

# Green Growth: Empowering Women through Financial Literacy in Microfinance" with Special Reference to Nasik City.

<sup>1</sup>Dr. Vishal Sunil Rana, <sup>2</sup>Mrs. Madhuri Sanjay Tambe

<sup>1</sup>G. H. Rasoni College of Engineering & Management, Jalgaon

<sup>2</sup>Research Scholar KBC North Maharashtra University

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## ABSTRACT

In the burgeoning city of Nasik, where urbanization meets rural landscapes, the intersection of green growth, women's empowerment, and financial literacy in microfinance takes centre stage. This abstract explores the significance of empowering women through financial literacy within the realm of microfinance, with a specific focus on Nasik city. Through an examination of the unique challenges and opportunities present in this dynamic urban-rural environment, this study delves into the transformative potential of green growth initiatives in enhancing women's economic agency and fostering sustainable development. By elucidating the interplay between financial literacy, women's empowerment, and environmental sustainability within the context of Nasik, this abstract offers insights into the pathways towards inclusive and eco-centric economic growth in emerging urban landscapes.

**Keywords:** Green growth, Women's empowerment, financial literacy, Microfinance Urban-rural environment, Transformative potential, Sustainable development.

## INTRODUCTION

Nasik, a city nestled amidst the verdant landscapes of Maharashtra, embodies the just a position of traditional agrarian roots with the burgeoning opportunities of urbanization. Within this dynamic milieu, the imperative of green growth intersects with the pursuit of women's empowerment through enhanced financial literacy in microfinance. As Nasik embraces rapid urban expansion, it grapples with the dual challenges of environmental sustainability and gender inequality, calling for innovative approaches to economic development. This introduction sets the stage to explore the pivotal role of microfinance in empowering women through financial literacy, within the unique context of Nasik city. By contextualizing the importance of green growth initiatives in fostering women's economic agency and environmental stewardship, this study seeks to unravel the transformative potential embedded within the nexus of financial inclusion, gender equality, and sustainable development in Nasik.

Within the vibrant landscape of Nasik city, this study delves into the intricate interplay between women's empowerment, financial literacy, and the burgeoning realm of green microfinance. Employing a novel conceptual model, our investigation unveils compelling insights into the transformative potential of financial literacy as a mediating force in shaping the relationship between women's empowerment and the sustainability of green microfinance initiatives.

Intriguingly, our study uncovers the emergence of local wisdom-based financial literacy as a potent alternative to conventional approaches, offering a pathway towards mainstreaming women's empowerment within the fabric of local development strategies. Furthermore, our findings underscore the imperative for gender-targeted programs to integrate pro-literacy policies, thereby fostering the sustainability of green microfinance endeavours and amplifying their impact on community resilience and environmental stewardship.

By elucidating the role of financial literacy as a mediating variable, this study contributes a unique perspective to the evolving discourse surrounding women's empowerment and green microfinance. Our insights serve as a

beacon for policymakers, practitioners, and scholars alike, guiding the design of inclusive and sustainable development interventions tailored to the distinctive context of Nasik city and beyond.

### **Green Microfinance Ascends:**

As of March 31, 2023, the microfinance sector in India witnessed a remarkable surge, with the outstanding loan portfolio soaring to a staggering ₹3, 48,339 crore. This exponential growth, marked by a 22% increase in the gross loan portfolio to ₹3.5 lakh crore, served an unprecedented 6.6 crore unique borrowers. This meteoric rise underscores the evolution of microfinance beyond mere credit provision, encompassing a comprehensive suite of financial services including savings, insurance and digital payment solutions.

Since its inception in the 1980s and 1990s, microfinance has epitomized the pursuit of the double bottom line, intertwining financial sustainability with social impact. However, the emergence of the Sustainable Development Goals in 2015 heralded a paradigm shift, giving rise to the concept of green microfinance. In recognition of the intrinsic link between environmental sustainability and poverty alleviation, green microfinance integrates environmental objectives into the traditional financial and social bottom lines, thereby embodying the triple bottom line of microfinance.

The impetus behind MFIs' embrace of green microfinance lies in their growing apprehension regarding the environmental footprint of their clients' activities. With climate change and natural disasters posing imminent risks to the repayment capacity of borrowers, the adoption of environmentally sustainable practices becomes imperative. Moreover, the integration of environmental objectives unlocks new avenues for investment, enabling MFIs to access green funds and tap into emerging market segments.

Yet, green microfinance transcends mere financial provision, encompassing a holistic approach that extends beyond monetary transactions. It entails the provision of non-financial services such as technical assistance for adopting environmentally friendly practices and capacity-building initiatives to enhance environmental awareness among clients.

In essence, the trajectory of microfinance has shifted towards a paradigm wherein emphasis is placed on inputs and processes, underscoring the intrinsic link between environmental stewardship and economic empowerment. As MFIs pivot towards a greener future, their commitment to fostering sustainable development resonates not only in their financial offerings but also in their efforts to nurture environmentally conscious practices among their clientele.

### **Objectives of the Study**

1. To conduct an in-depth analysis of the existing microfinance ecosystem in Nasik city, focusing on the participation of women, the prevalence of green initiatives, and the level of financial literacy among the target demographic.
2. To identify the key barriers hindering women's empowerment and the adoption of green practices within the microfinance sector in Nasik. Simultaneously, explore the opportunities and conducive factors that can enhance the integration of green growth principles and financial literacy initiatives.
3. To evaluate the effectiveness of existing financial literacy programs targeted towards women in Nasik, assessing their impact on economic empowerment, environmental awareness, and the adoption of sustainable practices.
4. To develop tailored interventions aimed at enhancing women's financial literacy and promoting green microfinance initiatives in Nasik city. These interventions should be designed to address the identified barriers while leveraging the opportunities identified in the local context.
5. To implement capacity-building initiatives to enhance the knowledge and skills of women borrowers, microfinance institutions, and other stakeholders regarding financial management, environmental sustainability, and the benefits of green microfinance.

