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Green Marketing for Inclusive Growth: Leveraging Sustainable Business Practices to Drive Financial Inclusion in India

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Abstract

Green marketing has emerged as a strategic business approach that aligns environmental sustainability with market expansion and social welfare. In India, where inclusive growth remains a central development objective, green marketing offers a significant pathway to bridge sustainability goals with financial inclusion. This chapter examines how sustainable business practices—such as eco-friendly production, responsible consumption, green banking, and digital financial ecosystems—can enhance access to financial services for marginalised populations. It explores the intersection of green marketing and financial inclusion through the lens of India's policy environment, institutional innovations, and business practices. The chapter argues that green marketing goes beyond promoting environmentally safe products; it can create livelihood opportunities, encourage micro-entrepreneurship, and strengthen access to formal finance for rural communities, women, and small producers. Through government initiatives such as Reserve Bank of India's green deposit framework and Pradhan Mantri Jan Dhan Yojana, alongside private-sector sustainable banking initiatives, India is gradually integrating ecological priorities into its inclusive development strategy. The study also highlights the role of fintech, digital payments, ESG-driven enterprises, and sustainable supply chains in extending financial access to underserved groups. It identifies major challenges, including infrastructural deficits, low financial literacy, greenwashing, and unequal digital access. Finally, the chapter proposes policy recommendations to strengthen the synergy between green marketing and inclusive growth by promoting sustainable entrepreneurship, green credit, and consumer participation based on awareness. By situating green marketing within India's developmental context, this chapter contributes to understanding how environmentally responsible business practices can become a catalyst for equitable financial participation and long-term socio-economic transformation.

Keywords: Green Marketing, Financial Inclusion, Inclusive Growth, Sustainable Business, India.

Introduction

India's development discourse has increasingly emphasized the dual objectives of sustainability and inclusiveness. Rapid industrialization, urbanization, and rising consumption have generated substantial economic gains but also intensified environmental degradation, climate vulnerability, and social inequality. In this context, green marketing—defined as the promotion and implementation of environmentally responsible products, services, and organizational practices—has gained importance as a transformative business strategy.

At the same time, financial inclusion has become a cornerstone of India's inclusive growth agenda. Financial inclusion refers to ensuring affordable access to banking, savings, insurance, and credit for all sections of society, especially low-income households, women, small entrepreneurs, and rural communities. Government schemes and digital innovations have expanded access significantly over the past decade.

The convergence of green marketing and financial inclusion opens a new development paradigm. Sustainable business models can create new income-generating opportunities for underserved populations while expanding their participation in formal financial systems. This chapter explores how green marketing practices can facilitate inclusive growth by supporting financial inclusion in India.

Conceptual Framework

- **Green Marketing**

Green Marketing refers to the planning, development, pricing, promotion, and distribution of products and services that minimize environmental harm. It incorporates environmentally friendly packaging, sustainable sourcing, energy efficiency, carbon reduction, and ethical supply chains.

Green marketing has evolved from a niche branding strategy into a mainstream business imperative due to:

- Rising consumer awareness
- Climate change concerns
- ESG regulations
- Corporate sustainability goals
- Global market pressure

It now influences not only product design but also organizational financing, supply-chain choices, and stakeholder relations.

- **Financial Inclusion**

Financial Inclusion involves universal access to affordable financial services such as:

- Savings accounts
- Credit
- Insurance
- Pension
- Digital payment systems

Financial inclusion supports poverty reduction by integrating vulnerable populations into the formal economy.

- **Inclusive Growth**

Inclusive Growth refers to economic growth that benefits all social groups and reduces disparities in income, opportunity, and access. Financial inclusion is widely recognized as a critical enabler of inclusive growth in India.

Linkages Between Green Marketing and Financial Inclusion

Green marketing and financial inclusion intersect in multiple ways.

- **Sustainable Livelihood Generation**

Sustainable livelihood generation is one of the most significant ways through which green marketing contributes to inclusive growth and financial inclusion. Green businesses promote environmentally friendly production and consumption while creating economic opportunities for individuals and communities, especially those located in rural and economically disadvantaged areas.

The expansion of green sectors such as Organic Agriculture, Renewable Energy, Waste Recycling, Eco-tourism, and Sustainable Handicrafts has created new employment avenues. These sectors generate income opportunities while preserving natural resources and reducing environmental degradation. In India, such activities are particularly important because they engage marginalised populations, including rural women, self-help groups, artisans, and informal workers, who often face barriers to formal economic participation.

