

A Long-Term Financial Inclusion Strategy for Viksit Bharat: Sustained Digital Literacy, Trust, and Access for All

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Abstract

This paper proposes a multidimensional strategy for advancing financial inclusion in India as a cornerstone of the nation's Viksit Bharat@2047 vision. It argues that inclusion must evolve from a metric of access to a transformative tool of economic citizenship—anchored in sustained literacy, institutional trust, equitable access, and user empowerment. India has made remarkable progress in expanding financial services. With over 54 crore Jan Dhan accounts, widespread use of the Unified Payments Interface (UPI), and targeted government schemes such as PMMY, APY, and PMSBY, formal financial access has increased across geographies and demographics. However, this infrastructural reach has not always translated into meaningful engagement. Inactive accounts, persistent gender and rural gaps, limited digital literacy, and deep-seated mistrust continue to hinder effective inclusion, especially among women, persons with disabilities, and low-income households.

This paper conceptualises a shift from infrastructural inclusion to functional and resilient inclusion. It proposes four interdependent pillars as the foundation for long-term financial inclusion: (a) Sustained digital and financial literacy: financial literacy must be continuous, contextualised, and adaptive across life stages—delivered in local languages and formats tailored to diverse user needs; (b) Trustworthy institutions and transparent service delivery: building trust requires fair, culturally sensitive, and linguistically accessible services supported by strong grievance redress mechanisms and algorithmic accountability; (c) Inclusive technology design: digital tools must be accessible by default, incorporating universal design principles to serve users with disabilities, low literacy, or limited connectivity; and (d) Community-led financial ecosystems: community institutions such as SHGs, cooperatives, and panchayats must be embedded in policy design and service delivery to ensure credibility, ownership, and sustainability. The paper offers a comprehensive framework involving coordinated governance among regulators (RBI, SEBI, IRDAI, PFRDA, and IEPFA), enhanced financial literacy convergence, and rights-based legal safeguards. It advocates for embedding equity through targeted policy instruments, such as a National Disability Financial Inclusion Strategy, a Unified Inclusion Dashboard, and localised outreach models. The paper concludes by emphasising that financial inclusion for Viksit Bharat must be a sustained institutional commitment, rooted in participation, protection, provisioning, and permanence. It is not merely a vehicle for economic growth, but a democratic imperative for building a just and resilient financial future.

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Section 1: Laying the Groundwork – Financial Inclusion as the Foundation of Sectoral Resilience

Financial inclusion has emerged globally as a vital instrument for promoting poverty reduction and inclusive prosperity. For India, home to the world’s largest democracy, this mandate is both an economic necessity and a moral commitment. The national aspiration articulated in *Viksit Bharat@2047*, which envisions India as a fully developed economy by the centenary of its independence, positions financial inclusion not as a peripheral concern but as a central pillar of national development.

According to the Reserve Bank of India’s (RBI’s) Financial Inclusion Index (FI-Index), substantial progress has been made, with the index improving from 53.9 in March 2021 to 64.2 by March 2024 (*Economic Survey, 2024*). However, as the financial ecosystem becomes increasingly digitised and complex, inclusion can no longer be defined narrowly in terms of physical access or the number of accounts opened. It must encompass functional usage, trust in institutions, sustained financial literacy, and inclusive technology.

Indeed, India’s financial infrastructure has expanded rapidly. Initiatives such as the Pradhan Mantri Jan Dhan Yojana (PMJDY) have resulted in the creation of more than 50 crore bank accounts. The Unified Payments Interface (UPI) recorded transactions exceeding ₹199.9 lakh crore in FY 2023–24, signalling widespread adoption. However, these indicators, while impressive, do not reflect the qualitative aspects of inclusion—such as frequency of use, user confidence, or access for vulnerable groups.

Critical gaps persist along the lines of gender, geography, literacy, disability, and digital access. The tendency to measure inclusion primarily through quantitative expansion obscures these disparities. It is increasingly clear that meaningful inclusion must be rights-based, technologically inclusive, and attuned to the entire financial life cycle of individuals, particularly those historically excluded.

A transformative vision of financial inclusion is therefore necessary—one that recognises that economic access is intertwined with human agency and dignity. This vision reorients financial systems as tools for empowerment rather than mere delivery channels. Accounts, credit, insurance, and pensions must become instruments of resilience, enabling individuals to navigate uncertainty, invest in opportunity, and participate meaningfully in the formal economy.

This section sets the conceptual stage for the rest of the paper. It proposes a shift from a narrow access-oriented paradigm to a multidimensional model of functional and resilient inclusion, integrating sustained financial literacy, institutional trust, and inclusive technology. The approach is grounded in India’s experience, informed by global best practices, and designed to align with the broader objectives of equity, resilience, and participatory growth.

Section 2: Evolving Financial Inclusion: From Infrastructure to Long-Term Impact

India’s financial inclusion journey has unfolded through distinct historical phases, each marked by policy shifts and institutional innovations. While the nation has achieved commendable outreach, particularly in the past two decades, structural exclusions persist. A sustainable, long-term strategy must thus evolve beyond metrics of access to

focus on deepening usage, strengthening institutional trust, and ensuring resilience across demographic and digital divides.