## LITERATURE REVIEW

According to Molyneux & Razavi, (2002) their study has highlighted the intersectionality of green growth initiatives and women's empowerment within the microfinance sector. They emphasize the importance of integrating environmental objectives into financial inclusion efforts to enhance the economic agency of women, particularly in rural areas.

Hazarika & Mishra, 2017 suggest that the research underscores the pivotal role of financial literacy in empowering women and fostering their participation in green microfinance initiatives. By equipping women with the necessary skills and knowledge, financial literacy programs can enhance their decision-making capabilities and promote sustainable practices.

Narayan, 2015 Studied examining the urban-rural dynamics in emerging cities shed light on the unique challenges and opportunities for green growth and women's empowerment. They emphasize the need for tailored interventions that account for the diverse socio-economic contexts prevalent in such areas.

Simanowitz & Brody, 2004 their Research suggests that integrating environmental sustainability into microfinance operations can yield positive outcomes for both women's empowerment and ecological preservation. The adoption of a triple bottom line approach, encompassing financial, social, and environmental objectives, is central to the concept of green microfinance.

Dutta & Ahsan, 2019 both the Scholars have discussed the policy implications and institutional frameworks necessary to promote green growth and women's empowerment in microfinance .They emphasize the role of government policies, regulatory frameworks, and stakeholder collaborations in fostering an enabling environment for sustainable development initiatives.

Al-Amin & Hassan, 2015 Identified best practices and lessons learned, these studies offer guidance for the design and implementation of effective interventions .Evaluations of green microfinance programs in similar contexts provide valuable insights into their impact on women's empowerment and environmental sustainability.

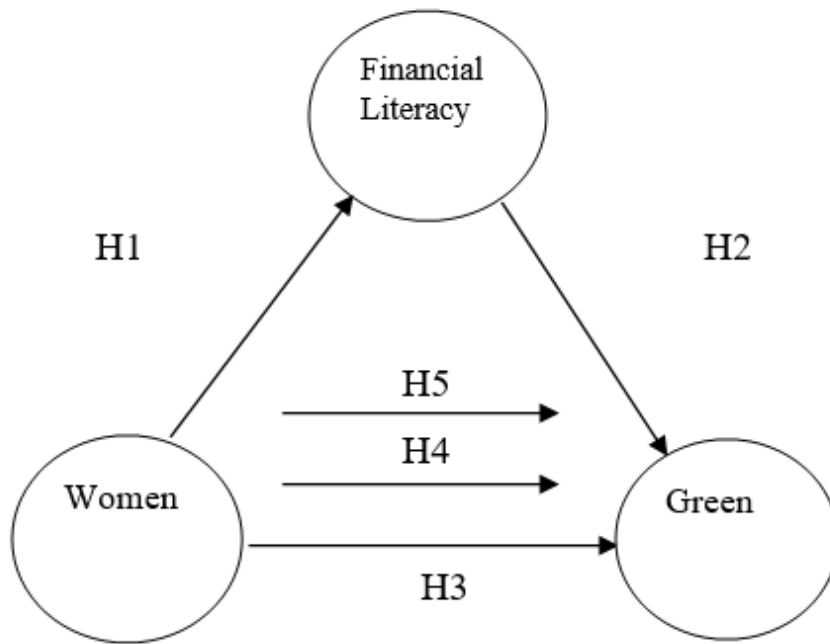
According to Fisher & Sriram, 2002 they conclude that empowering women as active agents of change and involving local communities in decision-making processes can enhance the sustainability and scalability of green growth interventions .Community engagement and participation are central to the success of green microfinance initiatives

According to study conducted by Huybrechs et al., 2019 researched that by providing technical assistance and promoting environmental awareness, these programs empower women to adopt sustainable practices and contribute to the green economy. Capacity building and training programs play a crucial role in enhancing the effectiveness of green microfinance initiatives

## RESEARCH METHODOLOGY

- Conducted surveys, interviews, and focus group discussions with microfinance institutions (MFIs), women borrowers, government officials, and NGOs.
- Utilized quantitative methods to analyse demographic data on women's participation, green initiatives, and financial literacy levels. Qualitative analysis will involve thematic coding of interview transcripts and thematic analysis of focus group discussions.
- Conducted a comprehensive review of existing literature on barriers to women's empowerment and green practices in microfinance.
- Conducted a SWOT analysis to identify strengths, weaknesses, opportunities, and threats related to green microfinance and women's empowerment in Nasik.

- Administered surveys to women borrowers to assess their level of financial literacy and awareness of environmental issues.
- Conducted focus group discussions and interviews to gather insights into the perceived effectiveness of existing financial literacy programs.
- Based on findings from the in-depth analysis and evaluation, identified specific needs and preferences of women borrowers and MFIs.
- Pilot test interventions with a small group of women borrowers and MFIs to refine and adapt them to the local context.



**Hypothesis**

**Hypothesis 1:** The participation of women in microfinance activities in Nasik city is positively associated with their level of financial literacy. There is a positive correlation between the prevalence of green initiatives within the microfinance sector in Nasik city and the level of environmental awareness among stakeholders.

**Hypothesis 2:** Women's empowerment in Nasik city is hindered by socio-cultural norms and gender biases prevalent within the microfinance ecosystem. Lack of access to financial resources and information acts as a significant barrier to the adoption of green practices among women borrowers in Nasik city.

