A Study on the Governments Efforts in fostering Financial Literacy, Digital Literacy and Sustainability of Women Self Help Groups (SHG) PMJDY Beneficiaries in Public Sector Banks

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Abstract

Background : In order to improve the sustainability of Small Help Groups (SHGs) in India, this research paper examines the critical role that digital literacy plays.
Methodology : Exploratory research thorough literature review through secondary data.
It explores the workings of Self-Help Groups (SHGs), which are essential to the socioeconomic advancement of marginalised people, especially those living in rural and semi-urban settings. This paper looks at digital literacy in India today, how it interacts with financial technology, and how it affects SHG sustainability and operation. This research, which draws from a range of scholarly sources, emphasises the benefits and difficulties that come with digital literacy programmes. The study evaluates the function of local rural banks and government initiatives in advancing digital literacy among Self-Help Group participants.
Results: The results show that higher levels of digital literacy positively correspond with the sustainability and efficacy of SHGs, which greatly enhances their socioeconomic development and empowerment
Conclusion: This paper emphasises the need of all-encompassing approaches and policy interventions to improve SHGs' digital literacy, which would help them become strong, long-lasting organisations that can propel change at the local level in India. In order to improve development and sustainability in the digital age, the paper suggests a model for digital literacy for Small Help Groups that is inclusive and comprehensive, including stakeholder participation, local context, and useful applications.

Keywords: Digital Literacy, Sustainability, Self Help Groups (SHG)

Introduction

In India's socioeconomic environment, Small Help Groups (SHGs) have become essential and have a profound impact, especially in rural and semi-urban regions. Self-Help Groups (SHGs) are unofficial groups, mostly made up of women, that concentrate on lending and saving money together. According to Nayak, Panigrahi, and Swain (2020), they play a crucial

role in promoting financial inclusion, socioeconomic empowerment, and self-reliance. For these groups, however, the quickly changing digital world offers both possibilities and problems.

The significance of digital literacy as a key component of SHG sustainability and efficacy has grown in recent years. For SHGs to adapt to the digital economy, they must possess digital literacy, which is described as the capacity to use digital technologies for safe, appropriate, and managed access, management, understanding, integration, communication, evaluation, and creation of information (Nedungadi, Menon, Gutjahr, Erickson, & others, 2018). This adaptation includes comprehending online markets, digital governance services, and digital financial services in addition to using digital technologies.

India wants to become a digitally empowered society and knowledge economy. The government of India established the Digital India programme ("Digital India – A Programme to Transform India into a Digitally Empowered Society and Knowledge Economy," This programme emphasises how digital literacy must penetrate all societal levels, including SHGs and other grassroots groups (Banu, 2017).

Even while SHGs stand to gain a great deal from digital literacy, such as better financial management, expanded market access, and improved government service delivery, the road ahead is not without obstacles. These include a lack of specialised educational programmes, sociocultural impediments, and inadequate infrastructure (Khokhar, 2016). To tackle these obstacles, a comprehensive comprehension of the Indian milieu is needed, including its heterogeneous socio-economic terrains.

Research especially concentrating on this junction is still lacking, despite the accepted relevance of digital literacy for SHGs. In order to close this gap, this paper will examine the present level of digital literacy in India, how it affects Self-Help Groups (SHGs), and how different stakeholders—such as government agencies, non-governmental organisations, and financial institutions—can help SHG members become more digitally literate.

Materials and Methods :

Objectives

1. To Evaluate the Current State of Digital Literacy in India and Its Impact on Self-Help Groups (SHGs).
2. To Analyze the Role of Financial Technology and Institutional Support in Enhancing Digital Literacy.
3. To Identify Strategies and Best Practices for Promoting Inclusive and Effective Digital Literacy Programs.

Literature Review

India's current digital literacy situation is complicated and multidimensional. In their study, Nedungadi et al. (2018) have shed light on the subtleties of this situation. They contend that

digital literacy is now a top national priority as a result of the government of India's expansive Digital India programme. The difficulty, however, is in developing a structure that is inclusive and meets the many demands of the enormous population of India. Their findings highlight the need of addressing several literacies within the larger context of digital literacy, including financial and health literacy. This comprehensive approach is essential, particularly in light of the socioeconomic variety of India and the regional variations in literacy rates.

