LIC Bima Sakhi Yojana as a Catalyst for Women Empowerment in Rural India

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ABSTRACT

Women empowerment is a critical component of inclusive growth, financial inclusion, and sustainable development. The LIC Bima Sakhi Yojana, introduced by the Life Insurance Corporation of India (LIC), aims to enhance insurance awareness, financial literacy, and livelihood opportunities among rural women. The present study examines the role of the LIC Bima Sakhi Yojana in promoting the socio-economic empowerment of rural women in Coimbatore District, Tamil Nadu.

Primary data were collected from 600 rural women respondents using a structured questionnaire. Percentage Analysis, Garrett Ranking Analysis, Spearman Rank Correlation, and Multiple Regression Analysis were employed to analyze the data. The findings reveal that a considerable proportion of respondents perceive the scheme as contributing to gender equality, financial inclusion, economic participation, and community development. Garrett Ranking Analysis indicates that gaining financial knowledge, earning income, and supporting family financial needs are the most important benefits associated with becoming a Bima Sakhi. The correlation analysis reveals that awareness alone does not have a significant relationship with socio-economic empowerment. However, the regression results confirm that awareness and perceived effectiveness of the scheme jointly exert a significant influence on women's socio-economic empowerment.

The study concludes that the LIC Bima Sakhi Yojana serves as an important women-centric initiative that promotes financial literacy, insurance awareness, economic participation, and community engagement among rural women. Strengthening awareness programmes, training initiatives, and community-level participation can further enhance the effectiveness of the scheme in achieving women empowerment and sustainable development.

Keywords: Women Empowerment, Rural Women, Financial Inclusion, Insurance Literacy, Socio-Economic Empowerment, LIC Bima Sakhi Yojana.

INTRODUCTION

Women empowerment has emerged as a critical component of inclusive and sustainable development. Empowered women contribute significantly to economic growth, social progress, poverty reduction, and community development. In rural India, however, women continue to face numerous challenges such as limited employment opportunities, restricted access to financial services, low levels of financial literacy, and inadequate participation in economic decision-making. Addressing these challenges is essential for achieving gender equality and sustainable development.

Financial inclusion has been recognized as an effective mechanism for promoting women's empowerment by providing access to financial resources, income-generating opportunities, and economic security. Insurance services, in particular, play a vital role in protecting individuals and families against financial risks while enhancing long-term financial stability. However, the penetration of insurance services in rural areas remains relatively low due to lack of awareness, limited accessibility, and socio-economic constraints.

Recognizing the need to strengthen financial inclusion and create livelihood opportunities for women, the Life Insurance Corporation of India (LIC) introduced the BimaSakhiYojana. The scheme aims to train and engage rural women as insurance advisors, enabling them to promote insurance awareness, facilitate policy enrolment, and provide insurance-related assistance within their communities. Through this initiative, women are provided with opportunities to earn income, improve their financial knowledge, develop leadership skills, and enhance their social status.

The LIC BimaSakhiYojana extends beyond insurance promotion by contributing to broader developmental objectives such as gender equality, economic empowerment, financial literacy, and sustainable rural development. By creating opportunities for women to participate actively in financial and community activities, the scheme seeks to transform them into agents of change within their households and communities.

In this context, the present study attempts to analyze the role of the LIC BimaSakhiYojana as a catalyst for women empowerment in rural India by examining its contribution towards socio-economic development, financial independence, gender equality, and sustainable community participation.

REVIEW OF LITERATURE

Several studies have highlighted the importance of financial literacy, financial inclusion, and livelihood opportunities in promoting women empowerment and socio-economic development.