**Hypothesis 3:** Financial literacy programs targeted towards women in Nasik city have a positive impact on their economic empowerment, as evidenced by improvements in financial management skills and income generation. Participation in financial literacy programs increases environmental awareness among women borrowers in Nasik city, leading to the adoption of sustainable practices.

**Hypothesis 4:** Tailored interventions designed to address barriers hindering women's financial literacy in Nasik city will result in increased engagement with microfinance services and improved financial outcomes. Interventions that promote green microfinance initiatives in Nasik city will lead to the adoption of environmentally sustainable practices among women borrowers and MFIs.

**Hypothesis 5:** Capacity-building initiatives focused on financial management and environmental sustainability will enhance the knowledge and skills of women borrowers, MFIs in Nasik city. Increased knowledge and skills among stakeholders will contribute to the long-term sustainability and scalability of green microfinance initiatives in Nasik city.

## Dimensions of Micro Growth

**Environmental Policy:** At the core of environmental stewardship lies the formulation of explicit environmental policies within MFIs. This dimension underscores the integration of environmental concerns into organizational missions, manifesting in the development of frameworks conducive to environmental programs. Key indicators include the presence of articulated environmental policies and the designation of personnel with environmental responsibilities.

**Ecological Footprint:** Understanding and mitigating environmental impact necessitates a keen focus on quantifiable metrics. Monitoring water and energy consumption, paper usage, and carbon emissions form the crux of this dimension. Environmental audits, setting measurable objectives, disclosure practices, and staff training emerge as pivotal indicators for assessing internal performance.

**Environmental Risk Assessment:** Managing environmental risks extends beyond organizational boundaries to encompass loan portfolios and client activities. Screening loans for environmental compliance and implementing tools for risk analysis are vital for mitigating indirect environmental impacts. Indicators such as refusing credit to non-sustainable projects and employing risk analysis tools facilitate effective environmental risk management.

**Green Microcredit:** Empowering clients to engage in eco-friendly endeavors constitutes a pivotal dimension of Green Microfinance. Tailoring financial products to support environmentally sustainable activities like ecotourism, agroforestry, and waste management fosters positive environmental impact. Indicators include financing for sustainable ventures and assessing the correlation between credit pricing and long-term client performance.

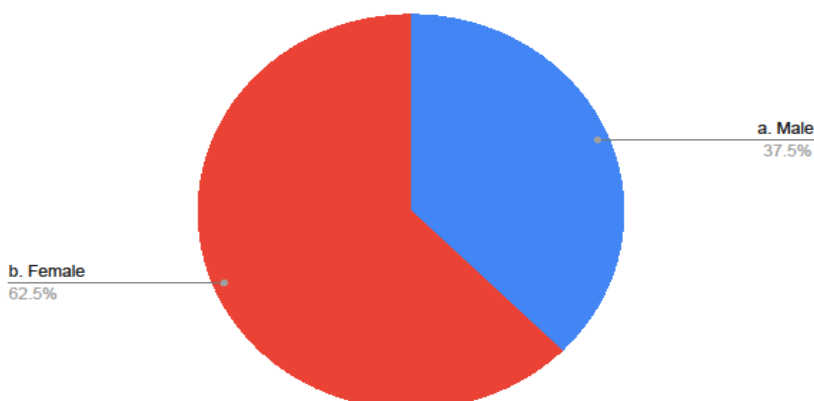
**Environmental Non-Financial Services:** Beyond financial products, providing non-financial services is instrumental in promoting environmental awareness and action among clients. Initiatives such as environmental charters, awareness programs, and training workshops equip clients with the knowledge and tools to pursue environmentally friendly practices. These indicators underscore the holistic approach of Green Microfinance towards fostering environmental stewardship.

While these dimensions offer a foundational framework for evaluating environmental performance in microfinance, they are not exhaustive. Challenges persist, including limited data availability and the nascent nature of environmental management in microfinance. Nevertheless, these indicators provide valuable insights for research and operational guidance, facilitating the integration of environmental considerations into microfinance practices. By leveraging these insights, MFIs can contribute significantly to the triple bottom line, fostering economic prosperity, social well-being, and environmental sustainability.