For instance, organic farming enables small farmers to access premium markets for chemical-free agricultural products, while renewable energy projects such as solar panel installation and maintenance create jobs in rural areas. Waste recycling initiatives support informal waste pickers by integrating them into organized supply chains, and eco-tourism offers local communities' employment through sustainable hospitality and cultural services. Sustainable handicraft production, including jute, bamboo, and recycled materials, enables artisans to reach environmentally conscious consumers.

As these green enterprises become formalised and integrated into organised markets, participants are increasingly connected to formal financial systems. They gain access to essential financial services, including savings accounts, microcredit,

insurance, government subsidies, and digital payment platforms. This transition not only improves income stability but also strengthens economic security and entrepreneurial capacity.

Thus, sustainable livelihood generation creates an important linkage between environmental sustainability and financial inclusion. By participating in green economic activities, underserved communities can become financially empowered, enabling broader socio-economic inclusion and contributing to sustainable national development.

Green businesses create employment opportunities in:

- Organic agriculture
- Renewable energy
- Waste recycling
- Eco-tourism
- Sustainable handicrafts

These sectors often involve marginalised communities, particularly rural women and informal workers.

When such enterprises are formalised, participants gain access to:

- Bank accounts
- Microcredit
- Insurance
- Subsidies
- Digital payments

This creates a pathway from environmental sustainability to financial empowerment.

• **Consumer Participation in Green Economy**

Consumer participation plays a crucial role in strengthening the relationship between green marketing and financial inclusion. As awareness about environmental sustainability increases, consumers are gradually shifting toward eco-friendly products and services. This growing demand for green products has encouraged businesses to adopt sustainable production and marketing strategies, thereby expanding the green economy.

Consumers purchasing environmentally friendly goods increasingly rely on formal financial services to support these transactions. Products such as Solar Products, Electric Appliances, Water-saving Equipment, and Organic Goods are often purchased through digital payment systems, instalment-based financing, and

micro-credit facilities. The use of these financial instruments enables consumers to access sustainable products even when upfront costs are relatively high.

The expansion of digital payments, including mobile banking, QR payments, and online wallets, has made green consumption more accessible to a wider segment of the population. Consumers can purchase sustainable products through online marketplaces and local retailers while using secure formal payment channels. Additionally, EMI financing and microloans allow middle- and low-income households to adopt green technologies such as solar panels, energy-efficient devices, and water-saving systems.

This process strengthens financial inclusion because consumers who engage in such transactions become part of the formal financial ecosystem. Their financial records contribute to building credit histories, improving access to future loans and other banking services. It also encourages financial institutions to develop specialised green financing products targeted at sustainable consumption.

Therefore, the expansion of green markets not only promotes environmentally responsible consumer behaviour but also stimulates formal financial transactions. In this way, green consumption acts as an important mechanism for integrating individuals into formal financial systems while advancing sustainable economic development

Consumers participating in green consumption increasingly use digital payment systems, EMI financing, and micro-loans for purchasing:

- Solar products
- Electric appliances
- Water-saving equipment
- Organic goods

Thus, green markets stimulate formal financial transactions.

- **Sustainable Finance as Enabler**

Green finance acts as a bridge between ecological investments and financial inclusion.

The Reserve Bank of India has emphasised that sustainable finance and financial inclusion must advance in tandem to foster long-term economic growth.

Green finance serves as a critical link between environmental sustainability and financial inclusion by channeling financial resources toward environmentally responsible investments while expanding economic opportunities for underserved populations. It includes financial instruments, policies, and services that support projects with positive environmental outcomes, such as renewable energy,

sustainable agriculture, clean transportation, waste management, and energy-efficient infrastructure.

In the Indian context, green finance has emerged as an important mechanism for aligning economic development with environmental goals. It provides funding for projects that reduce ecological damage while simultaneously generating employment, income, and entrepreneurial opportunities for communities that are often excluded from formal financial systems. Through green loans, sustainable investment funds, green deposits, and concessional credit schemes, financial institutions can support individuals and small enterprises engaged in eco-friendly economic activities.

The significance of green finance lies in its dual function. On one hand, it mobilizes capital for environmentally sustainable projects; on the other hand, it creates pathways for financial inclusion by integrating low-income individuals, rural producers, and micro-enterprises into formal banking networks. For example, financing solar irrigation systems enables small farmers to increase productivity and income, while also encouraging them to access bank credit, insurance, and digital payment services. Similarly, funding for sustainable micro-enterprises such as organic farming, recycling businesses, and green handicrafts can help entrepreneurs build formal credit histories and access institutional support.