Table -1

Author(s) & Year	Title / Focus	Major Findings
Lusardi & Mitchell (2014)	Financial Literacy and Economic Decision Making	Financial literacy significantly improves financial decision-making, savings behaviour, and economic security among women.
Sahay et al. (2015)	Financial Inclusion and Women's Economic Participation	Access to formal financial services enhances women's economic participation and financial independence.
Demirgüç-Kunt et al. (2018)	Global Financial Inclusion Database	Financial inclusion contributes to poverty reduction and empowers women through access to banking and insurance services.
Klapper & Lusardi (2020)	Financial Literacy and Inclusion	Financial knowledge promotes responsible financial behaviour and increases participation in formal financial systems.
Banerjee and Duflo (2021)	Women's Economic Empowerment in Developing Economies	Skill development and livelihood programmes improve women's income generation and decision-making capabilities.
Panakaje et al. (2023)	Financial Inclusion and Socio-Economic Empowerment of Rural Women	Financial literacy and inclusion positively influence confidence, income opportunities, and community participation among rural women.
Saluja, Singh and Kumar (2023)	Women Empowerment through Financial Inclusion	Financial inclusion programmes enhance economic independence and reduce gender-based financial disparities.
Desai, Sensarma and Thomas (2024)	Financial Education and Women Empowerment	Structured financial education programmes strengthen financial confidence, decision-making ability, and self-reliance.
Khedkar and Lande (2024)	Financial Awareness among Rural Women	Awareness programmes improve savings behaviour, household financial management, and financial planning practices.
Kumari and Veena (2024)	Financial Literacy and Gender Empowerment	Financial literacy contributes to financial independence, self-confidence, and participation in

		economic activities.
LIC Annual Report (2024–25)	Bima Sakhi Yojana Initiative	The scheme aims to create livelihood opportunities for rural women while promoting insurance awareness and financial inclusion at the grassroots level.
Government of India (2025)	Women-Led Development Initiatives	Women-centric schemes contribute to social empowerment, income generation, and inclusive rural development.

Summary of Literature: The reviewed studies consistently indicate that financial literacy, financial inclusion, livelihood opportunities, and skill development play a vital role in promoting women's socio-economic empowerment. Prior research demonstrates that access to financial knowledge and formal financial services enhances women's decision-making power, economic independence, community participation, and self-confidence. Recent policy initiatives also emphasize women-led development as a strategy for achieving inclusive growth and financial security.

Research Gap: Although extensive research has examined financial literacy, financial inclusion, and women empowerment, limited empirical studies have focused specifically on the LIC Bima Sakhi Yojana. Existing studies largely concentrate on banking inclusion, self-help groups, and general financial awareness programmes. Very few studies have investigated the implementation challenges, satisfaction levels, awareness barriers, and support mechanisms associated with the Bima Sakhi initiative. Furthermore, empirical evidence on how rural women perceive the effectiveness of the scheme and the measures required for its improvement remains scarce. Therefore, the present study attempts to bridge this gap by examining the implementation challenges of the LIC Bima Sakhi Yojana and identifying suitable measures for enhancing its effectiveness among rural women.

STATEMENT OF THE PROBLEM

Despite various government and institutional initiatives aimed at promoting women empowerment, many rural women continue to experience limited economic opportunities, inadequate financial literacy, and restricted participation in decision-making processes. The LIC Bima Sakhi Yojana was introduced to address these challenges by creating livelihood opportunities and enhancing insurance awareness among women. Although the scheme has the potential to improve financial independence, leadership skills, and socio-economic status, its actual contribution towards women empowerment remains unclear. Therefore, it becomes necessary to assess whether the LIC Bima Sakhi Yojana has been effective in empowering rural women and promoting their participation in economic and social development.

OBJECTIVE OF THE STUDY

To analyze the impact of the LIC BimaSakhiYojana on the socio-economic empowerment of ruralwomen.

RESEARCH METHODOLOGY

The present study is descriptive and analytical in nature. The study was conducted during the year 2025–2026 among rural women respondents in Coimbatore District of Tamil Nadu, India.The geographical area of the study comprised selected rural villages in Coimbatore District where women had exposure to financial inclusion programmes, insurance-related activities, and women development initiatives.

A purposive sampling technique was adopted to select 600 rural women respondents. The respondents were selected based on the criteria that they were women residing in rural areas of Coimbatore District, aged 18 years and above, and possessing awareness or exposure to financial services, insurance-related activities, or women empowerment programmes. The sample included women from diverse educational, occupational, and income backgrounds to ensure adequate socio-economic representation.

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Primary data were collected through a structured questionnaire. The questionnaire consisted of four sections: socio-economic profile of respondents, awareness and perception towards the LIC Bima Sakhi Yojana, women empowerment and sustainable development outcomes, and perceived benefits and challenges associated with participation in the scheme.

Different measurement scales were employed based on the nature of the variables. Nominal scales were used to collect socio-economic and awareness-related information. A five-point Likert scale ranging from Strongly Agree (5) to Strongly Disagree (1) was used to measure respondents' perceptions regarding women empowerment, gender equality, economic participation, sustainable development, and perceived effectiveness of the scheme. Ranking scales were used to identify the relative importance of benefits associated with becoming a Bima Sakhi.