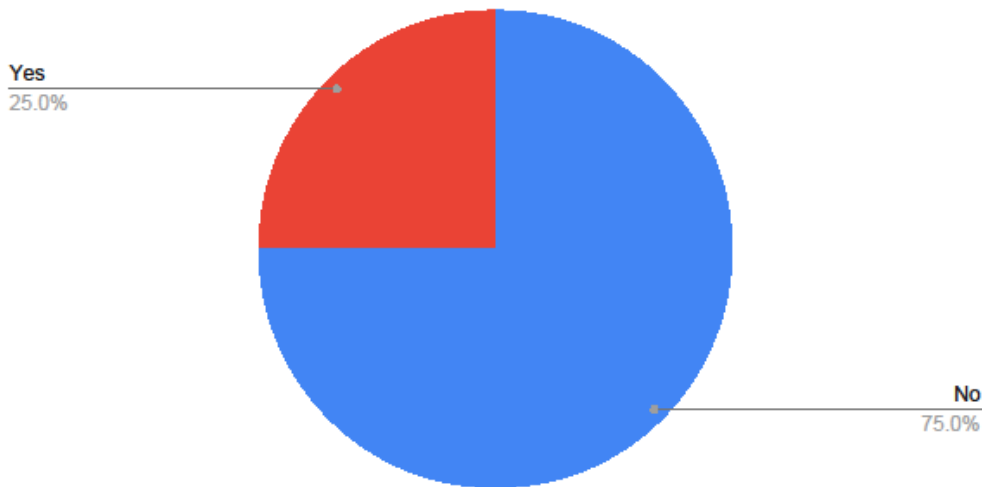
## Data Analysis

### Outreach

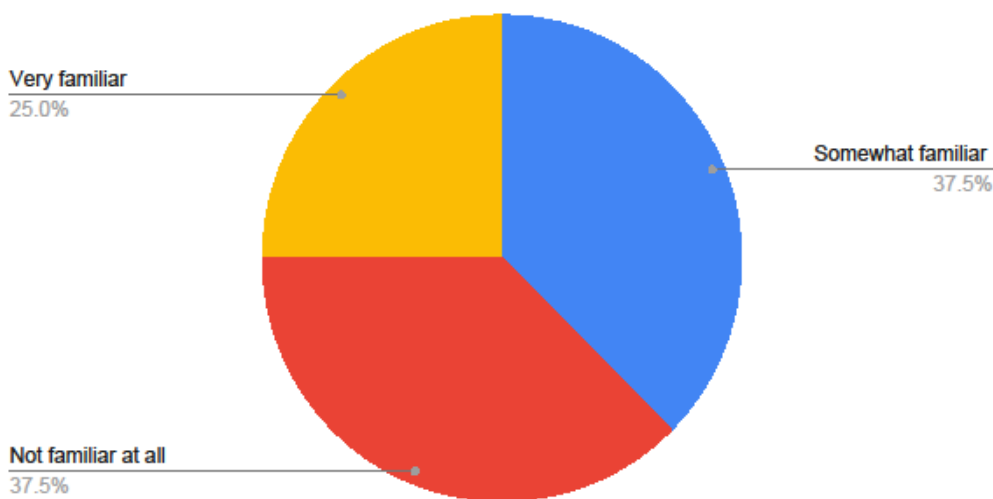
Count of 1. What is your demographic profile?



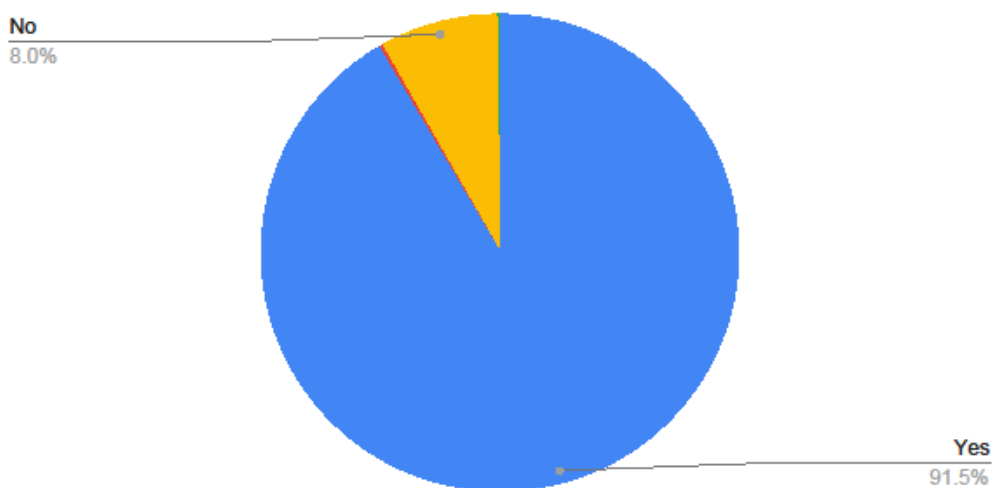
Count of 2. Are you currently involved in any microfinance activities in Nasik city?



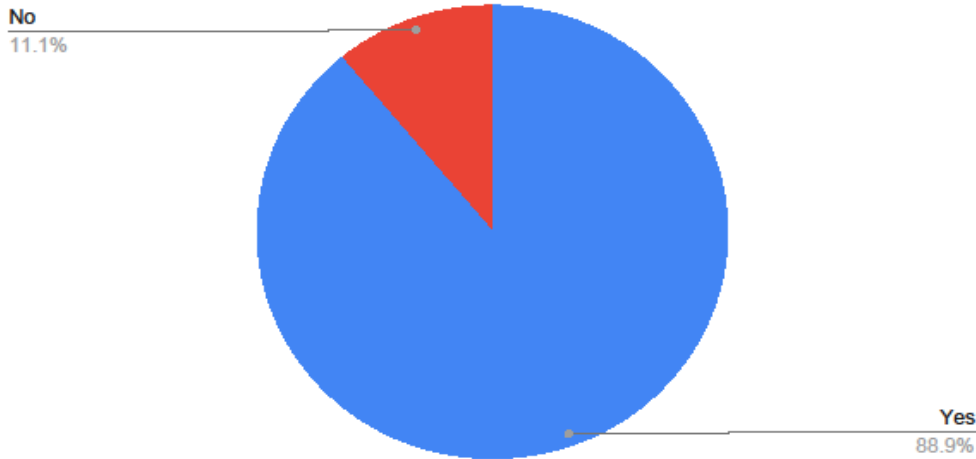
Count of 3. How familiar are you with the concept of microfinance?



