate with Respect to Bhavanashree in Kerala' suggest microfinance way to housing development and hence economic growth through linkage effects. Given Kerala's unique banking system characterised by the dense branch network, robust system of cooperative banking, high financial literacy levels. RBI publications viz. *State Finances* and RBI's reports and state-wise data (RBI, 2022, 2024) show that Kerala has constantly scored high in CD (credit–deposit) ratio. This suggests significant use of bank credit by the State. However, many studies have pointed out a mismatch between the credit supply and sectoral demand for credit. For instance, Manoj, P.K.(2016) 'Real Estate Investment Trusts (REITs) for Faster Housing Development in India: An Analysis in the Context of the New Regulatory Policies of SEBI' has noted the need for innovative financing models like REITs for better credit into the construction sector so that linkage effects could translate housing development into overall economic growth. Chakravarty and Pal (2013) suggest an axiomatic model to bring about financial inclusion, indicating that just access to various banking services is inadequate unless such access is duly aligned with relevant developmental goals. In Kerala's context, an apt reorientation of bank credit towards housing, tourism, MSMEs, green financing projects etc. is an imperative for creation of employment and sustained growth. As noted by Manoj (2023) 'Affordable Healthcare and Affordable Housing: Need for an Integrative Approach for the Holistic Growth of the Digital Economy of Kerala, India' an integrative and holistic approach, along with ICT adoption, in two key sectors (healthcare and housing) is vital for sustained growth of Kerala. The credit distribution still remains uneven in developing economies like India where small firms and informal enterprises face structural disadvantages, and Kerala is no exception. Within this framework, directed lending and priority sector policies have emerged as policy instruments to correct market failures in credit allocation. Priority sector lending (PSL) has been a key tool to ensure that agriculture, MSMEs – including credit to women and other weaker sections to get bank credit from CBs. (RBI, 2021).

Credit Constraints, Enterprise Behaviour, Credit Demand

While supply-side constraints dominate much of the literature, Banerjee and Duflo (2014) shift attention towards demand-side factors by examining whether firms actually want to borrow more when credit constraints are relaxed. Using evidence from a directed lending programme, they find that while access to credit increases borrowing, its impact on firm growth and investment varies significantly across firms. Many small firms prefer to remain at a subsistence level, limiting the transformative impact of credit.

Reports of GOK (Govt. of Kerala), Kerala State Planning Board (2022, 2024) and NITI Aayog (2024) show that Kerala has entered a new growth phase since the mid-2010s. This new phase is marked by higher growth rates in GSDP (Gross State Domestic Product), dominant services sector, and growing integration with digital economy. Even though Kerala is endowed with excessively rich tourism resources, Kerala is still lagging in the tourism front. As suggested by Manoj, P.K (2017), 'Segmentation Strategy for Promotion of Ecotourism Products: Evidence from Thenmala Ecotourism', a clear segmentation strategy as per specific customer groups is vital to lure more foreign visitors. In spite of Kerala's economic growth in absolute terms mainly driven by its services, structural weaknesses persist in Kerala's growth trajectory and the stagnation in manufacturing sector is glaring. Zubair and Santha (2020) point out that service-sector-led growth going on in Kerala could generate income and



foreign exchange earnings, but it could not translate itself into creation of comparable level of employment avenues, thereby reiterating apprehensions on Kerala's jobless growth as articulated earlier by Kannan and Raveendran (2009).

Financial Inclusion, MSMEs, Development Outcomes

The global literature on MSME finance consistently highlights the importance of small enterprises in employment generation and inclusive growth. The World Bank (2020) notes that MSMEs account for a substantial share of employment in developing countries, yet face persistent financing gaps. Credit constraints are especially severe for micro enterprises, which rely heavily on informal sources of finance. Subsequent World Bank studies underscore that access to finance improves enterprise survival rather than rapid growth (World Bank, 2022). Financial access helps smooth consumption, manage shocks, stabilize livelihoods, but does not necessarily translate into productivity gains or scale expansion.

