

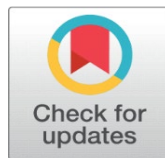
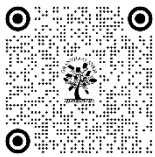


ROLE OF PUBLIC SECTOR BANKS IN ENHANCING FINANCIAL LITERACY AND EMPOWERMENT OF WOMEN ENTREPRENEURS IN THIRUVANANTHAPURAM DISTRICT

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ABSTRACT

Women entrepreneurs are pivotal to economic growth, contributing to income generation, employment creation, and social transformation. In Kerala, especially Thiruvananthapuram District, women increasingly engage in small and medium enterprises, self-help groups, and service-oriented businesses. Despite their growing presence, they face challenges such as limited access to financial resources, low awareness of institutional credit facilities, and inadequate knowledge of financial management. Public Sector Banks (PSBs) play a critical role in addressing these challenges by offering credit facilities, promoting savings, implementing government schemes, and conducting financial literacy programs. This study examines the role of PSBs in enhancing financial literacy and empowering women entrepreneurs in Thiruvananthapuram. Using a descriptive and analytical research design, primary data was collected from 140 women entrepreneurs through structured questionnaires, complemented by secondary sources. Analysis revealed that awareness and utilization of schemes like MUDRA loans, SHG–Bank Linkage Programme, and digital banking services are high, while specialized loans and training programs are underutilized. Education, income, and type of business significantly influence financial literacy and empowerment, whereas age and marital status do not. Correlation and regression analyses confirmed a strong positive relationship between financial literacy and economic, social, and psychological empowerment. The study concludes that PSBs significantly contribute to holistic empowerment, but targeted interventions are needed to enhance utilization of specialized schemes and training programs for inclusive growth.

Keywords: Women Entrepreneurs, Public Sector Banks, Financial Literacy, Institutional Credit, Empowerment, Financial Inclusion and Institutional Credit



1. INTRODUCTION

Women entrepreneurs play a vital role in the economic development of any nation by contributing to income generation, employment creation, and social transformation. In India, especially in states like Kerala, women are increasingly engaging in entrepreneurial ventures across small and medium enterprises, self-help groups, and service-oriented businesses. However, one of the major challenges they face is inadequate access to financial resources, limited awareness of institutional credit facilities, and insufficient knowledge about financial management practices.

Public Sector Banks (PSBs) have emerged as a cornerstone of financial inclusion by extending credit facilities, promoting savings habits, and offering tailored schemes for women entrepreneurs. Through initiatives such as priority

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sector lending, government-sponsored credit programs, skill development workshops, and financial literacy campaigns, PSBs aim to bridge the knowledge gap and strengthen the economic participation of women.

Financial literacy is not merely the ability to access credit but also the capacity to understand, evaluate, and effectively use financial products and services. It equips women entrepreneurs with the skills to make informed decisions, manage business risks, maintain financial discipline, and achieve sustainability in their enterprises. Empowerment, therefore, stems not only from the availability of funds but also from enhanced confidence, decision-making ability, and independence in business activities.

In the Thiruvananthapuram District, known for its vibrant small-scale industries and service sector, the role of Public Sector Banks becomes crucial in promoting women's entrepreneurship. By extending financial literacy programs, digital banking awareness, and customized credit facilities, PSBs contribute to reducing gender disparities in access to finance and fostering an inclusive entrepreneurial ecosystem.

This study seeks to examine the role of Public Sector Banks in enhancing financial literacy and empowering women entrepreneurs in Thiruvananthapuram District, highlighting the opportunities, challenges, and prospects of such initiatives in strengthening women's economic participation.

2. REVIEW OF LITERATURE

Meera & Joseph (2025), in their study *"Institutional Credit and Women Entrepreneurial Growth in Kerala"*, analyzed the performance of women-led micro and small enterprises supported by public sector banks. Their findings indicated that women entrepreneurs who accessed institutional loans showed higher rates of business sustainability and reinvestment compared to those depending on informal sources. However, the study cautioned that repayment stress remained a challenge for women with low financial literacy.