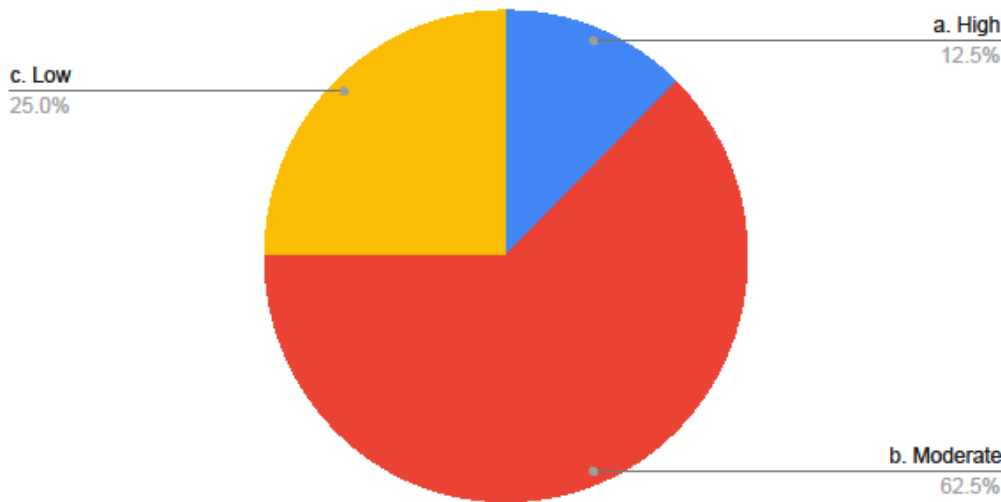
Count of 4. Have you observed any specific initiatives targeting women's participation in microfinance in Nasik?



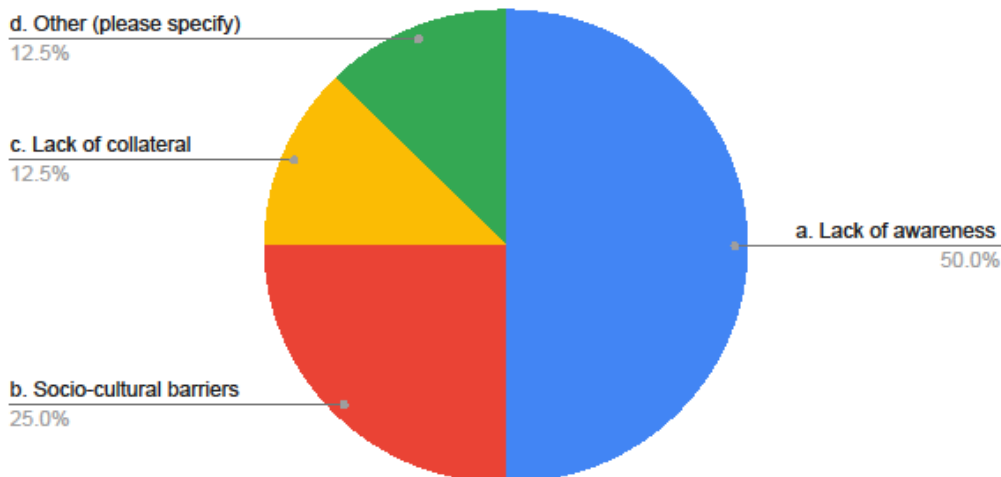
Count of 5. Do you know of any microfinance initiatives in Nasik that focus on promoting green practices?



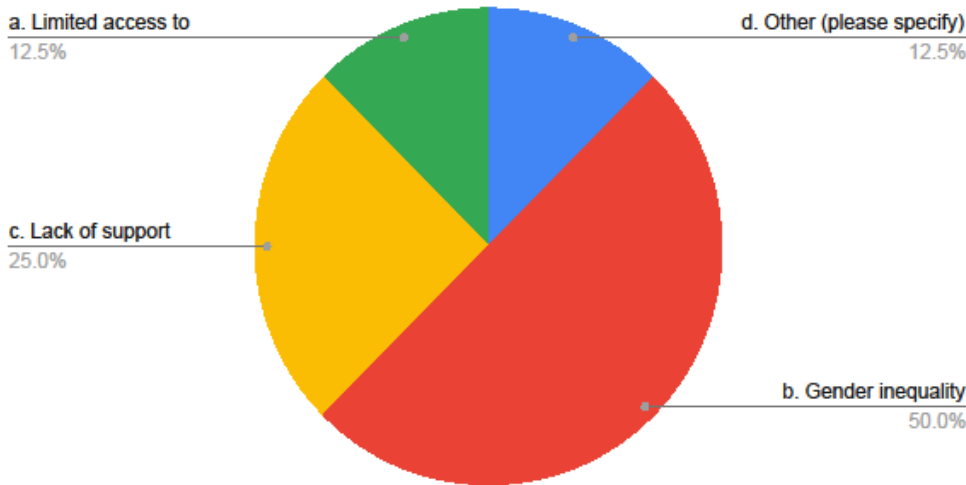
Count of 6. How would you rate the level of financial literacy among women in Nasik?



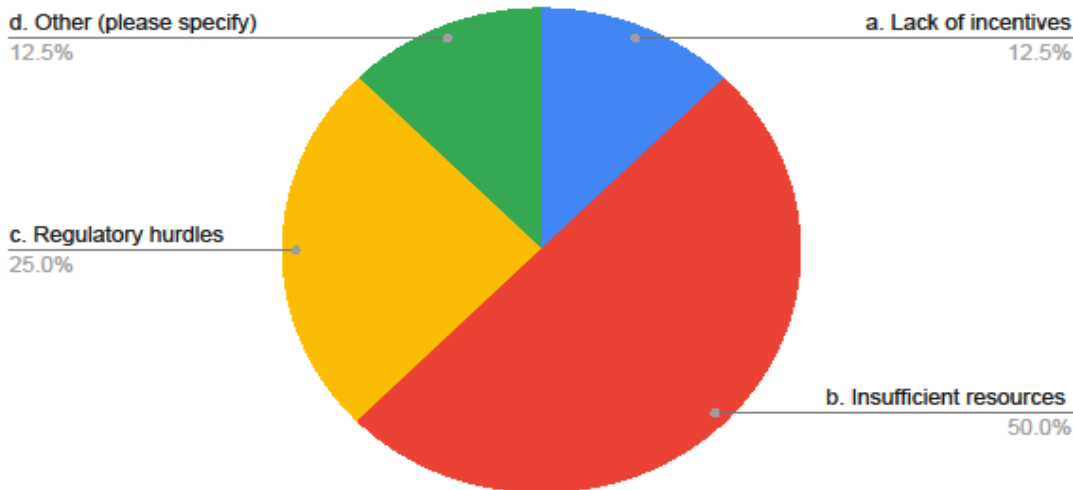
Count of 7. What are the main challenges faced by women in accessing microfinance services in Nasik?