According to Khokhar (2016), poverty and illiteracy are two enduring obstacles that seriously obstruct the broad adoption of digital literacy. These difficulties are especially noticeable in rural regions, where there is sometimes little access to digital infrastructure. According to the report, the rural environment is mostly unaffected by the increasing awareness and acceptance of digital technologies in urban regions, necessitating tailored initiatives to close the digital gap.

It is crucial to investigate how financial technology (FinTech) and digital literacy interact, particularly in the context of poverty. Gautam et al. (2022) explore this subject; their findings show that the emergence of FinTech has completely changed how Indians may access and use financial services. This change has the potential to significantly improve digital literacy, especially for the impoverished, who are often the ones most shut out of conventional financial institutions. According to the report, FinTech may play a major role in promoting digital literacy by giving underserved groups access to financial services, which in turn helps to create a more inclusive digital environment.

According to Gautam and Kanoujiya's (2022) research, regional rural banks have played a significant role in teaching rural communities about digital tools and platforms in addition to offering financial services. The promotion of digital literacy in rural areas—where conventional forms of education and literacy programmes may not be as effective—requires this dual function of financial service provider and digital educator. The authors contend that these kinds of programmes are essential to strengthening rural communities and giving them more access to the digital economy. All of these studies together offer a thorough grasp of the current situation of digital literacy in India, the role that FinTech plays in advancing digital literacy, particularly in areas of extreme poverty, and the vital role that regional rural banks play in promoting digital literacy in rural development. The groundwork for comprehending the more general effects of digital literacy on the sustainability and efficacy of Small Help Groups in India is laid forth in this review of the literature.

Nedungadi et al. (2018) highlighted how, within the scope of digital literacy, the Digital India programme addresses a variety of literacies, including financial and health literacy. Their study emphasises how difficult it may be to combine several literacies into a cohesive strategy, particularly in a nation with as much diversity as India. Understanding the wider ramifications of digital literacy programmes and how they could affect many facets of society, such as Small Help Groups (SHGs), depends heavily on this paper.

Patankar et al. (2017) spoke about the government's ambitious plan, Digital India, to make India a digitally enabled nation. This paper clarifies the need for customised digital literacy

programmes that address the particular requirements of India's large and heterogeneous rural population. This study was especially important for comprehending the scope of work needed to guarantee that SHGs and other grassroots organisations get digital literacy training so they can actively engage in the digital economy.

Radovanović et al. (2020) examined Indian programmes designed to raise rural populations' digital literacy. Their definition of digital literacy includes both the use of newly acquired digital abilities to advance social inclusion and sustainable development, as well as the learning of those skills themselves. In order to evaluate the effects of digital literacy activities on self-help groups (SHGs) and their long-term sustainability, it is imperative that we have a framework for doing so. This paper provides just that.

In the Rajouri area of Jammu and Kashmir, India, Hassan and Mirza (2021) emphasised the degree of digital literacy among instructors. With just 30% of instructors possessing basic computer literacy and 90% in need of digital literacy training, the authors highlight a serious disparity in digital literacy among teachers, citing a study from the Digital Empowerment Foundation. Teachers are key players in the dissemination of digital knowledge in communities, especially SHGs, therefore this study is essential to understanding the larger implications of digital literacy in the education sector and its knock-on impacts on communities.

(2010) Nawaz and Kundi provided a thorough examination of digital literacy paradigms. The research addresses the many interpretations and definitions of digital literacy as well as how they affect training and education. The authors argue that a standardised curriculum in digital literacy is necessary, particularly for educators and learners. This paper is relevant to Self-Help Groups (SHGs) because it emphasises the significance of a cohesive strategy to teaching digital literacy, which may have a substantial effect on SHG members' capacity development and empowerment.