Nair & Thomas (2024), in their research *"Women Entrepreneurs and Digital Banking in South India"*, emphasized the growing role of digital finance in bridging the credit gap. They found that women entrepreneurs in Kerala and Tamil Nadu who adopted mobile banking, UPI payments, and digital credit products were more likely to scale their businesses and reduce dependence on traditional intermediaries. The authors recommended strengthening digital infrastructure and providing digital literacy training.

Sukumaran (2023), in her article *"Public Sector Banks and Women Empowerment in Kerala"*, studied the outreach of bank-led schemes in districts like Thiruvananthapuram and Kollam. She found that while women entrepreneurs benefited from MUDRA loans and credit guarantee schemes, procedural delays and insufficient follow-up support limited long-term effectiveness. The study recommended localized mentorship programmes to complement credit support.

Choudhury and Singh (2022) explored the role of public sector banks in promoting women entrepreneurs in southern India. Their study revealed that women entrepreneurs benefited from small-ticket loans under PMMY and microfinance schemes. However, the lack of continuous mentoring and financial literacy training restricted long-term growth. The authors stressed the need for banks to integrate credit support with entrepreneurship development programmes.

Rani (2021) investigated the accessibility of institutional finance to women entrepreneurs in Kerala. The study found that although women entrepreneurs showed interest in utilizing banking facilities, procedural hurdles such as collateral security requirements and lengthy documentation discouraged them from availing loans. Women preferred short-term credit facilities over long-term business loans. The study concluded that easing lending norms would improve financial inclusion.

Sharma (2020) studied the challenges faced by women entrepreneurs in accessing institutional finance. The research highlighted that women often relied on informal networks due to lack of awareness about banking schemes. Public sector banks were found to have potential in bridging this gap, but structural barriers like inadequate outreach, gender bias in lending, and lack of credit history limited their effectiveness. The study recommended enhancing financial literacy, promoting women-friendly banking policies, and developing special credit products for women entrepreneurs.

3. PUBLIC SECTOR BANKS IN ENHANCING FINANCIAL LITERACY AND EMPOWERMENT

Public Sector Banks (PSBs) play a pivotal role in shaping the financial landscape by providing access to credit, promoting savings, and encouraging the use of formal financial services. In the context of women entrepreneurs, financial literacy becomes a critical factor in determining their ability to engage with banks and utilize institutional credit effectively. Financial literacy goes beyond knowing about loans or savings—it includes awareness of financial planning, risk management, digital banking, and investment opportunities. Women who are financially literate can make informed decisions, expand their enterprises, and reduce dependency on informal credit sources. By offering financial literacy campaigns, training programs, and simplified banking procedures, PSBs contribute to bridging the knowledge gap that often restricts women entrepreneurs from fully participating in the financial system.

The empowerment of women entrepreneurs is closely tied to their ability to access and control financial resources. Empowerment is multidimensional, encompassing economic independence, confidence in decision-making, and active participation in business and community activities. PSBs facilitate this empowerment by providing loans under various government schemes, offering collateral-free credit, and extending support through self-help group (SHG) linkages. When women gain financial access through banks, they experience not only economic empowerment but also psychological and social empowerment, as financial independence enhances their status within families and communities. Thus, empowerment becomes a holistic outcome of financial inclusion supported by PSBs.

Furthermore, PSBs act as institutional agents of change by implementing government-mandated policies for inclusive growth. Schemes such as Mudra Yojana, Stand-Up India, and priority sector lending ensure that women entrepreneurs are given priority in access to institutional credit. In addition to financial support, PSBs also promote digital financial literacy, entrepreneurship development, and capacity-building initiatives. By embedding gender sensitivity in their operations, PSBs create an enabling ecosystem where women entrepreneurs are not only supported financially but are also guided to become sustainable and competitive in the market. In this way, PSBs serve as both facilitators of financial literacy and catalysts of empowerment, ultimately contributing to inclusive economic development and social transformation.