2.1 Historical Trajectory of Inclusion: From Nationalisation to Jan Dhan

Post-independence India inherited a financial system skewed toward urban, elite constituencies. The nationalisation of major commercial banks in 1969 was a watershed moment, compelling banks to extend credit to rural and underserved sectors. This phase was followed by the establishment of regional rural banks (RRBs) and cooperative banks during the 1970s and 1980s, which collectively broadened the rural credit architecture. *The Economic Survey* (2024) highlights the pivotal role of rural financial institutions (RFIs) in this phase of directed, state-led inclusion.

In the 1990s and early 2000s, financial inclusion strategies shifted toward community-based models. The rise of microfinance institutions (MFIs) and the self-help group (SHG) movement redefined access for women and low-income households. By 2024, India had over 12 million SHGs—88% of them women-led—managing savings worth ₹47,000 crore and accessing ₹1.2 lakh crore in credit annually (NABARD, 2024). These mechanisms not only expanded access but fostered collective agency and economic participation at the grassroots level.

2.2 Institutional Milestones: PMJDY, Social Security, and Digital Expansion

The launch of the Pradhan Mantri Jan Dhan Yojana (PMJDY) in 2014 marked a paradigmatic shift, emphasising universal financial access through zero-balance bank accounts, Aadhaar-based authentication, and linkage to social security schemes. By January 2025, the scheme had facilitated the opening of over 54.58 crore accounts, mobilising cumulative deposits of ₹2.46 lakh crore. Complementary initiatives such as the Atal Pension Yojana (APY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), and Pradhan Mantri Suraksha Bima Yojana (PMSBY) further expanded the scope of financial inclusion to encompass social protection.

As of FY 2024–25, the APY had 7.33 crore enrollees, PMJJBY covered 22.52 crore individuals, and PMSBY had enrolled 49.12 crore individuals. These schemes collectively disbursed over ₹20,000 crore in claims, underscoring their social relevance. The Pradhan Mantri Mudra Yojana (PMMY) also played a significant role, with ₹32.36 lakh crore sanctioned for 51.41 crore loans, 68% of which went to women and 50% to SC/ST/OBC beneficiaries. The Stand-Up India Scheme, focused on marginalised entrepreneurs, sanctioned ₹53,609 crore across 2.36 lakh loans.

The Union Budget 2025 further emphasised micro-enterprise support, introducing customised credit cards with ₹5 lakh limits for Udyam-registered firms and targeting one million issuances in the inaugural year. These developments reflect an intent to consolidate inclusion through tailored products and underserved-segment focus.

2.3 The Digital Revolution: Access at Scale, Inclusion at Risk

India's digital infrastructure, anchored by the India Stack, Aadhaar, and UPI, has catalysed unprecedented access to financial services. UPI alone processed over 13,000 crore transactions worth ₹199.9 lakh crore in FY 2023–24 (NPCI, 2024), making India a global

leader in real-time payments. The Aadhaar-enabled Payment System (AePS) and mobile wallets have further expanded the ecosystem, enabling participation even among those without smartphones.

Digital innovations have significantly reduced onboarding costs and timelines. Paperless KYC, e-signatures, and biometric verification have accelerated inclusion. Fintech platforms now offer micro-insurance, small-ticket savings, and AI-driven lending tailored to informal workers and thin-file customers (Startup India, 2024).

Despite this scale, digital access does not automatically ensure financial empowerment. Access without active usage, understanding, or trust results in what scholars term “exclusion in disguise.” Inactive accounts, fear of cyber fraud, lack of recourse, and limited product knowledge undermine the very objectives of inclusion.

2.4 Usage Gaps and Dormancy: The Functional Exclusion Dilemma

Data from the RBI’s FI-Index, which tracks access, usage, and quality, reveals both progress and limitations. While the index improved to 64.2 in March 2024, significant usage gaps remain. According to Data for India (2025), 42% of female account holders had inactive accounts, compared to 30% of males. Men also held 50% more accounts than women, underscoring persistent gender disparities.

Even in economically advanced states such as Gujarat and Maharashtra, women’s account ownership and usage trail men’s. Many beneficiaries continue to withdraw entire government transfer amounts immediately upon receipt, reflecting either limited saving capacity or mistrust in the financial system.

These indicators suggest that mere access while necessary is insufficient. Financial inclusion must be redefined as a continuum: encompassing knowledge, confidence, choice, and sustained interaction.

2.5 Global Parallels and Cautionary Lessons

India’s experience mirrors global trends. According to the Global Findex Database (2021), account ownership in India rose from 35% in 2011 to 78% in 2021. However, dormancy remains a global challenge. In Sub-Saharan Africa, for instance, while 57% of adults have accounts, only 36% use them actively. Even celebrated models such as Kenya’s M-Pesa and Bangladesh’s bKash, despite high penetration, face similar challenges in ensuring inclusive and sustained usage, particularly among women and rural residents.

