

Transformations in Financial Networks Among Women Entrepreneurs Post-Demonetization: A Comparative Analysis by Family Structure and Digital Integration

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Abstract

This study investigates the deviations and adaptive transformations in financial networks among women entrepreneurs in the aftermath of demonetization in India, with particular focus on differences based on family structure and digital integration. Demonetization disrupted conventional cash-based financial systems, compelling entrepreneurs to restructure their monetary transactions, credit access, and savings mechanisms. Women, especially those operating small or home-based businesses, were particularly vulnerable due to limited access to formal financial infrastructure and dependency on informal networks.

Using a quantitative research design, the study analyzed survey data from 426 women entrepreneurs categorized by family type—nuclear and joint. Variables explored include access to bank loans, reliance on microfinance institutions, participation in government loan schemes, and adoption of digital payment methods. The analysis applied independent samples t-tests to examine differences in perceived impact across family structures. The findings reveal no significant difference in most financial variables; however, joint family respondents reported a greater impact on their participation in savings groups and cooperatives, while nuclear family respondents perceived a stronger influence of demonetization on access to government schemes.

In addition, frequency analysis of digital payment adoption shows that over 56% of respondents “often” or “always” use digital payment methods, indicating a significant shift toward digital financial integration. These findings underscore the importance of inclusive digital literacy initiatives and the role of family dynamics in shaping entrepreneurial financial behavior. The study contributes to understanding how macroeconomic disruptions affect women-led

enterprises and provides policy-relevant insights to strengthen their financial resilience and adaptability.

Keywords

Demonetization, Women Entrepreneurs, Financial Networks, Digital Payments, Family Structure, Financial Inclusion

Introduction

Demonetization introduced in India in 2016 prompted a significant shift in the financial behaviors of individuals and businesses alike. For women entrepreneurs—many of whom operate in informal sectors or rely heavily on traditional financial networks—this policy shift posed both challenges and opportunities (Roy & Kumar, 2021). Digital financial inclusion emerged as a central response, enabling greater transparency, access to financial tools, and reduced dependency on cash-based transactions.

As emphasized by Kishnani and Ghosh (2025), alternative financing models and micro-entrepreneurial support systems gained prominence in the post-demonetization landscape, particularly among small and medium-sized enterprises. The transformation was not only economic but also behavioral, as family structures and digital readiness influenced how entrepreneurs navigated these changes. Women from nuclear and joint families exhibited distinct patterns in accessing loans, joining savings cooperatives, and adopting digital financial services.

Studies also show that demographic and contextual factors significantly influence the uptake of digital payment solutions and formal financial services (Lohana & Roy, 2023; Dhamija et al., 2025). This paper extends this discussion by focusing on the comparative perceptions and behavioral changes in financial engagement post-demonetization among women entrepreneurs segmented by family type—nuclear and joint—thus highlighting the nuanced interplay between policy impact and social structure.

Research Objectives

1. To study the deviations in financial networks among women entrepreneurs post-demonetization.
2. To examine differences in perceptions of financial impact based on family structure (nuclear vs. joint).
3. To analyze the adoption of digital payment systems by women entrepreneurs after demonetization.

Research Significance

The significance of this study lies in its demographic-focused approach to understanding the effects of macroeconomic disruption on women's entrepreneurship. By capturing the voices and experiences of women entrepreneurs from both nuclear and joint families, the research reveals how social frameworks influence financial adaptation. The insights derived help inform inclusive financial and digital policies in India and similar emerging economies.

Review of Literature

Roy and Kumar (2021) explored the evolving landscape of digital financial inclusion in India, examining policy frameworks and business models that facilitate access to formal financial systems. Their analysis highlighted the importance of infrastructure, digital literacy, and fintech innovation in enabling underserved populations—particularly women and rural entrepreneurs—to transition from informal to formal financial practices. The study emphasized that targeted policies and public-private partnerships are essential for expanding financial inclusion in a sustainable and equitable manner.

Kishnani and Ghosh (2025) investigated alternative financing models aimed at supporting micro-entrepreneurship and SMEs in India. Their research outlined how non-traditional credit sources such as peer-to-peer lending, crowdfunding, and community-based financing can empower marginalized groups, including women. They emphasized the growing relevance of tech-enabled financing solutions post-demonetization, especially for entrepreneurs lacking collateral or formal financial history, suggesting that these models complement existing microfinance systems.