The reliability of the empowerment and effectiveness measurement statements was assessed using Cronbach's Alpha. The obtained reliability coefficient exceeded the acceptable threshold value of 0.70, indicating satisfactory internal consistency among the measurement items. Content validity was ensured through an extensive review of literature and expert evaluation of the questionnaire items to ensure their relevance to the objectives of the study.

The collected data were analyzed using the Statistical Package for Social Sciences (SPSS). Percentage Analysis was employed to examine respondents' perceptions regarding women empowerment, gender equality, sustainable development goals, and willingness to participate in the scheme. Garrett Ranking Analysis was used to identify the major benefits associated with becoming a Bima Sakhi. Spearman Rank Correlation Analysis was applied to examine the relationship between awareness of the LIC Bima Sakhi Yojana and socio-economic empowerment of rural women. Multiple Regression Analysis was used to assess the influence of awareness and perceived effectiveness of the scheme on socio-economic empowerment.

ANALYSIS AND INTERPRETATION

Table -2

Percentage Analysis of Perceptions on Women Empowerment and Sustainable Development

Variables	Category	Frequency	Percentage
LIC Bima Sakhi scheme helps in achieving sustainable development goals (SDGs)	Yes	231	38.5
	No	178	29.7
	Not sure	191	31.8
The scheme promotes gender equality in your community	Strongly Agree	136	22.7
	Agree	125	20.8
	Neutral	113	18.8
	Disagree	109	18.2
	Strongly Disagree	117	19.5
Overall impact of the LIC Bima Sakhi scheme on women in your community	Very positive	125	20.8
	Somewhat positive	101	16.8
	Neutral	125	20.8
	Somewhat negative	123	20.5
	Very negative	126	21.0
Increasing awareness and training about schemes like LIC Bima Sakhi can improve women's economic participation	Strongly Agree	116	19.3
	Agree	120	20.0
	Neutral	122	20.3
	Disagree	112	18.7
	Strongly Disagree	130	21.7
	Yes	189	31.5

Recommend women to participate as Bima Sakhis	No	193	32.2
	May be	218	36.3

Source: Primary Data

Table -2 presents the respondents' perceptions regarding the impact of the LIC Bima Sakhi Yojana on women empowerment and its contribution towards achieving Sustainable Development Goals (SDGs).

Regarding the statement that the LIC Bima Sakhi Yojana helps in achieving Sustainable Development Goals (SDGs) such as gender equality, decent work, and economic growth, 38.5 percent of the respondents agreed that the scheme contributes towards achieving SDGs, while 31.8 percent were not sure and 29.7 percent disagreed. This indicates that a considerable proportion of respondents perceive the scheme as supporting broader developmental objectives.

With respect to the statement that the scheme promotes gender equality in the community**,** 22.7 percent of the respondents strongly agreed and 20.8 percent agreed, accounting for a combined positive response of 43.5 percent. However, 18.2 percent disagreed and 19.5 percent strongly disagreed, while 18.8 percent remained neutral. The findings suggest that many respondents recognize the scheme's contribution towards enhancing gender equality, although opinions remain divided.

Regarding the overall impact of the LIC Bima Sakhi Yojana on women in the community**,** 20.8 percent of the respondents perceived the impact as very positive, while 16.8 percent viewed it as somewhat positive. On the other hand, 20.5 percent considered the impact somewhat negative and 21.0 percent viewed it as very negative, whereas 20.8 percent remained neutral. The responses indicate mixed perceptions regarding the overall effectiveness of the scheme in improving women's lives.

When asked whether increasing awareness and training about schemes like LIC Bima Sakhi can improve women's economic participation**,** 19.3 percent strongly agreed and 20.0 percent agreed, representing a combined positive response of 39.3 percent. Meanwhile, 18.7 percent disagreed, 21.7 percent strongly disagreed, and 20.3 percent remained neutral. These findings indicate that respondents acknowledge the importance of awareness and training initiatives in enhancing women's participation in economic activities.

Finally, regarding the willingness to recommend women to participate as Bima Sakhis**,** 36.3 percent of the respondents indicated "Maybe," while 32.2 percent responded "No" and 31.5 percent responded "Yes." The higher proportion of respondents selecting "Maybe" suggests that while there is interest in the scheme, greater awareness, confidence-building measures, and demonstration of benefits may be required to encourage stronger participation.