4. OBJECTIVES OF THE STUDY

- 1) To identify the Awareness and Utilization of PSB Schemes and Services among Women Entrepreneurs
- 2) To examine the relationship between socio-economic factors and the role of Public Sector Banks in enhancing financial literacy and empowering women entrepreneurs.
- 3) To analyze the impact of financial literacy on the empowerment of women entrepreneurs with respect to economic, social, and psychological dimensions.

5. RESEARCH METHODOLOGY

1) Research Design

The study adopts a **descriptive and analytical research design** to examine the role of Public Sector Banks in enhancing financial literacy and empowering women entrepreneurs. A survey method will be used to collect primary data from women entrepreneurs across Thiruvananthapuram District.

2) Area of the Study

The study is confined to **Thiruvananthapuram District**, Kerala, which has a growing number of women entrepreneurs engaged in small-scale industries, services, and self-help group enterprises.

3) Population and Sample

The population of the study consists of **women entrepreneurs who have availed financial services from Public Sector Banks**. A sample will be selected using a **purposive sampling technique** to ensure representation of different sectors (trading, services, manufacturing, etc.). The proposed sample size may range between **140 respondents** depending on data availability.

4) Sources of Data

- **Primary Data:** Collected through a structured questionnaire and personal interviews with women entrepreneurs.
- **Secondary Data:** Collected from journals, books, government reports, bank records, websites of Public Sector Banks, RBI reports, and published research papers.

5) Research Instrument

A **structured questionnaire** will be designed, comprising both closed-ended and Likert scale questions to measure:

- Financial literacy levels,
- Access and awareness of PSB schemes,
- Dimensions of empowerment (economic, social, psychological).

6) Tools for Data Analysis

- Chi-square test
- Correlation Analysis
- Regression Analysis
- Factor Analysis

7) Limitations of the Study

The study is confined to **Thiruvananthapuram District** and may not reflect conditions in other regions.

Findings depend on the **accuracy and honesty of responses** given by women entrepreneurs.

Time and resource constraints may limit the sample size.

6. ANALYSIS

Table 1 Demographic Profile of Women Entrepreneurs

Variable	Category	Frequency	Percentage (%)
Age	Below 30 years	34	24.3
	30–40 years	52	37.1
	41–50 years	36	25.7
	Above 50 years	18	12.9
Education	School Level	21	15.0
	Graduate	79	56.4
	Postgraduate & Above	40	28.6
Type of Business	Trading	48	34.3
	Services	52	37.1
	Manufacturing	40	28.6
Monthly Income (₹)	Below 20,000	29	20.7
	20,000–40,000	61	43.6
	40,001–60,000	34	24.3
	Above 60,000	16	11.4

Primary Data

The demographic data reveal that the majority of respondents belong to the **30–40 years age group (37.1%)**, indicating that women tend to pursue entrepreneurial activities during their most productive years. This age group often balances family responsibilities with career aspirations, suggesting that entrepreneurship is viewed as a flexible

livelihood option. Educationally, **over half of the respondents (56.4%) are graduates**, while nearly 29% hold postgraduate degrees, showing that education plays a critical role in fostering entrepreneurial intent. A significant proportion of women operate in the **services sector (37.1%) and trading (34.3%)**, which are less capital-intensive compared to manufacturing (28.6%). Income distribution shows that most women earn between **₹20,000–40,000 (43.6%)**, which highlights modest but steady income generation. This suggests that entrepreneurship contributes to family income but many women are still at the early stages of scaling up their businesses.

Table 2 Awareness and Utilization of PSB Schemes and Services among Women Entrepreneurs

Financial Schemes / Services	Awareness (%)	Utilization (%)
MUDRA Loans (PMMY)	82.1	63.6
Stand-Up India Scheme	67.9	44.3
Self Help Group – Bank Linkage Programme	74.3	56.4
Women-Oriented Subsidy Loans (e.g., Annapurna, Stree Shakti)	61.4	39.3
Entrepreneurship Development & Training	59.3	36.4
Digital Banking Services (UPI, Net Banking, Mobile Banking)	78.6	62.9
General Credit Card (GCC) for small entrepreneurs	54.3	32.1