Xaxa (2024) provided a socio-cultural critique of the financial marginalization experienced by women in tribal and rural communities, linking it to limited access to education and formal banking structures. The paper highlighted the gap between policy intent and on-ground realities, where structural inequalities persist despite digital and financial inclusion drives. The study called for integrating local cultural understanding into financial literacy campaigns to ensure more effective outreach.

PLAZA-II and BANK (2024) examined the role of digital innovations in modern financial systems, focusing on how economic disruptions like demonetization accelerate technological adoption. The study identified that financial inclusion is not only about access but also about building trust, digital confidence, and system reliability. They underscored the role of adaptive technologies in improving outreach among vulnerable segments, including women-led enterprises, particularly in post-crisis environments.

Lohana and Roy (2023) analyzed the demographic factors influencing consumer use of digital payments in India. Their study found that age, education, income level, and urban-rural divide significantly affect digital payment adoption. Importantly, the research highlighted a gendered dimension—women, especially in joint families or with lower education, often exhibited lower usage. The authors advocated for targeted interventions and user-friendly digital platforms to address these disparities and promote inclusive growth.

Dhamija, Manrai, and Dhamija (2025) studied the impact of financial service quality on customer satisfaction and loyalty among users of digital payment systems in India. Their research emphasized that factors such as security, reliability, responsiveness, and ease of use are key to fostering trust in digital financial services. For women entrepreneurs, especially post-demonetization, these service attributes play a vital role in encouraging sustained digital payment adoption and reducing dependency on cash.

Malambo (2022) conducted a critical review of challenges associated with digital innovations in the Zambian financial sector, offering comparative insights relevant to developing economies like India. The study revealed that while digitalization improves access, it often falls short in delivering customer satisfaction due to technical glitches, limited literacy, and insufficient customer support. These findings underscore the need for more inclusive, user-

centric digital financial platforms that cater to the unique needs of marginalized groups, including women entrepreneurs.

Kumar et al. (2024) examined how sustainable digital technologies—particularly blockchain and AI—can support governance and financial inclusivity. Though broad in scope, the study suggested that these technologies can enhance transparency, reduce fraud, and build trust in financial systems, which is crucial for women-led enterprises often wary of formal systems. The authors advocate for pilot programs in microcredit and SHGs that use emerging tech for documentation and credit history tracking.

Arora (2021) discussed the effects of retail digitization on traditional family businesses, including women-run small enterprises. The study showed that the transition to digital retail and financial management reshaped decision-making processes, often empowering younger, tech-savvy women in nuclear family structures. However, it also cautioned that without adequate training and support, digital transformation could marginalize those lacking digital skills, particularly older women in joint households.

Mishra, Walsh, and Srivastava (2022) examined the adoption of mobile payment systems among unorganised retailers in India. Their findings showed that trust, ease of use, and peer influence were the strongest predictors of adoption. Women entrepreneurs, particularly in informal retail, were more likely to adopt digital payments when supported by SHGs or community networks. The study recommends community-based training and support systems to enhance mobile payment usage among female retailers in emerging economies.

Research Gap

While previous research has addressed digital inclusion and microfinance adoption post-demonetization, limited studies have explored how family structure mediates women's access to financial networks. Furthermore, there is a scarcity of comparative analyses assessing how nuclear and joint family dynamics shape entrepreneurial responses to economic disruptions like demonetization.

Scope of the Study

The study is confined to women entrepreneurs across India who experienced financial transitions post-demonetization. It focuses on variables such as credit access, microfinance reliance, savings group participation, government scheme usage, and frequency of digital payment adoption. The scope is limited to differences between nuclear and joint family respondents.

Research Methodology

This study employed a quantitative, cross-sectional design. A structured questionnaire was administered to 426 women entrepreneurs. Group statistics and independent samples t-tests were used to identify significant differences between nuclear and joint family respondents in terms of perceived financial impacts post-demonetization. Additionally, frequency analysis was conducted to assess digital payment adoption. Statistical analysis was performed using SPSS.

Data Analysis

To find the significant relationship between the perceived impact of demonetization on financial networks between the two groups following hypothesis is framed and evaluated;

H₀₁: There is no significant difference in the perceived impact of demonetization on financial networks between the two groups.

H_{A1}: There is a significant difference in the perceived impact of demonetization on financial networks between the two groups.

