

Microfinance and Rural Banking: Assessing their Impact on Women's Empowerment

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Abstract: Rural banking and microfinance have become effective instruments for women's empowerment, especially in rural regions. These programs help women start earning money, support household expenses, and become financially independent by giving them access to small, collateral-free loans, savings accounts, and financial literacy courses. With the help of government initiatives like the National Rural Livelihood Mission (NRLM) and the Self-Help Group-Bank Linkage Programme (SHG-BLP), the Self-Help Group (SHG) model has been instrumental in encouraging women to start their own businesses and make decisions as a group. By boosting women's involvement in family and community decision-making, microfinance improves their social status in addition to its financial advantages. Problems, including excessive debt, a lack of financial literacy, and sociocultural hurdles, still exist despite its advantages. The main goals are to investigate how microfinance empowers rural residents, especially women and small business owners, and to evaluate the effects of financial literacy initiatives and other services offered by rural banks and MFIs. The results will shed light on how successful these financial services are and make suggestions for enhancing their sustainability and reach, which will help to reduce poverty and boost the economy in rural areas over the long run.

Keywords: Microfinance, Rural banking, financial literacy, Women empowerment, Poverty reduction

