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Women Empowerment through Financial Literacy and Insurance Inclusion: A Review of Literature on the LIC Bima Sakhi Yojana

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Abstract— **This Women empowerment has emerged as a key driver of inclusive growth and sustainable development. Financial literacy and insurance inclusion play a crucial role in enhancing women's economic participation, decision-making ability, and financial security. The Life Insurance Corporation of India (LIC) introduced the Bima Sakhi Yojana as a women-centric initiative aimed at creating livelihood opportunities, promoting insurance awareness, and strengthening financial inclusion among rural women. The present paper reviews existing literature on women empowerment, financial literacy, insurance inclusion, and the LIC Bima Sakhi Yojana. The review highlights the significance of financial knowledge, access to insurance services, and community-based participation in improving women's socio-economic status. The findings indicate that financial literacy and insurance inclusion contribute positively to women's confidence, economic independence, leadership development, and social participation. The paper concludes that the LIC Bima Sakhi Yojana has the potential to serve as an effective mechanism for empowering rural women through financial education, insurance outreach, and livelihood generation.**

Keywords— **Women Empowerment, Financial Literacy, Insurance Inclusion, Rural Women, LIC Bima Sakhi Yojana,**

I. Introduction

This Women empowerment is widely recognized as a fundamental requirement for achieving social justice, gender equality, and sustainable economic development. Empowered women contribute significantly to household welfare, community development, and national economic growth. Despite various policy initiatives, many women in rural India continue to face challenges such as limited financial literacy, inadequate access to financial services, and low participation in formal economic activities.

Financial literacy enables individuals to make informed decisions regarding savings, investments, insurance, and financial planning. Similarly, insurance inclusion provides financial protection against uncertainties and enhances economic resilience. Recognizing the need to strengthen women's participation in the financial sector, the Life Insurance Corporation of India introduced the LIC Bima Sakhi Yojana.

The scheme aims to train rural women as insurance facilitators and advisors, thereby creating employment opportunities while simultaneously promoting insurance awareness and financial inclusion.

The LIC Bima Sakhi Yojana represents an innovative approach to women empowerment by combining financial education, insurance outreach, and livelihood generation. In this context, the present study reviews existing literature to understand how financial literacy and insurance inclusion contribute to women's empowerment and examines the potential role of the LIC Bima Sakhi Yojana in achieving these objectives.

II. Statement Of The Problem

An Financial literacy and access to insurance services remain limited among many rural women in India. Lack of awareness regarding financial products, inadequate access to formal financial institutions, and socio-cultural barriers often restrict women's participation in economic activities. Although several studies have examined financial inclusion and women empowerment, limited literature is available on the specific role of the LIC Bima Sakhi Yojana in enhancing financial literacy, insurance inclusion, and socio-economic empowerment among rural women. Therefore, a comprehensive review of existing literature is necessary to understand the potential contribution of the scheme towards women's empowerment.

III. Objectives Of The Study

1. To review the literature relating to women empowerment, financial literacy, and insurance inclusion.
2. To examine the role of financial literacy in enhancing women's socio-economic empowerment.
3. To analyze the importance of insurance inclusion in promoting financial security among women.
4. To assess the potential contribution of the LIC Bima Sakhi Yojana towards rural women empowerment.

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IV. Review Of Literature

TABLE I

Author(s) & Year	Title/Area of Study	Major Findings
Lusardi & Mitchell (2014)	Financial Literacy and Financial Decision-Making	Financial literacy improves financial planning, savings behaviour, and economic well-being. Women with higher financial literacy demonstrate better financial management capabilities.
Klapper & Lusardi (2020)	Financial Inclusion and Financial Capability	Access to formal financial services promotes economic participation and reduces financial vulnerability among women.
Panakaje et al. (2023)	Financial Inclusion and Rural Women Empowerment	Financial literacy and financial inclusion positively influence income generation, confidence, and community participation among rural women.
Saluja, Singh & Kumar (2023)	Financial Inclusion and Women Empowerment	Awareness programmes, training initiatives, and access to financial services significantly contribute to women's economic empowerment.
Desai, Sensarma & Thomas (2024)	Financial Education and Women Empowerment	Structured financial education programmes improve decision-making ability, confidence, and financial independence among women.
Khedkar & Lande (2024)	Financial Awareness among Rural Women	Financial awareness improves savings behaviour, household financial management, and economic self-reliance.
Kumari & Veena (2024)	Financial Literacy and Gender Equality	Financial education strengthens women's confidence, economic participation, and social empowerment.
LIC Reports and Government Publications (2024–2025)	LIC Bima Sakhi Yojana	The scheme aims to create livelihood opportunities for women while promoting insurance awareness and financial inclusion in rural communities.

A. The Research Gap

The reviewed studies primarily focus on financial literacy, financial inclusion, and women empowerment. However, limited literature specifically examines the LIC Bima Sakhi Yojana and its role in integrating financial literacy, insurance inclusion, and women empowerment. Therefore, there is a need for further academic attention to understand the scheme's contribution to the socio-economic development of rural women.

V. Research Methodology

The present study is based on secondary data and follows a descriptive review approach. Relevant research articles, journal publications, books, government reports, LIC publications, and scholarly literature related to women empowerment, financial literacy, insurance inclusion, and the LIC Bima Sakhi Yojana were reviewed. The collected literature was analyzed systematically to identify major themes, findings, and research gaps concerning the role of financial literacy and insurance inclusion in promoting women's empowerment.

VI. Major Findings

1. Financial literacy is a significant determinant of women's economic empowerment and financial independence.

2. Insurance inclusion contributes to financial security and risk management among women.
3. Financial awareness programmes enhance women's participation in economic activities and community development.
4. Access to financial services improves confidence, leadership skills, and household decision-making power.
5. Rural women benefit from livelihood opportunities linked to financial inclusion initiatives.
6. Insurance literacy remains an important but underexplored component of women empowerment.
7. The LIC Bima Sakhi Yojana combines employment generation with insurance awareness, creating a dual benefit for rural women.
8. Existing literature suggests that community-based financial education initiatives are more effective in promoting inclusion and empowerment.

VII. Suggestions

1. Financial literacy programmes should be strengthened at the grassroots level.
2. Insurance awareness campaigns should be conducted in local languages.
3. Women-centric financial inclusion initiatives should be integrated with rural development programmes.
4. Training and capacity-building programmes should be expanded under the LIC Bima Sakhi Yojana.
5. Collaboration with Self-Help Groups (SHGs) can improve outreach and participation.
6. Digital financial education platforms should be promoted among rural women.
7. Further empirical studies should be conducted to evaluate the long-term impact of the LIC Bima Sakhi Yojana.

VIII. Conclusion

Financial literacy and insurance inclusion are essential components of women empowerment and sustainable development.

The reviewed literature demonstrates that improved financial knowledge and access to financial services contribute significantly to women's economic participation, financial independence, and social empowerment. The LIC Bima Sakhi Yojana represents a promising initiative that integrates financial literacy, insurance awareness, and livelihood generation for rural women. By enabling women to serve as insurance facilitators and financial awareness ambassadors, the scheme has the potential to strengthen financial inclusion and socio-economic empowerment in rural India. Continued efforts in awareness creation, training, and community engagement can further enhance the effectiveness of the scheme and contribute to achieving broader development goals.

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