These parallels underscore the need to move from infrastructure provision to capability enhancement. Financial systems must be designed to enable users to engage with confidence, exercise rights, and build resilience.

2.6 Reframing Inclusion: From Infrastructure to Empowerment

The changing nature of financial services, driven by digital platforms, data analytics, and algorithmic decision-making, requires a redefinition of inclusion. Financial capability today extends beyond literacy to include digital competence, rights awareness, fraud prevention, and algorithmic transparency. Without this expanded understanding, vulnerable users may face new forms of exclusion, from credit denial to cybercrime.

Meaningful inclusion requires more than account ownership; it requires that users can plan, save, insure, and invest with confidence. It necessitates reliable grievance redress mechanisms, clear product disclosures, and accessible service design. A dormant account or a misunderstood loan product may indicate not success, but systemic failure.

2.7 From Access to Resilience: Defining the Next Frontier

This evolving context demands a shift toward what this paper terms functional and resilient inclusion. This approach entails a realignment of institutional priorities—from account-opening to financial well-being. Functional inclusion refers to active, informed, and secure participation. Resilient inclusion refers to the user’s ability to withstand economic, health, or technological shocks.

To operationalise this vision, the section proposes four interlinked pillars:

- **Sustained Financial and Digital Literacy**
Financial education must be lifelong, localised, and responsive to user needs and technological change.
- **Trust and Transparency in Institutions**
Financial systems must be fair, accessible, and accountable to all users, especially the vulnerable.
- **Inclusive Design of Services and Technology**
Digital tools and processes must embed universal design principles from inception, ensuring usability by all.
- **Community-Embedded Outreach and Capacity Building**
Peer-led models and local institutions must be central to delivery, feedback, and grievance redress.

These pillars form the analytical foundation for the sections that follow. The objective is not to abandon infrastructure expansion but to complement it with a rights-based, inclusive, and adaptive model of engagement. Only through this lens can India ensure that financial inclusion becomes a durable enabler of economic citizenship and national resilience.

Section 3: Intersecting Exclusions – Mapping Financial Vulnerabilities in India

India’s formal financial architecture has expanded significantly, yet meaningful access remains elusive for many of its most vulnerable citizens. Financial exclusion in India is not uniform; it is deeply intersectional, shaped by overlapping socio-economic and identity-based vulnerabilities. Gender, disability, caste, religion, geography, and literacy often intersect to create complex barriers to access and sustained engagement. This section examines these intersecting exclusions and their implications for a truly inclusive financial ecosystem.

3.1 Gendered Constraints on Financial Agency

Despite formal gains, such as the inclusion of over 24 crore women under the Pradhan Mantri Jan Dhan Yojana (PMJDY), usage gaps remain stark. National surveys reveal that only around 48% of women's accounts are actively used, with rural women disproportionately disengaged from formal banking channels. Social norms, constrained mobility, lack of documentation, and unfamiliarity with digital tools collectively restrict women's financial agency.

The gender gap in financial literacy compounds these challenges. Data for India (2025) shows that 42% of women with bank accounts are inactive users, compared to 30% among men. Furthermore, men possess 50% more accounts than women. Even in states with high overall financial inclusion, women's participation lags behind. According to the World Bank (2023), only 48% of rural women actively use formal financial services, compared to 72% of men.

Barriers to credit access are particularly salient. Women often lack property for collateral, work in informal sectors without documentation, and are underserved by products that reflect irregular or seasonal income flows. The design of financial products thus fails to align with women's lived economic realities.

Targetted solutions include gender-sensitive credit-scoring models, promotion of joint liability structures, and support for women-led SHGs to function as both users and facilitators of financial services. Empowering women as community-based financial literacy ambassadors has also shown considerable promise in bridging trust and usage gaps.

3.2 Persons with Disabilities and Design-Based Exclusion

Persons with Disabilities (PwDs), constituting approximately 2.2% of India's population (NSO, 2018), face structural exclusion across all stages of financial service delivery. Despite legislative mandates under the Rights of Persons with Disabilities Act (2016), only 12% of public sector banks currently offer braille-enabled ATMs or sign language support (Centre for Internet and Society, 2023).

Challenges range from inaccessible digital apps (non-compatible with screen readers) to absence of sign language or tactile formats for financial literacy. Even basic services, such as opening a bank account or lodging a complaint, can be inaccessible due to architectural, linguistic, or technological barriers.

Inclusive financial ecosystems must incorporate assistive features such as audio modules, tactile cards, voice navigation, and Indian Sign Language (ISL)-enabled education. Financial literacy materials must also be developed in Easy-to-Read (E2R) formats to serve users with cognitive disabilities.

3.3 Rural Exclusion and Infrastructure Deficits

Approximately 65% of India's population resides in rural areas, yet digital and financial infrastructure in these regions remains inadequate. According to a 2024 survey by the Ministry of Rural Development, while 80% of households hold at least one bank account, only 34% use digital channels for transactions. Factors include weak connectivity, fear of fraud, and the absence of localised grievance redressal mechanisms.