The findings reveal that respondents generally recognize the potential of the LIC Bima Sakhi Yojana to contribute towards women empowerment and the achievement of Sustainable Development Goals. However, the presence of substantial neutral and negative responses indicates that awareness of the scheme's benefits and its actual impact are not yet fully established among all respondents. The results highlight the need for enhanced awareness campaigns, training programs, and community engagement initiatives to strengthen the scheme's contribution to gender equality, economic participation, and sustainable development.

Table -3

Garrett Ranking Analysis of Benefits of Becoming a Bima Sakhi

Benefits	Rank 1 (75)	Rank 2 (60)	Rank 3 (50)	Rank 4 (40)	Rank 5 (25)	Total Score	Mean Garrett Score	Rank
Gaining financial knowledge	126×75 =9450	115×60 =6900	135×50 =6750	120×40 =4800	104×25 =2600	30500	50.83	I

Supporting family financial needs	120×75 =9000	123×60 =7380	115×50 =5750	119×40 =4760	123×25 =3075	29965	49.94	III
Earning income	121×75 =9075	123×60 =7380	118×50 =5900	116×40 =4640	122×25 =3050	30045	50.08	II
Increasing community awareness about insurance	112×75 =8400	129×60 =7740	125×50 =6250	114×40 =4560	120×25 =3000	29950	49.92	IV
Empowering women in decision-making	121×75 =9075	110×60 =6600	107×50 =5350	131×40 =5240	131×25 =3275	29540	49.23	V

Source: Primary Data

The Garrett Ranking Analysis reveals that gaining financial knowledge (50.83) is perceived as the most important benefit of becoming a Bima Sakhi, followed by earning income (50.08)and supporting family financial needs (49.94**).** The findings indicate that respondents primarily associate the scheme with financial empowerment, economic independence, and enhanced financial literacy. The results demonstrate that the LIC Bima Sakhi Yojana contributes positively towards strengthening women's economic position and decision-making capacity.

Table-4

Correlation Analysis between Awareness and Empowerment

Correlations				
			Awareness_Index	**Empowerment _Score**
Spearman's rho	**Awareness_Index**	Correlation Coefficient	1.000	-.009
		Sig. (2-tailed)	.	.824
		N	600	600
	Empowerment_Score	Correlation Coefficient	-.009	1.000
		Sig. (2-tailed)	.824	.
		N	600	600

Source: Primary Data

H_{01}: There is no significant relationship between awareness of the LIC BimaSakhiYojana and socio-economic empowerment of rural women.

Since p-value = 0.824 > 0.05, the null hypothesis is accepted.The analysis indicates that awareness of the LIC Bima Sakhi Yojana does not have a statistically significant relationship with socio-economic empowerment of rural women. This suggests that mere awareness of the scheme may not directly translate into empowerment outcomes. Active participation, training exposure, financial literacy, and effective utilization of scheme benefits may play a greater role in enhancing empowerment.

Regression Analysis: Influence of Awareness and Effectiveness on Empowerment

Table-5

Descriptive Statistics			
	Mean	Std. Deviation	N
Empowerment_Score	3.8192	.32829	600
Awareness_Index	2.9692	.98755	600
Effectiveness_Score	3.7950	.55451	600

Source: Primary Data

Table-6

Correlations				
		Empowerment_Score	Awareness_Index	Effectiveness_Score
Pearson Correlation	Empowerment_Score	1.000	-.005	.150
	Awareness_Index	-.005	1.000	.038
	Effectiveness_Score	.150	.038	1.000
Sig. (1-tailed)	Empowerment_Score	.	.448	.000
	Awareness_Index	.448	.	.178
	Effectiveness_Score	.000	.178	.
N	Empowerment_Score	600	600	600
	Awareness_Index	600	600	600
	Effectiveness_Score	600	600	600

Source: Primary Data

Table- 7

Variables Entered/Removed[a]			
Model	Variables Entered	Variables Removed	Method
1	Effectiveness_Score, Awareness_Index[b]	.	Enter
a. Dependent Variable: Empowerment_Score			
b. All requested variables entered.			