In the Indian context, RBI (2023) highlights the expanding role of institutional credit in MSME financing, particularly through digital lending platforms and policy-backed schemes. However, the report also acknowledges concerns regarding credit quality, sustainability, and uneven access across enterprise sizes. In the Kerala context, the available literature converges to the fact that Kerala's growth path, though socially progressive, needs structural remodeling so as to ensure that it is sustainable, equitable and inclusive. While more growth avenues (e.g. Vizhinjam port in south Kerala besides ICTT in central Kerala, IT parks) are being created to boost the services, commensurate support to boost the industries too, especially small industries, is vital. As Manoj, P.K (2015), 'International Container Transshipment Terminal (ICTT) and its impact on coffee exports from India: An analysis' remarks that ICTT aids faster growth in exports, ways to boost industries too is vital to balance growth pattern. A vital element in the literature currently available relating to the growth pattern of Kerala economy has been, as already noted, the disconnect between growth in output and creation of employment. Kannan and Raveendran (2009) have pointed out that growth in India's organised sector has by and large bypassed employment generation over the years; this phenomenon being glaringly visible in Kerala State as this State has been relying on various capital-intensive and skill-intensive services. Narayana and Gulati (2016) point out another complex issue in Kerala's growth process – the State's peculiar situation in demographic transition and also its ageing population. This underscores the crucial need for generating more employment opportunities in productive sectors, particularly in labour-intensive sectors like MSMEs, especially microenterprises etc.

Manoj, P. K. (2016) 'Impact of Rural Tourism on the Environment and Society: Evidence from Kumbalangi in Kerala, India' points out the utmost need for promoting rural tourism and allied sectors for the sustained and environment-friendly growth of Kerala. The 'inclusive growth' as a concept, as articulated by Sen (1999) and then adopted in policy discourses since Twelfth Five-Year Plan (Planning Commission of India, 2013), stresses not only on income generation but also employment, social security etc. Datt and Ravallion (2011) empirically shows that growth processes could differ markedly in poverty-reducing impact, and this underlines the key relevance of balancing the sectoral composition as well as a re-orientation of relevant policies. In the context of Kerala State, the State's Planning Board (2024) has pointed out that sectors like tourism, housing, MSMEs, healthcare, real estate, etc. deserve more attention. This is due to the extensive linkages of these sectors which in turn raises the employment prospects. Manoj (2009, 2017a) similarly argues that revitalising agriculture, manufacturing, and construction-related activities is key for sustainable growth.



Inclusive Growth, ICT Adoption, Employment Creation

Financial inclusion has emerged as a cornerstone of India's development strategy, culminating in the National Strategy for Financial Inclusion 2019–2024 (Government of India, 2021). The RBI's Financial Inclusion Index (Reserve Bank of India, 2022) provides empirical evidence of Kerala's relatively strong performance in access and usage dimensions. Manoj (2019a) situates financial inclusion within the broader framework of social banking, arguing that ICT-enabled banking models can significantly enhance outreach, efficiency, and inclusiveness. Studies on housing microfinance (Manoj, 2015b) demonstrate that targeted credit interventions can improve housing quality, reduce default rates, and enhance household welfare. These findings are particularly relevant for Kerala as housing and real estate play a vital role in employment and investment. Pickens (2009) provides global evidence on mobile money systems, illustrating how ICT-driven financial services can bring unbanked populations into the formal financial system, the study being in the context of Philippines. Lakshmi and Manoj (2017) and Joju, Vasantha, and Manoj (2017a) empirically confirm that ICT-based banking products improve customer access and satisfaction in Kerala, especially in rural areas. Housing, real estate and allied sectors command a key status in growth discourses due to their high multiplier and linkage effects. Manoj (2004, 2017c, 2017d) provides detailed analyses of housing finance dynamics, construction costs, and cost management in affordable housing projects in Kerala. These studies demonstrate that housing investment generates employment across construction, manufacturing, and services, while also addressing social goals. Manoj (2023a, 2023b) extends this discussion by linking affordable housing with public health, ESG considerations, and the digital economy of Kerala. Green and sustainable housing has emerged as a complementary theme. Manoj (2013) and Tan and Goh (2018) explore consumer attitudes towards green residential buildings, while Darko et al. (2019) and Cole (2019) provide global perspectives on green building research. Manoj (2017e) demonstrates that ecotourism initiatives generate income while preserving environmental assets. The literature suggests that bank credit, when channelled into MSMEs and allied sectors especially micro enterprises, can amplify inclusive growth effects. ICT has radically transformed economic processes, governance, and financial intermediation. The World Bank (2019) point out that digital technologies could reshape labour markets, productivity, and work nature of work.

