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## Role of Micro-finance and Technology Disruption in driving Economic Development: A Study of Marginalised Women in Karnataka, India

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### Abstract

This study examines the intersection of microfinance and technology disruption in driving the economic development of marginalized women in Karnataka, India. Microfinance has long served as a catalyst for women's economic empowerment by providing access to credit and enabling participation in income-generating activities. However, persistent barriers such as patriarchal norms and limited financial literacy continue to restrict women's agency over financial resources. Recent advancements in disruptive technologies—including mobile banking, digital bookkeeping, and AI-enabled credit scoring—are transforming how microfinance is delivered and accessed. Drawing on mixed-methods research, this study analyzes how these innovations impact women's financial autonomy, income stability, and social participation. Case studies from districts like Davangere, North Karnataka, and Mysuru reveal that digital tools can strengthen Self-Help Groups (SHGs), improve repayment discipline, and expand outreach to remote communities. Yet, findings also highlight that digital adoption remains uneven due to literacy gaps, cultural norms, and infrastructural limitations. The research underscores that while technology amplifies the benefits of microfinance, it must be rooted in inclusive design, trustbuilding, and community-based capacity-building to avoid reproducing existing inequalities. By exploring this synergy, the study contributes to understanding how grassroots development can be enhanced through digital innovation, provided that marginalized women are equipped with the skills and agency to meaningfully control and benefit from these tools.

**Keywords:** digital financial inclusion; financial literacy; grassroots development; inclusive digital innovation; self-help groups (SHGs)