Digital illiteracy and the lack of vernacular financial tools exacerbate these barriers. Remote geographies, especially tribal areas and parts of the northeast, are often doubly disadvantaged by linguistic mismatch and limited branch presence.

Bridging this gap requires not only infrastructure but sustained, community-based digital literacy programmes. Models that integrate local dialects, culturally resonant pedagogies, and decentralised delivery (e.g., panchayat-led kiosks) are more likely to generate lasting impact.

3.4 The Emerging Digital Divide

While India has led a digital payments revolution, digital usage remains stratified. Only 34% of rural residents reportedly use digital wallets, compared to 78% in urban areas (*The Economic Times*, 2024). Women, the elderly, and PwDs face additional barriers related to device affordability, digital fluency, and systemic exclusion from the digital ecosystem.

Rapid digitalisation, without adequate user preparation, has resulted in a new form of exclusion: technical inclusion without functional capacity. Government benefits, subsidies, and credit disbursements increasingly flow through digital channels, leaving those without smartphones, stable internet, or fraud awareness vulnerable to both exclusion and exploitation.

The compounded nature of these vulnerabilities is significant. A disabled woman in a rural village, for instance, faces a different and far more layered exclusion than an able-bodied urban man. These distinctions demand differentiated policy responses, not blanket solutions.

3.5 Global Models and Lessons for India

Several international experiences offer valuable insights. Kenya's M-Pesa, launched in 2007, now serves over 90% of adults and accounts for transactions equivalent to 50% of GDP. Bangladesh's bKash has over 70 million users, 40% of whom are women, enabled through targeted literacy drives and rural agent networks. These models demonstrate that digital inclusion is possible when supported by localised outreach, context-specific education, and agent-assisted transactions.

Similarly, Brazil's National Strategy for Financial Education (ENEF) illustrates how a coordinated, multi-stakeholder approach can integrate financial literacy into both school curricula and adult education. This strategy has helped reduce account dormancy and improve financial capability, particularly among the poor.

India's UPI ecosystem, praised for its open architecture, is already being adopted globally. However, to translate this success into inclusive engagement, India must draw from global best practices and adapt them to its own social and linguistic diversity.

3.6 From Generalisation to Differentiation: Toward Inclusive Targeting

Inclusion strategies must move from generalised interventions to context-sensitive frameworks. A one-size-fits-all approach risks amplifying existing inequalities. The future

of financial inclusion in India lies in granular targeting, based on real-time data, intersectional vulnerability-mapping, and participatory design.

Policy frameworks must evolve to account for the differentiated needs of users, not only by demographic segments but by social positioning, cognitive capability, and digital readiness. Financial services must be designed with these plural realities in mind, embedding accessibility and dignity at every touchpoint.

Section 4: Strengthening Consumer Confidence in Financial Services

At the heart of sustainable financial inclusion lies an intangible yet indispensable resource: trust. Trust in financial institutions, in the fairness of systems, and in the accessibility of redress channels shapes whether individuals merely open accounts or actively engage with the financial sector over time. This is particularly crucial for historically marginalised groups—women, persons with disabilities, rural citizens, and informal workers—whose prior experiences may be marked by exclusion, misinformation, or systemic neglect.

As India's financial architecture becomes increasingly digital and decentralised, the stakes of trust grow higher. In 2022 alone, the country reported 1.39 million cyberattacks, with phishing and identity theft among the most common forms of digital fraud (*Business Standard*, 2023). For digitally inexperienced users, especially those from vulnerable populations, the risk of exclusion through exploitation is real and rising.

4.1 Building Trust Through Transparency and Fairness

Trust begins with transparency. Many first-time users, especially those with low literacy or limited digital familiarity, struggle to comprehend the terms and conditions of loans, insurance, and investment products. Complex documents, hidden charges, and unexplained penalties often reinforce a perception of formal financial systems as opaque and predatory.

In several cases, beneficiaries have reported signing documents without full comprehension, sometimes under pressure from agents or intermediaries. Such experiences erode confidence in formal systems and often push users toward informal lenders, even when those come with exploitative terms.

To counter this erosion of trust, financial service providers must prioritise transparent, culturally sensitive, and linguistically inclusive communication. Information on financial products, rights, obligations, and grievance mechanisms must be delivered in regional languages, simplified for different literacy levels, and offered in audio-visual formats accessible to persons with disabilities.

Participatory models of communication such as community workshops, peer educators, and visual storytelling should replace unidirectional messaging. Such approaches recognise users not as passive recipients but as active economic agents with the right to understand, question, and decide.

4.2 Institutionalising Grievance Redress as a Right

An essential pillar of financial trust is the availability and efficacy of grievance redress mechanisms. When users perceive that complaints are heard, resolved fairly, and without undue complexity, they are more likely to remain within the formal system, even in the face of adverse experiences.

The Securities and Exchange Board of India's SCORES platform is a noteworthy institutional innovation. Its upgraded version, SCORES 2.0, launched in 2024, includes user-friendly features such as automated routing, shortened timelines, and integration with KYC databases, thereby improving transparency and accountability in investor redress.