Manoj (2007) provides an early SWOT analysis of India's ICT industry, highlighting its potential to drive growth while cautioning against skill mismatches and digital divides. In Kerala, ICT initiatives under the "Digital Kerala" vision have significantly improved e-governance, digital payments, and service delivery (Joju & Manoj, 2019). Jacob, Vasantha, and Manoj (2017b) find that fintech adoption enhances service quality in banks, though branch banking continues to remain relevant due to trust and relationship-based interactions. The integration of ICT with banking has implications beyond efficiency. Manoj (2019b, 2019c) argues that ICT-enabled CRM, HRM, and social banking strategies strengthen institutional capacity to support inclusive growth. These insights align with this study's emphasis on leveraging ICT to improve credit delivery to labour-intensive sectors.

Credit to Women Beneficiaries and Promotion of Micro Enterprises

The Pradhan Mantri Mudra Yojana (PMMY) was introduced in 2015 as a flagship financial inclusion initiative aimed at "funding the unfunded" microenterprise sector (Government of India, 2015). By categorising loans into Shishu, Kishor, and Tarun segments, the scheme sought to support enterprises at different stages of development and encourage graduation to higher loan sizes. Policy documents highlight MUDRA's role in promoting self-employment, particularly among first-time borrowers, women, and informal sector participants. However, the scheme's reliance on banks for implementation



exposes it to the same risk perceptions and operational constraints that traditionally limit microenterprise lending. Empirical studies on MUDRA loans indicate mixed outcomes. While outreach and loan accounts have expanded rapidly, concerns have been raised regarding loan sustainability, repayment behaviour, and regional disparities (RBI, 2021). The absence of strong non-credit support mechanisms has further limited the scheme's ability to foster durable enterprise growth. Kerala offers a distinctive regional context for studying MUDRA loans due to its high banking density, strong social development indicators, and active state-led microenterprise initiatives. Kudumbashree (2022) documents the role of women-led neighbourhood groups in promoting self-employment and microenterprise development. These institutions provide not only credit linkage but also training, marketing support, and collective risk-sharing. Despite these advantages, micro enterprises in Kerala face challenges related to market saturation, small scale of operations, and limited scope for expansion. Manoj, P. K. (2012), 'Potential of micro enterprises in women empowerment: A critical study of micro enterprises run by women under the Kudumbashree Programme in Kerala' points out the key role of financial inclusion of women through SHGs under the GOK-controlled 'Kudumbashree' project for the grassroots level industrialization and financial security. SLBC (2024) data on bank credit to women in Kerala shows a steadily increasing trend over the years, both in respect of year-on-year disbursements and also outstanding amounts.

Gaps in Existing Literature

While vast literature exists on financial inclusion, including credit to women, microfinance, etc. several gaps remain. First, very few studies specifically study the bank credit to women and its trend over the years. Second, most studies focus on national-level aggregates and studies focusing on Kerala. So, this paper seeks to address these gaps by analysing the growth of bank credit to women in Kerala vis-à-vis India as a whole) with a view to suggest suitable strategies to further improve the share of bank credit to women and hence to enable an inclusive and equitable, balanced economic growth process in Kerala.

Bank Credit to Women by Banks in India (2020-2024): An Analysis

Over the years there has been increasing trend in the outstanding amount of credit to women beneficiaries outstanding credit to women borrowers has grown significantly. As per Governmental data, outstanding amount of credit extended by the public sector banks (PSBs) to women beneficiaries has risen from around ₹7.31 lakh crore (FY 2022) to ₹11.69 lakh crore by March 31, 2024, representing 15.4 percent of PSBs' net bank credit (NBC) in FY 2024. This share has increased from about 13 percent in FY 2022. Prior data show that credit flow to women by the PSBs was ₹8.36 lakh crore as of March 31, 2022; it forms about 13 percent of adjusted NBC (ANBC); PSBs had attained RBI's 5 percent target for credit to women.