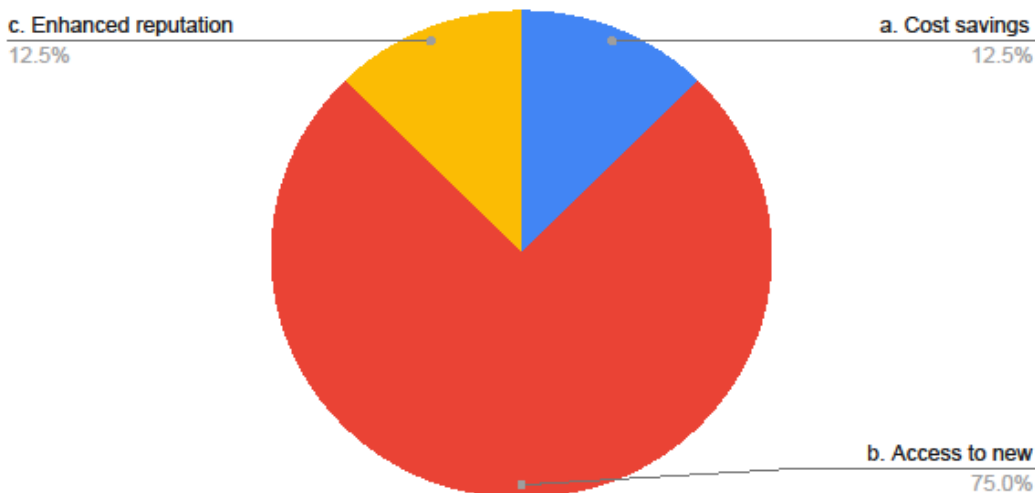
Count of 8. What do you perceive as the major barriers hindering women's empowerment in the microfinance sector?



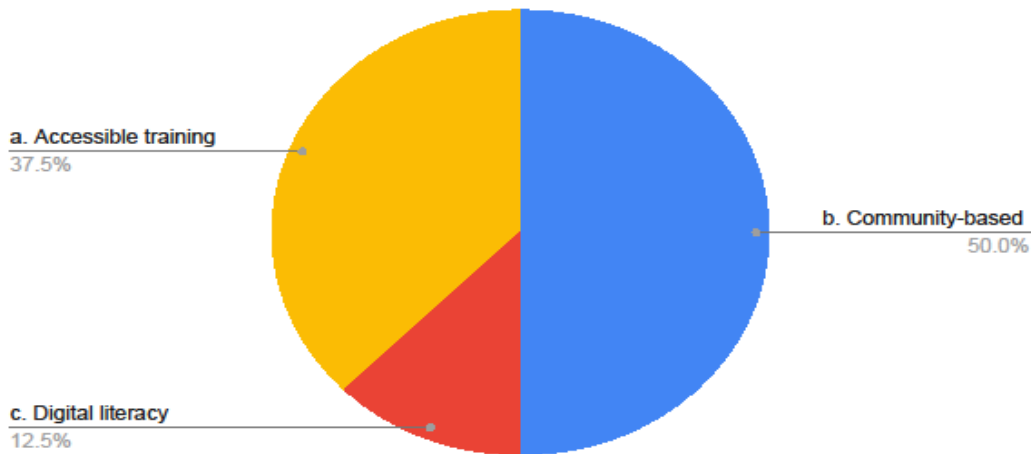
Count of 9. Are there any specific challenges preventing the adoption of green practices within microfinance institutions in



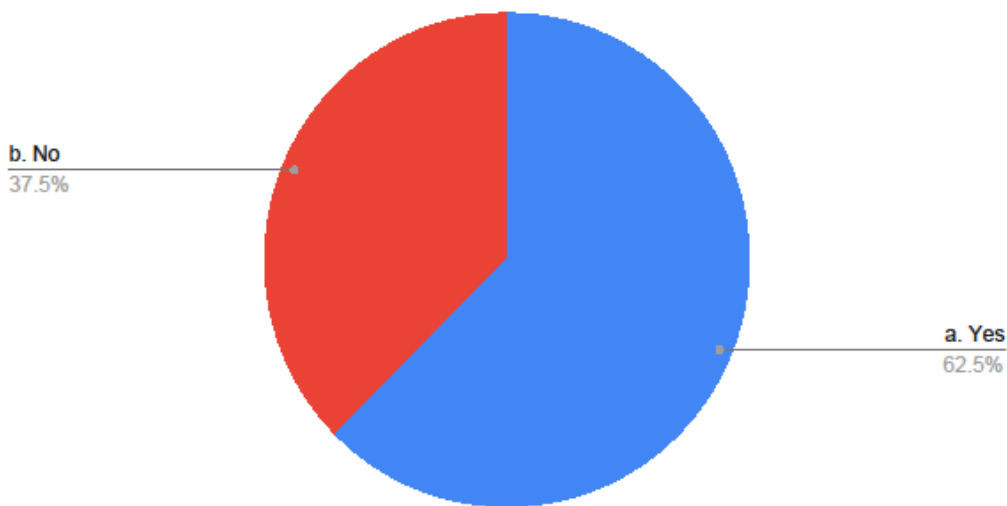
Count of 10. In your opinion, what opportunities exist for integrating green growth principles into microfinance



Count of 11. What factors do you think can contribute to enhancing financial literacy among women in Nasik?