Similarly, the Investor Education and Protection Fund Authority (IEPFA) has played a vital role in protecting retail investors. Through collaborations with regulators, academic institutions, and fintech platforms, the IEPFA has disseminated fraud alerts, investor awareness content, and digital training materials. Its outreach, both online and physical, has helped demystify grievance channels and raise financial confidence among underserved populations.

Nevertheless, structural gaps persist. In rural areas, urban slums, and among persons with disabilities, access to redress remains limited by poor connectivity, digital illiteracy, or lack of procedural knowledge. Frontline staff in banks and fintechs are often undertrained in complaint resolution, particularly in cybercrime contexts or when dealing with first-time users.

To address these limitations, redressal systems must be embedded with accessibility features, such as voice-command interfaces, screen reader compatibility, and multilingual support. Physical grievance kiosks at the district or block level staffed by trained facilitators can support users in lodging and tracking complaints, particularly where internet access is patchy or absent.

The proposed Financial Redress Agency (FRA), envisaged by the Financial Sector Legislative Reforms Commission (FSLRC, 2013), remains an idea worthy of renewed consideration. A unified, sector-agnostic platform for grievance redress would streamline user experience and reduce jurisdictional confusion.

4.3 Protecting Consumers in an Algorithmic Economy

As digital lending platforms and AI-based decision systems proliferate, new questions of consumer protection have emerged. Algorithms now determine credit eligibility, pricing, and even redress outcomes. Without transparency in how these decisions are made, users risk being subjected to opaque or biased outcomes.

For instance, credit-scoring algorithms may inadvertently penalise women entrepreneurs due to lower business-related phone usage or the absence of formal financial histories. Such biases are rarely visible to users, making it difficult to contest decisions or seek recourse.

To mitigate these risks, financial regulators must establish clear guidelines on algorithmic accountability and fairness. This includes mandating periodic audits of AI models, requiring explainability in credit decisions, and enforcing opt-in consent for data usage.

Users must be informed, not only that their data is being used, but how and why it influences financial outcomes.

Moreover, digital consent frameworks must go beyond a checkbox approach. Consent must be informed, granular, and revocable particularly for users unfamiliar with legal or technical jargon. Data protection laws must include strong safeguards against misuse, surveillance, or discriminatory profiling.

4.4 From Protection to Participation: The Role of Financial Literacy

Consumer protection cannot be fully realised without consumer empowerment. Financial literacy when sustained, contextualised, and rights-based functions as a tool of protection. It enables users to identify misleading terms, demand transparency, and seek redress with confidence.

Financial education must therefore go beyond product knowledge. It must include modules on data privacy, digital security, grievance rights, and ethical AI. For instance, users should be able to distinguish between formal and informal lenders, recognise phishing attempts, and understand how credit scores are generated and used.

These modules must be delivered through multiple platforms, schools, workplaces, SHGs, digital apps, and panchayat-level sessions, and in multiple formats, including sign language, audio, and easy-to-read formats. Particularly vulnerable populations must be prioritised in delivery strategies.

4.5 Restoring the Balance of Power: A Regulatory Imperative

Trust, ultimately, is not an incidental outcome but a product of institutional design. It depends on whether users experience financial systems as fair, responsive, and protective of their rights. As digital finance becomes more pervasive and complex, it is imperative that regulators shift from passive oversight to proactive stewardship.

This includes:

- Ensuring interoperability across grievance platforms and regulatory bodies;
- Establishing feedback loops to capture and respond to user experience;
- Encouraging co-regulatory frameworks with fintech platforms; and
- Promoting inclusive standards for service design, consent, and transparency.

Financial inclusion, if it is to be lasting, must rest on a compact of trust, a belief that the system works not just efficiently, but fairly. For the excluded and the newly included alike, this belief is foundational. A long-term strategy for *Viksit Bharat* must therefore treat trust not as a soft value, but as a hard precondition for sustained engagement.

Section 5: Coordinated Governance: Aligning Regulators for Inclusive Finance

India's financial sector is governed by a multiplicity of regulatory bodies, each with distinct mandates, institutional cultures, and jurisdictional domains. These include the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance

Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA), and the Investor Education and Protection Fund Authority (IEPFA). In addition, market infrastructure institutions (MIIs), self-regulatory organisations, stock exchanges, and fintech associations contribute to financial supervision, literacy, and outreach.

While this diversity reflects the complexity of India's financial ecosystem, it also results in policy fragmentation. Disparate outreach efforts, overlapping content, unaligned grievance mechanisms, and inconsistent user engagement strategies dilute impact and create confusion especially for users at the margins of the system. In the context of financial inclusion for *Viksit Bharat*, there is a critical need to transition from fragmented oversight to coordinated, user-centric governance.