There has been significant growth in number of women borrowers over the years. Between 2019 and 2024, the number of women beneficiaries has nearly trebled at 22 percent CAGR, showing much stronger participation of women in bank credit in India. By 2024, around 42 percent of loans availed by women were for personal finance, up slightly from about 39 percent in 2019; there is also an increased uptake of business and gold loans.

Besides the growth in bank credit to women borrowers, there has been broadening in the uptake in the retail credit portfolio. Retail credit including small-ticket loans in the Indian banking system grew significantly by FY 2024, reflecting more disbursements in sectors where women typically participate



(e.g., personal finance, MSME retail credit). Although not gender-specific data, this reflects the context of credit expansion that plausibly includes more women borrowers.

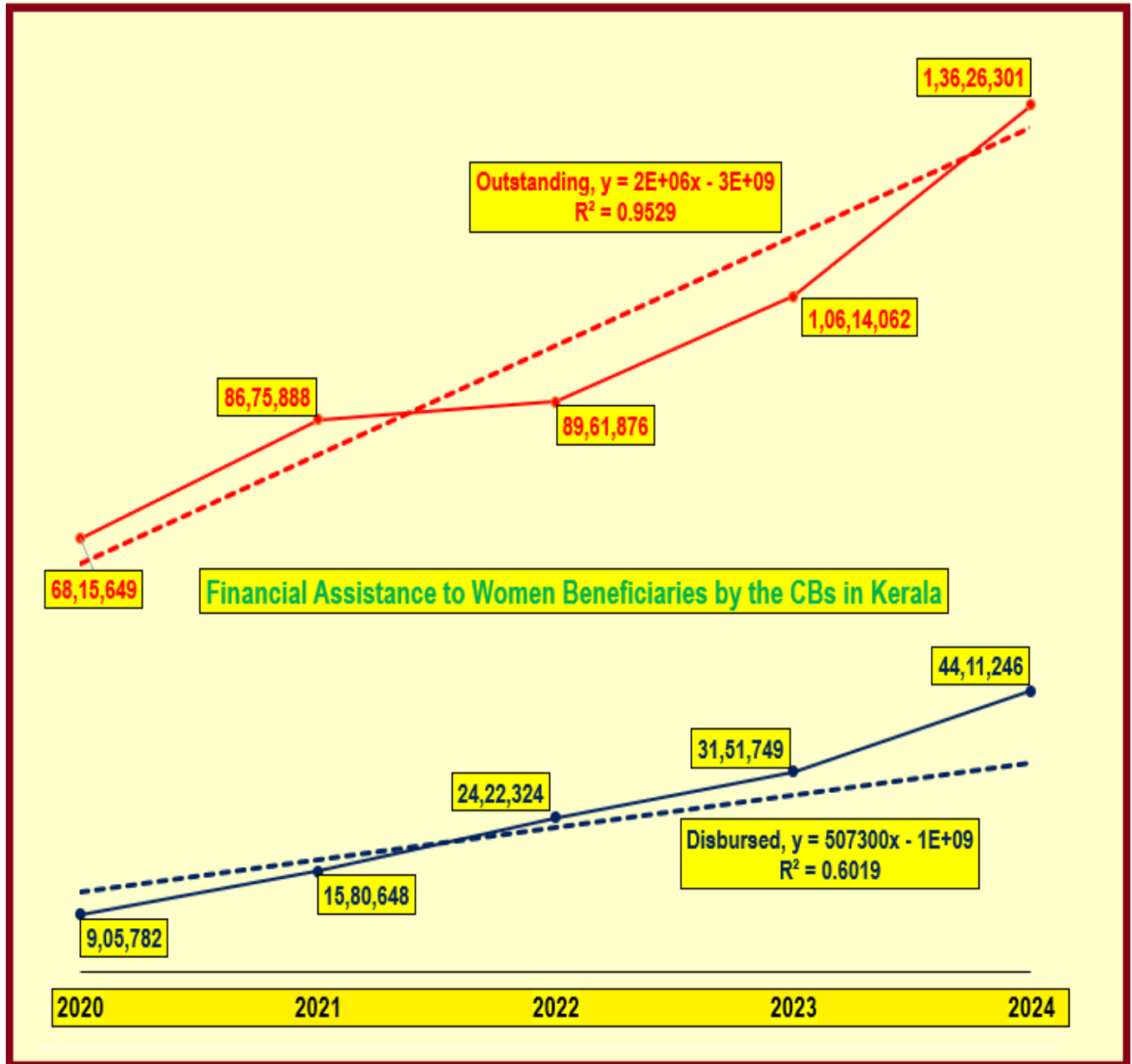
Regarding the trend in the bank credit to women borrowers, the credit by the PSBs as of FY 2022 of ₹ 8.36 lakh crore has increased to ₹ 11.69 lakh crore in FY 2024. In percentage terms, this translates from 13 percent (FY 2022) to 15.4 percent (FY 2024). Overall, the share and volume of bank credit to women beneficiaries have risen steadily over FY 2020–24, both in absolute amounts and as a percentage of total credit. There's also clear evidence of increased women participation in retail credit markets.