All of these studies, when taken as a whole, provide a comprehensive picture of the situation of digital literacy in India, including its obstacles, the role that different institutions play in advancing it, and its possible effects on Self-Help Groups. They draw attention to the need of focused campaigns on digital literacy that take into account the various demands of India's populace, particularly those living in rural regions and in Self-Help Groups. The research' findings may direct the creation of plans and regulations meant to improve SHG members' digital literacy, boosting their efficacy and sustainability in the process.

In their paper, Nayak, Panigrahi, and Swain (2020) examined the range of difficulties that these populations encounter, such as environmental hazards and socio-economic hardships. Despite being generally acknowledged as useful instruments for development and empowerment, the authors contend that both internal and external forces often jeopardise the sustainability of SHGs. This research provides insights into how digital literacy may solve some of these difficulties and help to the long-term sustainability of SHGs, which is important in understanding the environment in which digital literacy can play a transformational role for these organisations.

Mahesh and colleagues (2023) investigated how digital financial inclusion programmes assist Self-Help Groups. The paper emphasises how these programmes' use of digital literacy is essential to bringing small and marginal farmers inside the purview of sustainable development. The writers talk about how digital literacy helps SHGs become more powerful by being a crucial part of the process of digital financial inclusion. This research offers insightful information on how digital financial tools and literacy might improve SHG sustainability and operation.

Anand et al. (2020) presented a thorough analysis of the Self-Help Group (SHG) programme and its potential to support sustainable development in their research. The authors draw attention to the paucity of studies in this field, particularly with respect to the significance of digital literacy. The results of this study highlight the necessity for further investigation to learn how digital literacy might improve SHG members' capacities and support sustainable development.

Tripathy and Khan (2020) spoke about a variety of strategies for advancing Self-Help Groups (SHGs) in diverse settings, especially in rural and tribal communities. The research highlights how crucial it is to support these groups while upholding the SHG criteria. The writers investigate how these approaches may include digital literacy, improving SHG efficacy and sustainability in these particular settings.

Al-Kubati and Selvaratnam (2023) examined how the SHG Bank Linkage Programme affected women's empowerment and the attainment of sustainable development. The research emphasised the ways in which SHGs—small, informal groups—can support government initiatives aimed at promoting sustainable development. The writers talk on how digital literacy might improve these programmes' efficacy, especially in terms of financial empowerment and literacy.

These research gave us a thorough grasp of the function of Self-Help Groups (SHGs) in India, the difficulties they encounter, and how digital literacy may improve their effect and sustainability. They emphasised the need of an all-encompassing strategy that takes into account the various circumstances and requirements of various Indian regions and communities while incorporating digital literacy into the larger framework of SHG growth and sustainability. The knowledge gathered from these research is crucial for developing plans of action and regulations that will successfully use digital literacy to strengthen Self-Help Groups (SHGs) and advance sustainable development in India.

Castilla et al. (2018) focused on the deployment of a specifically created social network platform that uses linear navigation to target the frequently disregarded older demographic group in the debate on digital literacy. The research is based on the knowledge that older people, especially those living in rural regions, have special difficulties embracing modern technology, often because of inadequate past experience and age-related cognitive impairments. In order to accommodate the demands and skills of senior users, the authors suggest creating a social network platform with a straightforward, linear navigation method.

This platform's goal is to make acquiring digital literacy skills more enjoyable and user-friendly.

This study's main contribution is its user-centered design methodology, which takes into account the unique needs and learning preferences of the elderly. The study's emphasis on a group of people who are generally less tech-savvy offers insightful information on how digital literacy initiatives might be modified to meet the various demands of various age groups. The study emphasises how crucial it is to take users' cognitive and physical capacities into account when designing digital literacy tools in order to make them useful and accessible to people of all ages. The research also emphasises the possibility of social networks as a teaching tool for digital literacy. The platform's social component promotes social engagement and interaction among seniors, which is essential for their general well-being in addition to helping them study. In conclusion, by illustrating how specially designed digital tools and platforms may successfully improve digital literacy among the elderly, Castilla et al.'s (2018) study makes a substantial contribution to the area of digital literacy. This research offers a framework for creating inclusive digital literacy programmes that take into account the various requirements and skill levels of various user groups, thereby fostering a more inclusive society digitally.