5.1 Sectoral Progress and Institutional Innovations

Each regulatory authority has contributed significantly to the inclusion landscape:

- RBI has institutionalised Financial Literacy Centres (FLCs), supported the Business Correspondents (BC) model, and anchored the National Strategy for Financial Inclusion (NSFI).
- SEBI has launched investor awareness campaigns and improved redress systems through platforms like SCORES and SCORES 2.0.
- IRDAI has promoted insurance literacy and product accessibility through campaigns and simplified disclosures.
- PFRDA has extended pension coverage via the Atal Pension Yojana and is expanding outreach to informal sector workers.
- IEPFA, under the Ministry of Corporate Affairs, has championed fraud awareness, investor protection, and digital outreach campaigns in collaboration with private and academic partners.

Private sector institutions and fintech start-ups have also supported these efforts through corporate social responsibility (CSR) initiatives, digital tools, and multilingual content.

Yet, the absence of a unified framework for literacy and inclusion results in duplication, inconsistent messaging, and underutilisation of resources. For end-users, particularly those from low-literacy, multilingual, or digitally excluded populations, the system appears fragmented and difficult to navigate.

5.2 Toward a Unified Literacy and Inclusion Framework

India's current financial inclusion architecture is strong in design but disjointed in delivery. For instance, a rural woman may encounter different education modules when interacting with a:

- SHG trained under SEBI's investor programmes;
- bank mitra guided by RBI's FLC protocols;
- pension outreach team from PFRDA; or
- fintech app promoting IRDAI-regulated insurance products.

Each may provide valid information, but with differing terminologies, assumptions, or pedagogical approaches, leading to confusion or disengagement. To rectify this, the following areas need to be addressed in a unified manner:

- Developing a common set of literacy goals and content tiers (based on user segments and life stages);
- Ensuring contextual localisation and linguistic adaptability;
- Facilitating mutual training across regulators and sectors; and
- Creating integrated platforms for user feedback and impact monitoring.

5.3 Shared Infrastructure and Data Synergy

Beyond literacy, coordinated governance must extend to infrastructure, data systems, and user interface protocols. This includes:

- **Joint dashboards:** Regulators should maintain interoperable dashboards that track financial inclusion indicators across sectors—banking, insurance, pensions, and capital markets. These dashboards must be disaggregated by gender, geography, disability, and economic status to enable real-time, equity-driven policy design.
- **Cross-referable redress platforms:** A unified redress ecosystem should allow users to lodge complaints at a single window, with automatic routing to the appropriate regulator. For example, a user confused about whether a fraud was banking-related or investment-related should not have to bear the burden of regulatory segmentation.
- **Shared outreach infrastructure:** Common physical spaces such as panchayat offices, common service centres (CSCs), or anganwadi hubs should host converged outreach and education services. These hubs can offer services such as grievance lodging, product information, digital literacy, and beneficiary entitlements under one roof.

5.4 Capacity Building and Cross-Sector Certification

Currently, literacy and outreach personnel are trained under regulator-specific modules. This leads to duplication of effort and variability in quality. A cross-sectoral certification programme, potentially under the oversight of the National Institute of Securities Markets (NISM), could standardise training while encouraging multi-sectoral fluency.

Such a programme would certify community educators, SHG leaders, bank mitras, fintech agents, and panchayat staff in foundational principles across the full spectrum of financial services. Tiered training modules could be adapted to regional and occupational contexts, thereby embedding financial awareness across India's vast human infrastructure.

5.5 Inclusivity as a Governance Principle

Converged governance must not prioritise efficiency at the cost of equity. Inclusivity must be a design principle across all platforms, policies, and practices. This includes:

- Ensuring all digital content is screen reader-compatible and available in ISL, braille, and audio formats;
- Mandating accessibility as a regulatory standard for all public-facing digital financial services; and
- Requiring that grievance systems and education platforms support users with disabilities, low literacy, and linguistic diversity.

The synergy across regulators must also extend to gender-sensitive protocols, recognising the distinct needs of women users particularly in terms of mobility, documentation, and financial product design.

5.6 The Imperative of Synergistic Governance

India's financial regulators have, individually, achieved significant gains in their respective domains. However, the full potential of these efforts can only be realised through coordinated governance that transcends institutional silos and centres the user experience.

The goal is not harmonisation for its own sake, but synergy for equity: a governance ecosystem in which every citizen regardless of geography, identity, or capability can engage with the financial system in a transparent, empowering, and dignified manner.

As India moves toward the centenary of its independence, inclusion must no longer be seen as a sectoral responsibility. It must be understood as a collective, constitutional commitment. Achieving this requires not only policy innovation but governance transformation.

Section 6: Tech for Equity: Innovations Shaping Inclusive Finance

Technology has emerged as a transformative force in India's financial inclusion journey. With the proliferation of mobile connectivity and Aadhaar-enabled services, and the explosive growth of fintech, digital innovation has lowered historical barriers to financial access, such as distance, documentation, and transaction costs. However, technology is not intrinsically inclusive. Its benefits depend on who can access it, understand it, and use it safely. Without deliberate design and regulatory foresight, technology may deepen rather than bridge financial divides.