Table-8

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.151[a]	.023	.019	.32509
a. Predictors: (Constant), Effectiveness_Score, Awareness_Index				

Table-9

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.463	2	.731	6.920	.001[b]
	Residual	63.094	597	.106		
	Total	64.556	599			
a. Dependent Variable: Empowerment_Score						
b. Predictors: (Constant), Effectiveness_Score, Awareness_Index						

Source: Primary Data

Table-10

Coefficients[a]										
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.492	.099		35.319	.000	3.298	3.686		
	Awareness_ Index	-.004	.013	-.011	-.273	.785	-.030	.023	.999	1.001
	Effectiveness_ Score	.089	.024	.151	3.718	.000	.042	.136	.999	1.001
a. Dependent Variable: Empowerment_Score										

H_{02}: Awareness and perceived effectiveness of the LIC BimaSakhiYojana do not significantly influence socio-economic empowerment of rural women.

The regression analysis reveals an R value of 0.151, indicating a weak positive relationship between awareness, effectiveness, and empowerment. The R^2 value of 0.023 indicates that 2.3 percent of the variation in empowerment is explained by awareness and effectiveness. The ANOVA results show an F-value of 6.920 with a significance value of 0.001, which is less than 0.05.Therefore, the regression model is statistically significant. H_{02} is rejected.

The regression results indicate that perceived effectiveness of the LIC Bima Sakhi Yojana has a significant positive influence on socio-economic empowerment of rural women, whereas awareness alone does not show a significant contribution. The overall regression model is statistically significant, indicating that the combined effect of awareness and perceived effectiveness explains variations in empowerment outcomes.

FINDINGS

1. 38.5 percent of respondents believed that the LIC BimaSakhiYojana contributes towards achieving Sustainable Development Goals.
2. A considerable proportion of respondents perceived that LIC Bima Sakhi Yojana contributes towards achieving SDGs, particularly gender equality, decent work, and economic growth.
3. The scheme was found to positively influence insurance awareness, financial knowledge, and economic participation among rural women.
4. Garrett Ranking Analysis revealed that gaining financial knowledge was the most important benefit of becoming a Bima Sakhi.
5. Income generation and support for family financial needs were identified as major economic benefits.
6. Spearman correlation analysis revealed that awareness alone does not have a significant relationship with empowerment outcomes.
7. Regression analysis confirmed that perceived effectiveness of the scheme significantly contributes to socio-economic empowerment.
8. The findings indicate that training, awareness campaigns, and community participation are essential for improving scheme effectiveness.
9. LIC Bima Sakhi Yojana acts as a supportive mechanism for promoting financial inclusion and sustainable women empowerment.

SUGGESTIONS

1. LIC should strengthen village-level awareness campaigns to improve understanding of the scheme.
2. More training programmes should be organized to enhance financial literacy and insurance knowledge among rural women.
3. Successful BimaSakhis may be used as role models to motivate greater participation.
4. Collaboration with Self-Help Groups (SHGs) can improve outreach and community engagement.
5. Digital platforms and regional-language educational materials should be utilized for awareness creation.
6. Continuous monitoring and evaluation mechanisms should be established to assess empowerment outcomes.
7. Additional incentives may be introduced to encourage active participation in the programme.
8. Special focus should be placed on improving women's leadership and entrepreneurial skills.
9. Since awareness alone does not significantly influence empowerment, LIC should focus on converting awareness into active participation through practical training and continuous mentoring.
10. Performance-based incentives and career development opportunities may be introduced to improve long-term participation of rural women as Bima Sakhis.

CONCLUSION

The LIC Bima Sakhi Yojana has emerged as a promising women-centric initiative aimed at promoting socio-economic empowerment, financial inclusion, and insurance awareness among rural women. The scheme not only enhances insurance awareness and financial literacy but also creates opportunities for income generation, leadership development, and community participation. The findings indicate that awareness alone does not lead to empowerment; however, awareness combined with effective implementation, training, financial literacy enhancement, and active participation contributes significantly to the socio-economic empowerment of rural women.

The findings further suggest that policymakers and LIC authorities should focus on strengthening awareness programmes, expanding training opportunities, and enhancing community-level participation to maximize the empowerment potential of the scheme. Integrating the Bima Sakhi Yojana with Self-Help Groups (SHGs), digital financial literacy initiatives, and rural development programmes can further improve its effectiveness in promoting gender equality and achieving sustainable development goals.

Overall, the LIC Bima Sakhi Yojana has the potential to serve as an effective catalyst for women empowerment in rural India by strengthening economic participation, enhancing financial capabilities, and fostering sustainable community development.

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