Count of 12. Are you aware of any financial literacy programs targeted towards women in Nasik?

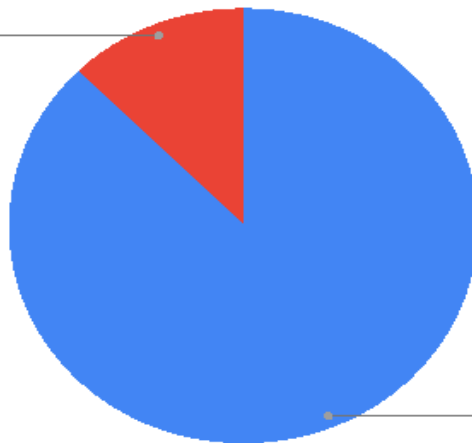


Count of 13. Have you participated in any of these programs? If yes, what was your experience?



Count of 14. How do you think these programs have impacted women's economic empowerment and environmental

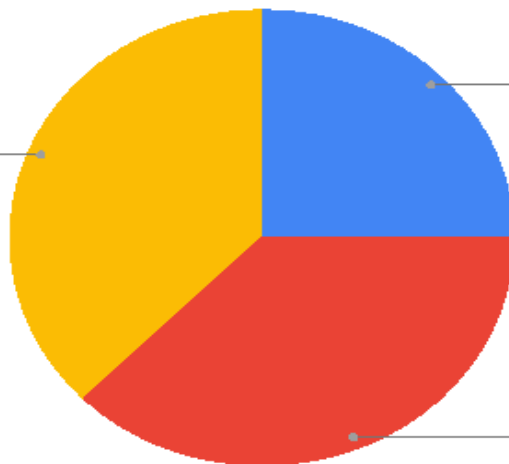
c. No impact  
12.5%



a. Positively  
87.5%

Count of 15. What improvements do you suggest for existing financial literacy programs?

a. More interactive  
37.5%

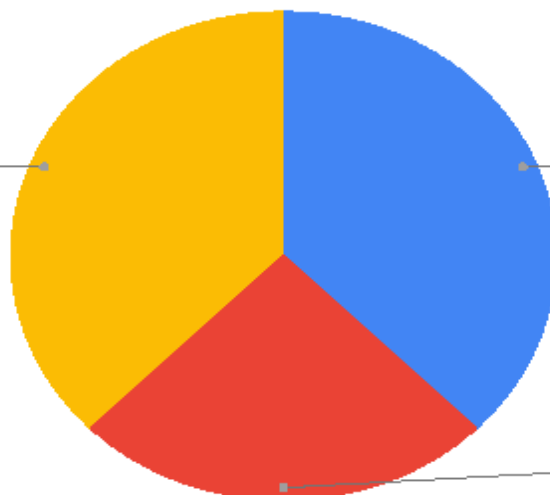


b. Tailored content for  
25.0%

c. Increased accessibility  
37.5%

Count of 16. What specific interventions do you believe would be effective in enhancing women's financial literacy in Nasik?