In view of the foregoing, it is obvious that in India there has been a growing access to formal bank credit to women borrowers. The fact that a growing number of women borrowers could access bank loans and thus participate in credit markets, signals a better picture regarding financial inclusion in India. Also, there has been an improved share in the total PSB credit in favour of women; the increase in women's share of outstanding credit being something more than 15 percent of NBC also (from much lower base). This situation highlights the significant impact of targeted lending and priority sector focus etc. to women. Besides, there has been diverse usage of credit also, and the uptick in business and personal loans suggests women are seeking credit beyond traditional gold loans, although gold loans still form a significant share.

Despite the high growth in bank loans to women, the fact remains that the share of such bank credit to women is still below population share. Though there is high growth and also a clearly growing trend, the share of credit to women beneficiaries still credit remains quite below the women's share in population and also in economic activity. Besides, there is difference in the usage patterns in bank credit by women. A high share of bank loans given to women continues to be for personal purpose, gold-backed loans etc. rather than for some productive purpose, in spite of some improving trend in favour of productive loans among the women beneficiaries. Moreover, digital divide is still persisting. While many women borrowers have bank accounts, awareness and usage of digital credit channels remain limited in most cases.

Bank Credit to Women by Banks in Kerala State (2020-2024): A Closer Look

Now let us consider in detail the case of bank to women beneficiaries by the CBs in the State of Kerala during the period FY 2020 to FY 2024. It has been observed that there has been an increasing trend year after year in respect of the disbursement of loans (credit) year after year as well as in the outstanding amounts of credit at the end of the respective years, both. This trend needs to be maintained in the future also to further accelerated because even right now. (Figure I).



Source: Based on the data on bank credit by CBs in Kerala from SLBC

Figure I: Trend in bank credit to women in by the CBs in Kerala (FY 2020- FY2024).

From Figure I, it may further be noted that in view of the high R-square value in respect of disbursements made (0.6019) and still higher R-square value in respect of outstanding loan amounts (0.9529) suggest that there is high level of consistency in the growth trends in the respective parameters. So, on comparing the performance of Kerala State with the national average in respect of India as a whole, the case of Kerala may be noted to be quite appreciable during the reference period i.e. FY 2020- FY 2024. This trend needs to be maintained in the future, also ensuring that loans to women are used primarily for productive purposes (like, starting micro enterprises as well as administering of such units etc.) rather than for unproductive or consumption purposes. As of FY 2023, Kerala had as high as



12,241 co-operative societies of which 1,248 were women’s co-operatives. (Economic Review 2023, Jan. 2024, GOK). Similarly, under the Janakeeya Hotels (Hotel network run by Kudumbashree in convergence with Local Government, to provide meals at a minimal price), near about 1,197 hotels were started in Kerala to achieve the Government’s mission to make Kerala hunger free. On an average, these hotels sell 2 lakh meals per day. Through the Janakeeya Hotels project of Kudumbashree 5,043 women are getting better income and employment. These developments suggest the huge growth prospects of women’s initiatives like micro enterprises. In this regard, the immense potential of ICT in the field of women empowerment in general and bank credit in particular (online banking, internet banking etc.) need to be properly tapped.