Table 1: Group Statistics table for impact of demonetization on financial networks between the two groups

Group Statistics					
	Family type	N	Mean	Std. Deviation	Std. Error Mean
To what extent did demonetization impact your access to bank loans?	Nuclear	301	3.55	1.379	.079
	Joint	125	3.35	1.499	.134
	Nuclear	301	3.67	1.334	.077

How has demonetization affected your reliance on microfinance institutions?	Joint	125	3.52	1.371	.123
How did demonetization affect your membership in savings groups or cooperatives?	Nuclear	301	3.68	1.321	.076
	Joint	125	4.07	1.049	.094
Has demonetization influenced your participation in government loan schemes for women entrepreneurs?	Nuclear	301	3.93	1.197	.069
	Joint	125	3.65	1.363	.122
Has demonetization influenced your participation in government loan schemes for women entrepreneurs?	Nuclear	301	3.80	1.329	.077
	Joint	125	3.78	1.425	.127

The group statistics table provides mean scores and standard deviations for the perceived impact of demonetization on various aspects of financial networks among women entrepreneurs, categorized by family type (nuclear and joint families).

For most variables, the mean scores are slightly higher for the nuclear family group, indicating a marginally greater perceived impact. For example, the nuclear group reported a mean of 3.55 regarding access to bank loans, compared to 3.35 for the joint family group. Similarly, nuclear family respondents perceived higher impacts on reliance on microfinance institutions (3.67 vs. 3.52) and government loan schemes (3.93 vs. 3.65). However, joint family respondents reported a higher mean (4.07) regarding the effect of demonetization on membership in savings groups or cooperatives compared to the nuclear group (3.68). These mean differences suggest variations in how nuclear and joint family entrepreneurs perceive the impact of demonetization on their financial networks.

Table 2: Independent Samples Test table for impact of demonetization on financial networks between the two groups

Independent Samples Test		
	Levene's Test for Equality	t-test for Equality of Means

		of								
		Variances		t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
		F	Sig.						Lower	Upper
To what extent did demonetization impact your access to bank loans?	Equal variances assumed	3.738	.054	1.325	424	.186	.199	.151	-.096	.495
	Equal variances not assumed			1.280	215.508	.202	.199	.156	-.108	.507
How has demonetization affected your reliance on microfinance institutions?	Equal variances assumed	1.056	.305	1.079	424	.281	.154	.143	-.127	.436
	Equal variances not assumed			1.067	226.209	.287	.154	.145	-.131	.440

How did demonetization affect your membership in savings groups or cooperatives?	Equal variances assumed	24.352	.00	-2.970	424	.003	-.394	.133	-.655	-.133
	Equal variances not assumed			-3.263	289.414	.001	-.394	.121	-.632	-.156
Has demonetization influenced your participation in government loan schemes for women entrepreneurs?	Equal variances assumed	9.201	.03	2.126	424	.034	.282	.133	.021	.543
	Equal variances not assumed			2.014	207.245	.045	.282	.140	.006	.558
Has demonetization influenced your participation in government	Equal variances assumed	.559	.45	.175	424	.865	.025	.144	-.259	.309
	Equal variances			.166	218.058	.868	.025	.149	-.268	.318

ent loan schemes for women entrepreneurs?	not assured?									
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The independent samples test results highlight the differences in perceptions of the impact of demonetization on financial networks between nuclear and joint family respondents. Regarding access to bank loans, the p-value (0.186) indicates no statistically significant difference between the two groups, suggesting that both nuclear and joint family entrepreneurs perceive the impact on bank loans similarly. Similarly, the p-value (0.281) for reliance on microfinance institutions also shows no significant difference, indicating that perceptions about the role of microfinance institutions in the post-demonetization period are consistent across family types.

However, a statistically significant difference is observed in the impact of demonetization on membership in savings groups or cooperatives, with a p-value of 0.003. The negative mean difference (-0.394) suggests that joint family respondents perceive a greater impact on their participation in these groups compared to nuclear family respondents. Additionally, a significant difference is noted in the perceived influence of demonetization on participation in government loan schemes for women entrepreneurs, with a p-value of 0.034. Here, nuclear family respondents report a slightly greater impact than their joint family counterparts.

Finally, there is no significant difference (p-value = 0.865) in the overall influence of demonetization on government loan schemes, implying uniform perceptions across both groups. Overall, while most aspects of financial networks show no significant variation, notable differences exist in specific areas like membership in savings groups and initial participation in government loan schemes.