Primary Data

The findings indicate that women entrepreneurs in Thiruvananthapuram District are fairly aware of major PSB schemes, particularly MUDRA Loans (82.1%) and Digital Banking Services (78.6%). These are also the most utilized facilities, with 63–64% adoption rates, showing that PSBs have successfully reached women through loan products and digital platforms. However, awareness and utilization decline when it comes to specialized schemes such as Stand-Up India (67.9% aware, 44.3% used) and women-oriented subsidy loans (61.4% aware, 39.3% used). The relatively low utilization rates suggest procedural hurdles, lack of follow-up support, or inadequate awareness campaigns.

The SHG–Bank Linkage Programme shows good performance (74.3% awareness; 56.4% utilization), reflecting the strong role of collective group financing in empowering women. On the other hand, entrepreneurship development training (36.4% utilization) remains underutilized, even though such programs are critical for building capacity beyond just access to credit.

Table 3 Relationship between Socio-Economic Factors and Empowerment through PSBs

Socio-Economic Factor	χ^2 Value	df	Sig. (p-value)	Result
Age vs. Empowerment	12.45	6	0.052	Not Significant
Education vs. Financial Literacy	18.92	4	0.001	Significant
Income vs. Economic Empowerment	21.34	6	0.002	Significant
Type of Business vs. Access to PSB Schemes	9.76	4	0.045	Significant
Marital Status vs. Psychological Empowerment	3.88	2	0.144	Not Significant

Secondary Data

The analysis reveals that socio-economic factors play a significant role in determining how effectively Public Sector Banks (PSBs) enhance financial literacy and empower women entrepreneurs. Education and income emerged as the most influential variables, with higher educational attainment enabling women to better understand and utilize PSB schemes, while higher income levels were linked to stronger economic empowerment and reinvestment capacity. Type of business also showed a significant association, as service-oriented entrepreneurs benefited more from PSB support compared to those in manufacturing or trading. On the other hand, age and marital status did not exhibit a strong influence, suggesting that empowerment through PSBs is relatively uniform across these groups. Overall, the findings indicate that while PSBs contribute meaningfully to financial literacy and empowerment, their impact is amplified by the

socio-economic background of women entrepreneurs, underscoring the need for targeted policies to support low-income and less-educated women for inclusive financial inclusion.

Table 4 Correlation between Financial Literacy and Entrepreneurial Empowerment

Variables	r-value	Sig. (p-value)
Financial Literacy & Economic Empowerment	0.62	0.000***
Financial Literacy & Social Empowerment	0.54	0.001***
Financial Literacy & Psychological Empowerment	0.58	0.000***

Secondary Data

The correlation analysis reveals a **strong positive relationship** between financial literacy and all three dimensions of empowerment. Women who are more financially literate are better at managing their enterprises, gaining social recognition, and building self-confidence. This confirms the **first objective** of the study—that financial literacy significantly contributes to holistic empowerment.

Table 5 Regression Analysis – Impact of Financial Literacy on Overall Empowerment

Predictor Variable	Beta Coefficient	t-value	Sig.
Financial Literacy Score	0.61	8.72	0.000***
Constant (Intercept)	1.24	3.11	0.002

Secondary Data

$$R^2 = 0.42$$

$$F = 76.05 = (p < 0.001)$$

Regression analysis shows that **financial literacy explains 42% of the variation in empowerment among women entrepreneurs**. The standardized beta (0.61) indicates that financial literacy is a strong predictor of empowerment. This result supports the hypothesis that financial literacy has a significant impact on empowerment across economic, social, and psychological dimensions.

Table 6 Factor Analysis – Dimensions of Empowerment

Factor Extracted	Eigen Value	% Variance Explained
Economic Empowerment	3.82	27.3%
Social Empowerment	2.59	18.5%
Psychological Empowerment	2.19	15.7%
Total Variance Explained		61.5%

Secondary Data

Factor analysis confirms that empowerment is a **three-dimensional construct**: economic (income, savings, assets), social (decision-making, recognition, participation), and psychological (self-confidence, independence, risk-taking). Together, these explain **61.5% of the total variance**, validating the multidimensional framework used in this study.