6.1 India Stack and the Architecture of Digital Public Infrastructure

India's digital financial infrastructure, popularly known as *India Stack*, comprises interoperable platforms such as Aadhaar (for digital identity), the Unified Payments Interface (UPI) for instant payments, DigiLocker for cloud-based documentation, and the Account Aggregator (AA) framework for consent-based data sharing. These platforms together facilitate real-time, low-cost access to a wide array of financial services.

UPI, the most visible success of this stack, processed more than 13,116 crore transactions worth ₹199.9 lakh crore in FY 2023–24 (NPCI, 2024). The Aadhaar-enabled Payment System (AePS) has enabled doorstep banking even in device-poor environments, while AA protocols now permit individuals to share financial data securely across providers, opening up access to credit, insurance, and wealth products.

Yet, adoption does not equate to inclusion. Marginalised users especially in rural areas, among older adults, persons with disabilities, and low-literate populations, face barriers related to affordability, usability, and digital confidence.

6.2 Inclusive Design: From Technical Functionality to Human Usability

Despite rapid digitisation, many financial apps are not compatible with screen readers, do not support regional languages, and fail to incorporate tactile or voice-navigation features. This leaves out users with visual, cognitive, or motor impairments. Similarly, users with limited formal education may struggle with English-only interfaces, abstract symbols, or unfamiliar workflows.

Digital tools must be designed using universal design principles. Features such as audio guidance, adjustable text, high-contrast visuals, and screen-reader compatibility must be mandated by regulation, not left to discretion. Voice-based platforms such as UPI 123PAY, which enable feature phone users to transact without the internet, represent a step in this direction but require expanded awareness and adoption.

Startups like Trestle Labs (real-time audio reading for the visually impaired) and SignAble (live Indian Sign Language interpretation) illustrate how assistive fintech can bridge major accessibility gaps. Such innovations should be supported through inclusive innovation funds and mainstreamed into larger public-private initiatives.

6.3 Artificial Intelligence, Data, and the Ethics of Automation

AI and machine learning are now embedded in credit underwriting, fraud detection, and customer assistance. Algorithms assess creditworthiness based on mobile usage, transaction histories, and SMS patterns, offering a lifeline to informal workers excluded from traditional credit scoring.

However, these systems are vulnerable to bias and opacity. For example, women entrepreneurs or rural users may receive lower credit scores due to underrepresentation in digital behaviour datasets. Without transparency or recourse, users may be denied services based on invisible, automated logic.

To protect users, regulatory frameworks must require: periodic audits of algorithms for bias; disclosure of key decision variables; and mechanisms for user explanation and appeal. In short, algorithmic accountability must be embedded into the broader architecture of inclusive financial governance.

6.4 Blockchain, Identity, and Trust Infrastructure

Blockchain technology offers potential for inclusive innovation in areas such as land titling, welfare disbursement, and crop insurance. Pilot projects in Telangana have used blockchain to secure land records, facilitating credit linkages for farmers. Smart contracts can also automate insurance pay-outs, especially for weather-indexed products.

However, scale, governance, and interoperability remain challenges. Blockchain solutions must be publicly governed, open source, and aligned with consent-based frameworks to avoid replicating exclusions in new forms.

6.5 Localised Innovation and the Imperative of Scale

Innovation must not remain confined to urban fintech hubs. Locally relevant solutions, whether voice-based banking for tribal communities, gamified literacy apps for adolescents, or biometric micro-ATMs for elderly pensioners, require support to scale.

The state can play an enabling role by:

- Hosting inclusive innovation challenges under Startup India and the Atal Innovation Mission;
- Offering market access and sandbox environments for high-impact assistive fintechs; and
- Prioritising inclusion outcomes in public procurement and vendor contracts.

Technology must ultimately serve as a bridge not a filter in the journey toward *Viksit Bharat*.

Section 7: Learning for Empowerment: Rethinking Financial Literacy

Financial literacy is the bedrock of functional financial inclusion. Without the ability to understand, evaluate, and act upon financial information, users, especially from vulnerable populations, remain exposed to fraud, mis-selling, and financial instability, even when formal access exists.

7.1 Literacy as Lifelong Capability

Historically, financial literacy efforts in India have been treated as one-off interventions: workshops, pamphlets, or short campaigns. Such models are inadequate in a rapidly evolving digital economy marked by complex financial products, AI-based systems, and new forms of risk.

The National Centre for Financial Education (NCFE, 2023) estimates that only 27% of Indian adults possess basic financial literacy. Women, rural populations, and marginalised communities face the largest deficits. These are not simply a function of education, but of socio-cultural norms, gendered mobility constraints, and linguistic mismatch.

7.2 Tiered and Contextual Education Across Life Stages

Financial literacy must be embedded across educational and occupational contexts:

- Schools: Age-appropriate curricula on budgeting, digital safety, and rights under the National Education Policy (NEP 2020);
- Adolescents and youth: Credit comparison, loan evaluation, digital investment, and fraud prevention;
- Working adults: Just-in-time modules linked to loan uptake, insurance enrollment, or SHG participation;
- Elderly and pensioners: Scam awareness, grievance channels, and pension planning; and

- PwDs: ISL, tactile, and audio-visual formats adapted to diverse accessibility needs.