Analysis and Discussion

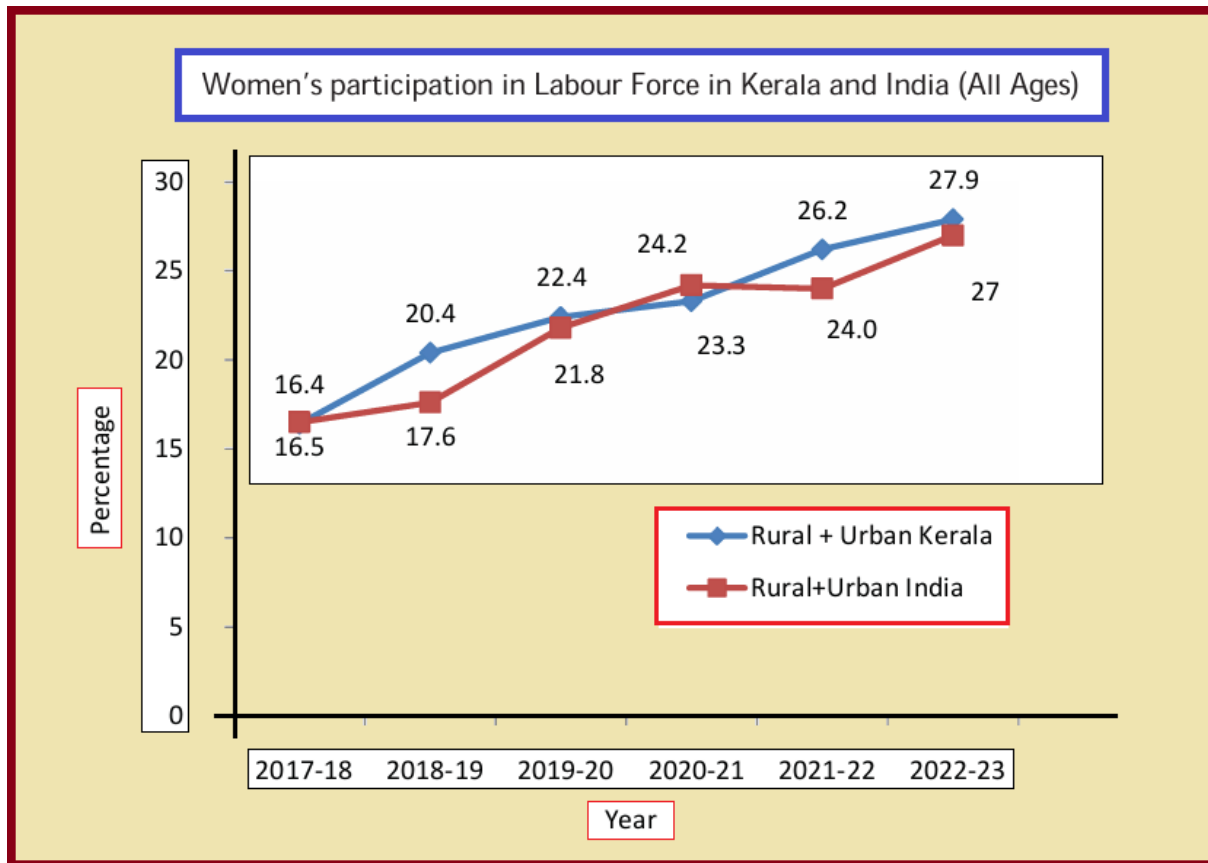
In this regard, it may be noted that the health indicators of women in the State of Kerala is superior to the average figures of women at the national (India as a whole) and this is evident from the recent report (Jan. 2024) of the Govt. of Kerala (GOK) viz. *Economic Review 2023*, Jan. 2024, p. 404). (Table I).