7. FINDINGS

- Majority of respondents were in the 30–40 years age group, showing that women pursue entrepreneurship during their most productive life stage.
- More than half of the women entrepreneurs were graduates, and nearly one-third were postgraduates, proving that education plays a key role in entrepreneurial engagement.

- Services and trading businesses were dominant, reflecting women's preference for less capital-intensive ventures compared to manufacturing.
- Most women earned between ₹20,000–40,000 monthly, indicating modest but steady income generation through entrepreneurship.
- Awareness of PSB schemes was relatively high for MUDRA loans and digital banking, and these services also had the highest utilization rates.
- Utilization of specialized schemes such as Stand-Up India and women-oriented subsidy loans was lower, pointing to procedural and awareness-related challenges.
- SHG–Bank Linkage Programme showed strong adoption, highlighting the importance of collective financing in empowering women.
- Training and entrepreneurship development programmes were underutilized, despite being vital for capacity building.
- Education and income had a significant relationship with financial literacy and empowerment, showing that socio-economic background strongly influences the effectiveness of PSBs.
- Type of business was also a significant factor, with service-sector entrepreneurs gaining better access to PSB schemes.
- Age and marital status did not have a significant effect on empowerment, suggesting that PSBs support women fairly uniformly across these groups.
- Correlation results confirmed that financial literacy is positively related to economic, social, and psychological empowerment.
- Regression analysis proved that financial literacy significantly predicts empowerment, explaining 42% of its variation.
- Factor analysis validated empowerment as a three-dimensional construct, with economic, social, and psychological aspects together explaining over 60% of the variance.

8. SUGGESTIONS

- Public Sector Banks should conduct localized awareness drives on women-oriented schemes, as utilization is low despite moderate awareness.
- Simplify loan procedures, reduce collateral requirements, and provide dedicated help desks to improve accessibility for women entrepreneurs.
- Provide structured training on mobile banking, UPI, net banking, and cybersecurity to enhance digital financial literacy.
- Design flexible credit products with smaller ticket sizes, interest subsidies, and suitable repayment options for first-generation or low-income women entrepreneurs.
- Expand entrepreneurship development and training programmes with practical modules on business planning, bookkeeping, and marketing.
- Collaborate with NGOs, SHGs, and local business associations to offer mentorship, handholding, and business advisory services along with financial support.
- Offer sector-specific financing and technical support for women in manufacturing and trading, as service-sector entrepreneurs benefit more from PSB schemes.
- Create tailored literacy modules and visual or vernacular training materials for women with lower educational backgrounds to improve financial literacy.
- Expand credit limits, ensure timely disbursements, and reduce bureaucratic delays in SHG–Bank Linkage Programmes.
- Establish monitoring cells in PSBs to track scheme effectiveness, repayment issues, and provide continuous support to women entrepreneurs.

- Link PSB initiatives with government agencies such as Kudumbashree, MSME Development Institutes, and Women Development Corporations for wider outreach.
- Conduct confidence-building workshops, peer networking events, and success story sessions to strengthen psychological empowerment alongside financial support.

9. CONCLUSION

The study reveals that Public Sector Banks play a vital role in enhancing financial literacy and empowering women entrepreneurs in Thiruvananthapuram District. Women who are financially aware are better equipped to manage their businesses, make informed decisions, and achieve economic, social, and psychological empowerment. While awareness of major schemes like MUDRA loans and digital banking is high, utilization of specialized schemes and training programmes remains limited, highlighting procedural barriers and gaps in capacity-building initiatives. Socio-economic factors such as education, income, and type of business significantly influence the effectiveness of PSB interventions, whereas age and marital status have minimal impact. Overall, PSBs act as crucial facilitators of financial inclusion, yet their impact can be further strengthened through targeted awareness campaigns, simplified procedures, skill development programs, and continuous mentorship, thereby fostering a more inclusive and sustainable entrepreneurial ecosystem for women in the district.

CONFLICT OF INTERESTS

None .

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