Table 3: Frequency table for after demonetization uses of digital payment methods

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	30	7.0	7.0	7.0

Rarely	93	21.8	21.8	28.9
Sometimes	62	14.6	14.6	43.4
Often	93	21.8	21.8	65.3
Always	148	34.7	34.7	100.0
Total	426	100.0	100.0	

Graph 1: Frequency graph for after demonetization uses of digital payment methods

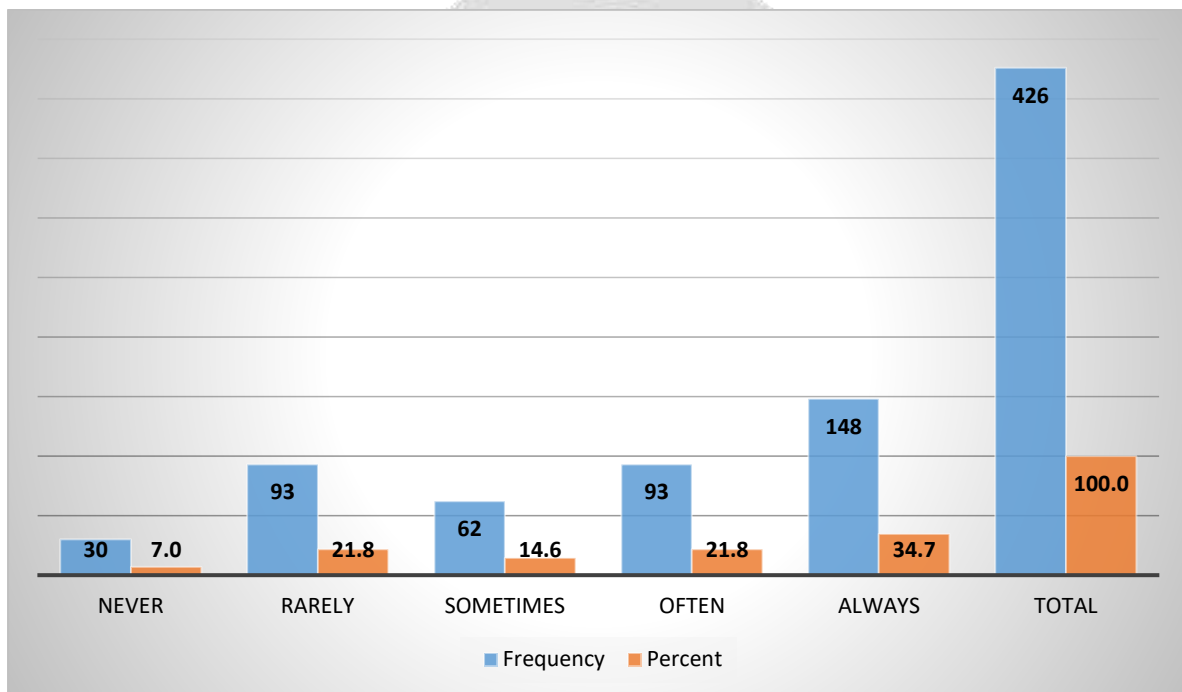


Table 3 and Graph 1 depict the frequency of digital payment method usage by women entrepreneurs after demonetization. The largest group, 34.7%, reported using digital payment methods "always," followed by 21.8% who use them "often." A similar proportion, 21.8%, indicated "rarely" using digital payments, while 14.6% reported using them "sometimes." Only 7.0% stated that they "never" use digital payment methods.

The data suggests a significant shift toward digital payment adoption, with over half of the respondents (56.5%) using these methods either "often" or "always." This indicates that demonetization has encouraged a considerable portion of women entrepreneurs to integrate digital payment systems into their business operations, reflecting increased reliance on cashless transactions in the post-demonetization era.

Conclusion

The findings reveal that although most financial network deviations post-demonetization were perceived similarly across family structures, significant differences were observed in participation in savings groups and initial engagement with government loan schemes. Digital payment adoption was notably high, with over half of the respondents reporting frequent usage. These results suggest an increasing shift towards digital and formal financial systems, while also underscoring the role of household context in shaping adaptive financial behaviors.

Suggestions

- Promote financial literacy programs tailored to women in both nuclear and joint family settings.
- Expand government credit schemes with simplified digital access points for women entrepreneurs.
- Strengthen women-led cooperatives and SHGs with digital record-keeping and micro-credit tools.

Limitations

- The study is based on self-reported data, which may include perceptual bias.
- It does not cover regional or sectoral variations among women entrepreneurs.

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