Table I: Health indicators of women in Kerala State Vs. India as a whole.

No.	Indicator		Kerala	India
1	Infant Mortality Rate #	Total	6	30
		Male	6	30
		Female	7	31
2	Mean age at effective marriage of female *	Below 18	17	16.8
		18-20	19.1	19.2
		Above 21	24.6	24
		All age	23.2	22.3
3	Maternal Mortality Rate**		43	113
4	Expectancy of Life at Birth***	Total	75.3	69.4
		Male	72.5	68.2
		Female	77.9	70.7

Source: Govt. of Kerala, *Economic Review 2023*, Jan. 2024, p. 404.

Regarding the labour force participation rate (LFPR) of the women in the State of Kerala and the national average of LFPR for India as a whole, the status of women in Kerala is generally on the higher side over the last five years, except for FY 2020-21 when it was slightly lower. The recent report of the GOK (viz. *Economic Review 2023*, Jan. 2024, p. 40) indicates this fact. (Figure II)



Source: Govt. of Kerala, *Economic Review 2023*, Jan. 2024, p. 405.

Figure II: LFPR of women in Kerala State Vs. India as a whole.

It may be noted that in spite of the very superior health indicators (Table I) and also the high literacy and education levels of women in Kerala, one of the highest in the whole of India, the LFPR of Kerala women is not commensurate with their higher educational, health and such other socio-cultural, educational background. The very rich history of private banking in Kerala, the State's peculiar trade relations with the rest of the world from times immemorial, Kerala's world-famous women empowerment programmes like Kudumbashree, and above all the State's superb infrastructure for ICT, internet and telecommunication facilities provide a conducive environment for women's enterprises in Kerala. Given the growing trend of bank credit to women (Figure I) and very superior health status; yet just an above average track record in LFPR, it may be noted that there is enough scope for further improvement in the performance in more women-based enterprises especially with the use of bank credit for such productive purposes. There is enough facts to support this view point; like, Manoj, P. K. (2012), 'Potential of micro enterprises in women empowerment: A critical study of micro enterprises run by women under the Kudumbashree Programme in Kerala' has noted the vital role of SHGs under GOK's 'Kudumbashree' for women empowerment.

ICT-enabled services of CBs help the women beneficiaries as Rajesh, S. and Manoj, P.K. (2015) "Women Employees work life and challenges to Industrial Relations: Evidence from North Kerala" have noted the key need for balancing work and family lives so that working climates improve. Other studies in Kerala, like, two studies by Jacob Joju et. al. (2017) "Financial technology and service quality in banks: Some empirical evidence from the old private sector banks based in Kerala, India" and "Future



of brick and mortar banking in Kerala: Relevance of branch banking in the digital era”, another study in Kannur (north Kerala) context by Lakshmi and Manoj, P.K. (2017) “Rural Customers and ICT-based Bank Products A Study with a Focus on Kannur District Co-operative Bank and Kerala Gramin Bank”, and Manoj, P.K. (2018) “CRM in old private sector banks and new generation private sector banks in Kerala: comparison” have pointed out the key role played by ICT and ICT-enabled systems and tools to improve the performance of CBs in the ongoing digital era in India, especially Kerala. Also, the utmost need for skill enhancement of HRM in CBs (like, ICT skills to staff of CBs) has been noted by Manoj, P.K. (2019) “Dynamics of human resource management in banks in the ICT era: A study with a focus on Kerala based old private sector banks” so that CBs can keep themselves abreast of the developments in modern banking. Besides the service quality and competitiveness that is ensured by ICT adoption and hence the key significance accorded to ICT by customers (including rural customers), ICT adoption has got cost savings advantage also. Cost control for both bankers and customers make it more attractive and in the ongoing digital era, cost consideration is key for all stakeholders; as Manoj, P. K. (2005) “Cost accounting systems in Banks-for strategic advantage through effective cost management” and Manoj, P. K. (2008) “Cost Competitiveness and Indian Economy: Significance of Mandatory Cost Audit in the Globalized Regime” have underscored the crucial need for cost competitiveness. ICT adoption is an imperative in this regard.