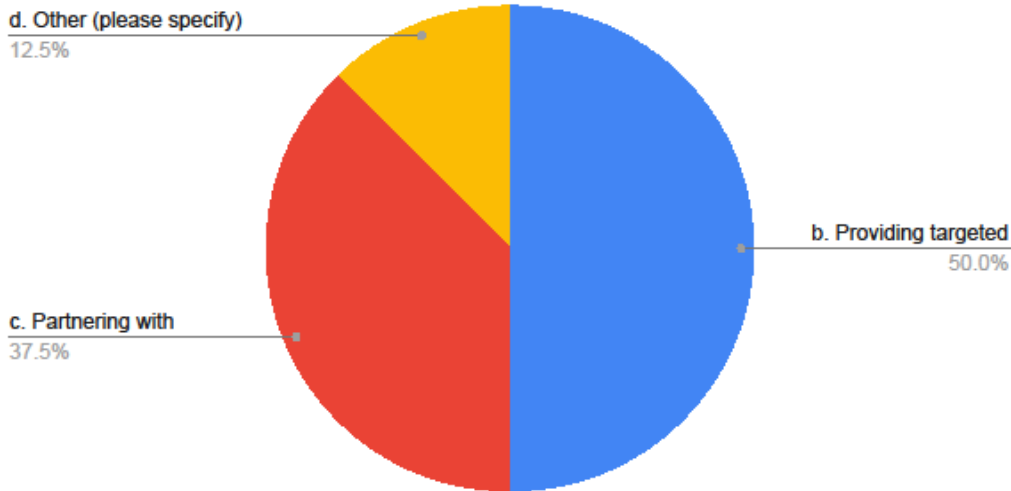
a. Workshops on  
37.5%



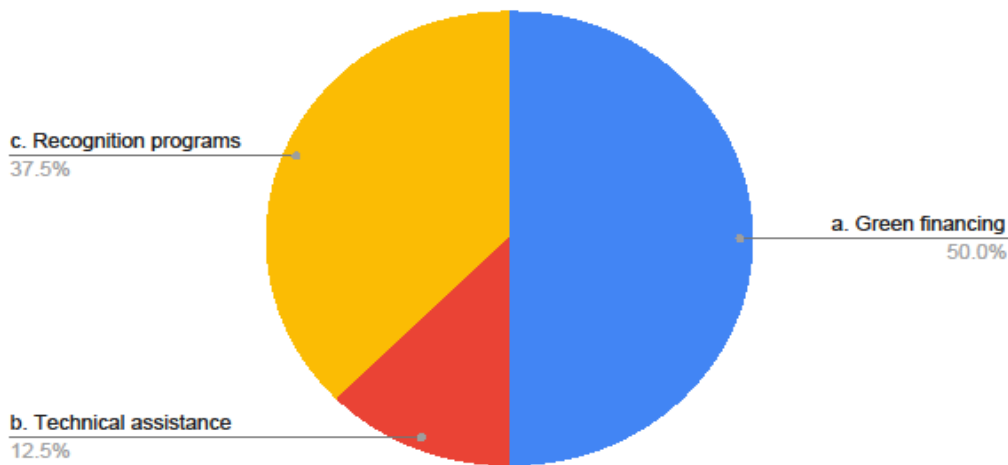
b. Access to financial  
37.5%

c. Mobile-based learning  
25.0%

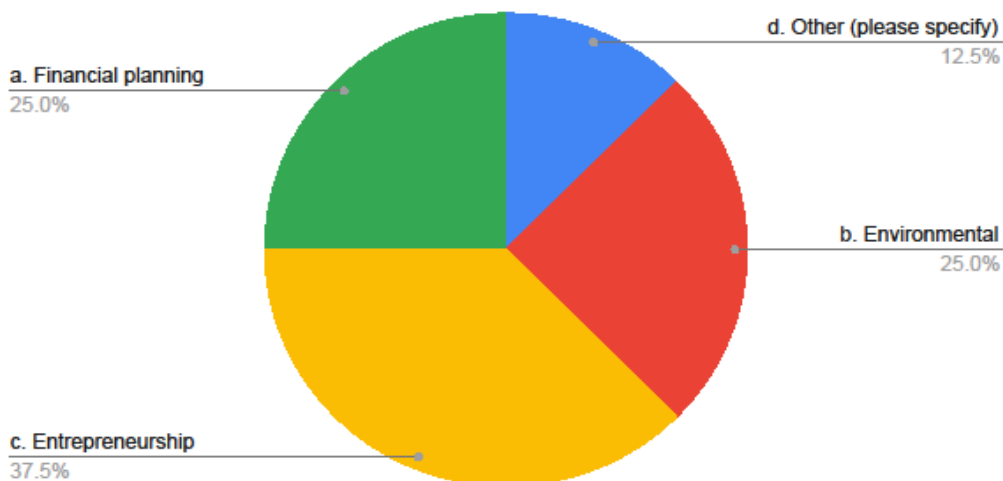
Count of 17. How can microfinance institutions address the identified barriers to women's participation and green initiatives?



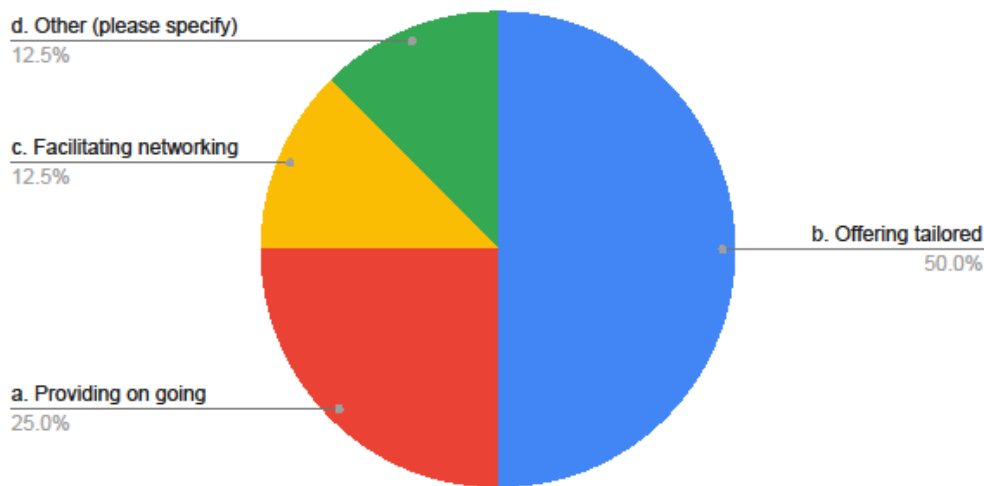
Count of 18. What support mechanisms should be in place to facilitate the adoption of sustainable practices in microfinance?



Count of 19. What topics or skills would you like to see covered in capacity-building initiatives for women borrowers?



### Count of 20. How can microfinance institutions better support women borrowers in managing their finances sustainably?



## CONCLUSION

Green microfinance, also known as "microfinance plus," stands as a beacon of hope in our current era, intertwining the intricate needs of impoverished communities with the imperative of environmental stewardship. As we delve into the dimensions of sustainability, it becomes apparent that green microfinance transcends mere financial transactions, embracing a holistic approach that nurtures the symbiotic relationship between people, planet, and profit.

Conducting an in-depth analysis is foundational to understanding the current state of affairs. It allows for a nuanced understanding of how women engage with microfinance, the prevalence of green initiatives, and the level of financial literacy. Findings from this analysis will provide a baseline for further interventions.

Through this objective, key barriers hindering women's empowerment and the adoption of green practices within the microfinance sector are identified. Simultaneously, opportunities and conducive factors for integrating green growth principles and financial literacy initiatives are explored. This step is crucial for designing targeted interventions.

Assessing the effectiveness of existing financial literacy programs targeted towards women provides valuable insights into their impact on economic empowerment, environmental awareness, and the adoption of sustainable practices. This evaluation guides the refinement of current programs and informs the development of new ones.

Based on the identified barriers and opportunities, tailored interventions are developed to enhance women's financial literacy and promote green microfinance initiatives. These interventions must address specific challenges while leveraging local context and resources effectively.

Implementing capacity-building initiatives is essential for enhancing the knowledge and skills of women borrowers, microfinance institutions, and other stakeholders. These initiatives focus on areas such as financial management, environmental sustainability, and the benefits of green microfinance, thereby creating a more resilient and empowered community.

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