7.3 Vernacularisation and Localisation

Literacy materials must be developed in local languages and reflect cultural idioms. Storytelling, drama, community radio, and folk formats can be particularly effective in tribal or semi-literate regions. Among the elderly, group sessions led by trained youth can build both trust and comprehension.

The Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA), which trained over 6.39 crore rural individuals, is a valuable model. However, such programmes must be complemented by ongoing reinforcement, feedback loops, and grievance integration to be truly effective.

7.4 Literacy as a Public Good

Financial education must be treated not merely as a service but as a public good. It must be universally accessible, continuously updated, and systematically integrated into schemes, institutions, and digital platforms. A coordinated inter-ministerial approach linking finance, education, digital development, and social justice is essential.

Section 8: Peer-Led Inclusion – The Power of Community-Based Models

India's social and cultural heterogeneity necessitates delivery models that are embedded within communities. Centralised, top-down programmes no matter how well designed cannot account for local languages, trust dynamics, or context-specific constraints. Peer-led and community-based models thus offer a critical pathway to inclusive participation.

8.1 The SHG Ecosystem and Women's Financial Leadership

The National Rural Livelihoods Mission (NRLM) has mobilised over 1.2 crore SHG members, many of whom have become financial literacy ambassadors. These women deliver contextual training in vernacular languages, conduct informal workshops, and offer peer support for digital transactions and savings.

Peer trust, cultural proximity, and shared experience make this model highly effective, particularly for women with limited formal education or autonomy. SHG leaders also serve as local watchdogs, alerting authorities to predatory behaviour or systemic neglect.

8.2 Urban Slums and Youth-Led Digital Hubs

In urban informal settlements, grassroots NGOs and fintech start-ups have established micro-ATM kiosks, voice-response tools, and community transaction points. Programmes such as PayNearby have trained local youth to manage over 50,000 such centres, which function as both financial access and education hubs.

These models generate employment, foster trust, and reduce reliance on intermediaries, making inclusion both practical and empowering.

8.3 Disability-Inclusive Community Outreach

Community-based models must proactively include persons with disabilities not only as beneficiaries but as educators and leaders. This requires accessible pedagogy, inclusive representation, and institutional incentives for disability-inclusive outreach.

8.4 Institutionalising Community-Led Models

Peer educators and grassroots trainers must be formally recognised, trained, and compensated. Block-level Financial Inclusion Resource Centres, managed through public-private consortia, can serve as anchors for local content development, feedback capture, and grievance redress.

Section 9: Embedding Equity: Designing a Policy Ecosystem for Inclusive Finance

A long-term vision of financial inclusion demands more than schemes. It requires a resilient policy architecture anchored in rights, grounded in user realities, and designed to withstand economic, climatic, and technological shocks.

9.1 Modernising National Strategies

India's National Strategies for Financial Inclusion (NSFI) and Financial Education (NSFE) must be updated to address emerging issues—algorithmic lending, digital sovereignty, cross-border data flows, and climate-linked financial risks. Strategies must also reflect demographic shifts, including aging populations and gig economy dynamics.

9.2 Mainstreaming Literacy and Inclusion

Financial literacy must be integrated across educational institutions, skilling centres, and welfare schemes. Panchayats, anganwadis, and SHG networks must be leveraged as nodes for local delivery.

9.3 Disability Inclusion and Targetted Frameworks

A National Disability Financial Inclusion Strategy (NDFIS) is urgently needed. It must set time-bound targets, mandate universal design in all financial platforms, and establish a Disability Financial Inclusion Index tracking usability, satisfaction, and systemic accommodation.

9.4 Data, Privacy, and Unified Dashboards

A Unified Financial Inclusion Dashboard, aggregating disaggregated data across sectors, is essential for real-time policy feedback. It must be governed by strong consent and privacy safeguards.

9.5 Regulatory and Legal Anchoring

Financial inclusion must be recognised as a constitutional and legal entitlement. Grievance processes, anti-discrimination safeguards, and AI governance must be codified in law to ensure enforceability.

Section 10: Charting the Path – Toward a Rights-Centric Financial Future

As India approaches the centenary of its independence in 2047, financial inclusion must be envisioned not as a policy artifact but as a democratic promise. A promise that every citizen regardless of income, identity, or geography has the right to access, understand, and benefit from the financial system without fear, friction, or exclusion.

This paper posits four foundational pillars for inclusive finance:

1. Participation: Citizens must co-shape financial services as active agents, not passive beneficiaries;
2. Protection: Legal and digital safeguards must be embedded to prevent fraud, bias, and data misuse;
3. Provisioning: The state must guarantee access through public infrastructure, education, and inclusive technologies; and
4. Permanence: Inclusion must be embedded into institutional routines, not left to episodic schemes.

The road to *Viksit Bharat* must be paved with trust, participation, and structural equity. Financial inclusion is not a metric. It is a moral compact, an expression of economic democracy.

Only when no one is excluded, invisible, or disposable, will inclusion be truly achieved, and prosperity, truly shared.

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