Agriculture and allied rural-based sectors offer great prospects for women empowerment and rural development in India; studies by Manoj, P. K. (2009) “Revival of Indian agriculture for sustainable development: a global perspective” and Ali, O. P. and Manoj, P. K. (2018) “A review of current noticeable trends in institutional credit to agriculture in India” have noted the key need to boost farm credit; while

Strategies for Greater Women’s Participation in Bank Credit Based on the Findings of the Study

Based on the findings of the study, the following are the strategies suggested for the purpose of attaining greater share of bank credit for the women beneficiaries; so that faster, equitable and balanced economic development of the nation can be attained.

Policy and Supply-Side Measures

Enhanced Focus on PSL (Priority Sector Loans): It is suggested to strengthen and monitor the targets for bank credit to women more rigorously among both the private CBs and PSBs and even the foreign banks.

Reinforce guidelines from RBI’s revised PSL norm: This has to be ensured, including expanded weaker section categories (which include individual women), to remove lending caps.

Tailored Loan Products for Women Entrepreneur: It is further suggested to design gender-sensitive loan products with flexible collateral requirements, longer tenors, and also specific risk-sharing instruments (e.g., credit guarantees) to encourage entrepreneurship.

Expand government schemes (e.g., Stand-Up India) that mandate women loans: It is further suggested to ensure meticulous implementation of various governmental schemes, including expansion of already implemented schemes, like, MGNREGA, PMJDY and so on.



Credit Guarantee and Interest Subvention Schemes: Another suggestion is to scale up interest subvention schemes for women SHGs and MSMEs to lower borrowing costs and reduce risk aversion by banks.

ICT-based (Digital) Interventions for Women Empowerment

Leveraging online (digital) platforms: It is suggested that more of digital lending solutions be promoted so that rural women and other less privileged segments could obtain easier and more diverse options for availing credit and deposit facilities as well as servicing such facilities through digital (online) modes.

Encouraging CBs to partner with FinTechs and such other digital service providers: Another strategy is that of encouraging the CBs to join hands with various FinTechs as well as other such online lenders. These online (digital) channels ensure greater reach (access) of bank credit and other products to women.

Expanding digital (online) mode credit scoring models: Such digital mode credit scoring models can accelerate the lending process and hence ensure faster access to loans and advances to women by way of mobile apps and other gadgets. These ensure digital mode KYC, simplified lending workflows etc. It is suggested to expand digital credit scoring tools using alternative data (payment history, utility payments) so as to support women who lack traditional credit (loan) histories.

Digital Financial Literacy Campaigns: It is also suggested to implement targeted digital literacy programs for women that focus on (i) online loan proposal submissions, (ii) studying about interest rates, credit scoring, and also about secured use of digital banking apps.

Integrating UPI-based credit initiatives: It is suggested to integrate UPI and digital payment ecosystems with the loan (credit) products of banks so that women entrepreneurs can avail credit and also make the repayments (servicing) in seamless digital modes, thus reducing paperwork and geographical barriers.

Demand-side Initiatives

Women-Centric Financial Counselling: CBs should establish women financial advisory units that can give counselling services relating to on credit planning, business finance, and credit management to existing and prospective women entrepreneurs.

Strengthening SHGs and Community Networks: It is suggested to assist the SHGs (Self-Help Groups) and JLGs (Joint Liability Groups) that can serve as gateways to formal credit facilities for the women clients, especially the women clients, who would like to avail credit facilities from CBs.

Conclusion

From the foregoing analysis, it may be noted that the period FY 2020–24 could witness appreciable growth in bank loans in India to women borrowers, both in absolute and relative terms (share in total bank credit) together with a rise in credit to women borrowers. Still, women's credit share lags behind demographic and economic potential, and structural barriers persist. So, to deepen women's access to credit, integrated measures - combining policy focus, digital outreach, product design, and financial literacy – are vital. Emphasizing ICT adoption and tailored lending frameworks would help to close this gap.



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