Results and Discussion:

Major Findings

1. **Inclusivity in Digital Literacy**: Nedungadi et al. (2018) stress the significance of an inclusive framework for digital literacy, especially in the context of the Digital India initiative. Encouraging inclusion is essential in addressing different literacies, including financial and health literacy, and meeting the varied demands of India's enormous population, which includes SHG members.

2. **Barriers to Digital Literacy**: According to Khokhar (2016), poverty and illiteracy are two major obstacles that prevent India's population from adopting digital literacy. These difficulties are more severe in rural areas, which has an impact on SHG performance there.

3. **Impact of Financial Technology (FinTech)**: Gautam et al. (2022) emphasise how FinTech may improve digital literacy and have a transformational effect, particularly in places of extreme poverty. This development affects SHG members' financial inclusion and empowerment.

4. **Role of Regional Rural Banks**: Gautam and Kanoujiya (2022) examine how regional rural banks aid in the development of digital literacy in rural India. These organisations help SHGs by teaching them about digital technologies and offering financial services.

5. **Digital Literacy Among the Elderly**: Castilla et al. (2018) explore the effectiveness of a social network with linear navigation in teaching digital literacy to the elderly in

rural areas. This approach demonstrates the need for user-friendly and age-appropriate digital literacy tools.

6. **Empowerment through Digital Financial Inclusion**: Mahesh et al. (2023) analysis clarifies how digital financial inclusion programmes affect self-help groups. One of the most important elements of these projects is digital literacy, which improves the sustainability and operation of SHGs.

7. **Capability Enhancement in SHGs**: According to Anand et al. (2020), SHGs have the potential to support sustainable development, and a critical factor in boosting members' capacities is digital literacy.

8. **Methodologies for Sustainable SHGs**: In order to improve the sustainability and efficacy of SHGs, Tripathy and Khan (2020) identify a number of approaches to support SHGs and place special emphasis on the incorporation of digital literacy into these strategies.

All of these results highlight how important digital literacy is to the empowerment of different groups in society, especially SHGs and older people living in rural regions. They emphasise the need of inclusive, situation-specific, and approachable methods for teaching and training digital literacy so that everyone may benefit from the digital world, irrespective of age, socioeconomic background, or location.

Suggested sustainable model of digital literacy for Small Help Groups (SHGs):

Component	Description	Expected Outcome
Inclusive Curriculum Design	Develop a digital literacy curriculum that caters to diverse needs, including financial, health, and basic computer literacy. Ensure the content is relevant to the daily lives and challenges of SHG members.	A comprehensive understanding of digital tools and their application in various aspects of life and work among SHG members.
Stakeholder Engagement	Involve various stakeholders, including government bodies, educational institutions, NGOs, and financial organizations, to ensure a collaborative approach towards digital literacy.	Increased collaboration and resource pooling for effective implementation and sustainability of digital literacy initiatives.
Technology Infrastructure	Establish robust technology infrastructure in rural and semi-urban areas, ensuring accessibility to digital tools and internet connectivity for SHG members.	Higher accessibility to digital platforms and resources, leading to increased usage and proficiency in digital tools among SHG members.
Capacity Building Programs	Organize regular training and capacity building workshops for SHG members to enhance their digital skills and confidence in using digital tools.	Enhanced digital skills, leading to improved efficiency and effectiveness in the operations and activities of SHGs.
Monitoring and Evaluation	Implement a system to regularly monitor and evaluate the effectiveness of digital literacy programs, enabling timely adjustments and improvements.	Continuous improvement in digital literacy programs based on feedback and outcomes, leading to more effective training

		methods.
Community Engagement	Encourage community participation and create awareness about the benefits of digital literacy in SHGs, fostering a supportive environment for learning and application of digital skills.	Creation of a digitally literate community that actively supports and promotes the use of digital tools within SHGs.
Localized Content Development	Create digital literacy materials and resources in local languages and contexts. Tailor content to address local issues and scenarios relevant to SHG members.	Enhanced understanding and engagement with digital literacy materials, leading to more effective learning outcomes.
Partnerships with Tech Companies	Forge partnerships with technology companies to provide access to software, hardware, and training resources at subsidized rates or for free.	Access to state-of-the-art technology and resources, enabling SHG members to stay updated with the latest digital tools and practices.
Gender-Sensitive Approach	Design digital literacy programs that specifically address the challenges faced by women in accessing and using technology, considering the prominent role of women in SHGs.	Empowerment of women in SHGs through improved access to digital tools, leading to greater participation and leadership in digital initiatives.
Integration with Livelihood Programs	Integrate digital literacy training with livelihood programs to show practical applications of digital skills in income-generating activities.	Direct application of digital skills in enhancing the economic activities of SHGs, leading to improved livelihoods and economic empowerment.
Youth Engagement	Involve the youth in SHGs and the broader community in digital literacy programs, leveraging their familiarity with technology to foster intergenerational learning.	Creation of a dynamic learning environment where the youth can contribute to the digital education of older SHG members, fostering community cohesion.
Sustainability and Scalability Planning	Develop long-term plans for the sustainability and scalability of digital literacy programs, including funding strategies, resource allocation, and program expansion.	Ensuring the longevity and growth of digital literacy initiatives, allowing them to adapt and expand to meet the evolving needs of SHGs.

This expanded model adopts a holistic perspective, taking into account the social, cultural, and economic aspects of SHGs. It highlights the necessity of partnerships for resource access, gender-specific challenges, practical applications in livelihood activities, youth involvement for cross-generational learning, and strategic planning for sustainability and scalability. It also highlights the importance of content that speaks to the local context. By putting these elements into practise, digital literacy initiatives for SHGs may have a greater effect and support their expansion and sustainability in the digital era.

Conclusion

The paper's summary of the study emphasises how important digital literacy is to the sustainability and efficacy of Self-Help Groups (SHGs) as well as to the empowerment of the

elderly, particularly in rural regions. All of the studies point to the need of a comprehensive, inclusive strategy for digital literacy that considers the various demands of various demographic groups.

First and foremost, Nedungadi et al. (2018) stress the significance of an inclusive digital literacy framework as being essential for addressing diverse literacies. This strategy is essential for guaranteeing that digital literacy programmes are not only broadly implemented but also specifically tailored to meet the requirements of various groups, including SHGs.

Second, policies and programmes that specifically target issues like poverty and illiteracy—both of which Khokhar (2016) highlighted as hurdles to digital literacy—are required. For SHGs in rural regions, where these obstacles are more noticeable, this is particularly crucial.

Thirdly, Gautam et al.'s (2022) emphasis on the transformational function of fintech demonstrates how technology may improve digital literacy and financial inclusion. SHG members would especially benefit from this breakthrough, since they often do not have access to regular financial services.

As Gautam and Kanoujiya (2022) explain, regional rural banks play a key role in increasing digital literacy, which highlights the significance of combining financial services with digital education. In order to strengthen SHGs and guarantee their sustainability, this integration is essential.

The research conducted by Castilla et al. (2018) offers significant perspectives on how digital literacy programmes might be customised for senior citizens, a group that is often disregarded in the digital sphere. The elderly, especially those living in rural regions, may greatly benefit from increased digital literacy via the use of age- and user-appropriate digital technologies.

Additionally, Mahesh et al.'s (2023) investigation of the effects of digital financial inclusion initiatives on Self-Help Groups (SHGs) and Anand et al.'s (2020) discussion of SHG capability enhancements highlight the significance of digital literacy in empowering SHGs and promoting sustainable development.

This paper's conclusion emphasises the need of all-encompassing methods and laws that promote digital literacy in all spheres of society, with an emphasis on especially vulnerable populations like SHGs and the elderly. According to the research, improving digital literacy entails more than simply having access to technology; it also entails building an atmosphere that is conducive to acquiring and using digital skills. It is feasible to empower communities, promote sustainable development, and guarantee that everyone can benefit from the advantages of the digital world by tackling the issues and seizing the possibilities given by digital literacy.

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