Reserve Bank of India has emphasized that sustainable finance and financial inclusion must progress together to ensure long-term economic resilience and equitable growth. This perspective recognizes that environmental investments can generate inclusive economic benefits when targeted toward vulnerable populations. By financing green sectors that rely heavily on community participation, sustainable finance can reduce poverty, support local entrepreneurship, and improve access to financial services.

Furthermore, green finance promotes innovation through green bonds, ESG-based investments, and digital financing platforms. These tools enable financial institutions to direct capital toward socially and environmentally responsible businesses. As fintech platforms and banks increasingly develop green lending products, underserved households can access affordable financing for solar products, energy-efficient appliances, and sustainable agricultural inputs.

Thus, green finance functions as an enabling framework that connects ecological investments with inclusive development. It ensures that the transition toward a sustainable economy also supports broader financial participation, making environmental progress and social equity mutually reinforcing objectives in India's development strategy.

Indian Policy Landscape

- **PMJDY and Green Opportunities**

Pradhan Mantri Jan Dhan Yojana has played a transformative role in expanding access to formal banking services across India. Launched in 2014 as a flagship financial inclusion initiative, the scheme aimed to provide universal access to banking facilities, especially for economically weaker sections, rural households, and previously unbanked populations. By 2025, more than 52 crore bank accounts had been opened under the scheme, making it one of the world's largest financial inclusion programs.

The importance of PMJDY lies not only in the number of accounts opened, but also in the financial infrastructure it has created to integrate marginalised populations into the formal economy. Millions of individuals who previously relied on informal cash-based transactions now have access to savings accounts, debit cards, direct benefit transfers, and digital financial services. This broad financial access provides a strong institutional foundation for supporting sustainable and inclusive development.

PMJDY accounts facilitate several important financial functions that are directly relevant to green economic transformation. One major benefit is direct subsidy transfer, which enables the government to transfer welfare benefits and sustainability-related incentives directly into beneficiaries' bank accounts. This mechanism can support subsidies for solar pumps, renewable energy devices, organic farming inputs, and sustainable rural development schemes.

The scheme also promotes credit linkage by connecting account holders to formal lending institutions. Access to bank accounts enables beneficiaries to become eligible for microcredit, small-business loans, and government-backed enterprise financing. This is particularly important for individuals involved in environmentally sustainable activities such as organic farming, solar energy installation, recycling, and eco-friendly small enterprises.

PMJDY further supports rural enterprise financing by integrating small entrepreneurs into the banking system. Rural producers engaged in green businesses often require access to capital for equipment, storage, transportation, and marketing. Through formal banking channels, they can obtain institutional finance rather than rely on high-cost informal borrowing.

Another significant area is renewable-energy financing. The growing adoption of solar irrigation systems, rooftop solar panels, clean cooking technologies, and rural renewable energy enterprises requires financial support mechanisms. PMJDY-linked accounts make it easier for households and small entrepreneurs to access loans, subsidies, and repayments for these sustainable technologies.

The scheme also strengthens sustainable livelihood support by enabling individuals to participate in formal economic programs linked to environmental sustainability. Women's self-help groups, farmers, artisans, and local entrepreneurs involved in eco-friendly production can use these accounts to receive payments, access insurance, and build financial records.

Therefore, PMJDY has evolved beyond a banking inclusion scheme and can serve as a strategic platform for promoting green entrepreneurship. By linking financial access with environmentally sustainable economic activities, the program has the potential to support a development model that combines financial inclusion, environmental responsibility, and inclusive growth.

Pradhan Mantri Jan Dhan Yojana has significantly expanded access to banking. As of 2025, over 52 crore accounts had been opened, creating an unprecedented financial infrastructure for underserved populations.

These accounts facilitate:

- Direct subsidy transfers
- Credit linkage
- Rural enterprise financing
- Renewable-energy financing
- Sustainable livelihood support

This makes PMJDY a potential channel for promoting green entrepreneurship.

- **Green Deposit Framework**

Reserve Bank of India introduced the Green Deposit Framework as an important step toward integrating sustainability into the country's financial system. This framework encourages regulated financial institutions to mobilise deposits specifically for financing environmentally sustainable projects. It represents a significant policy initiative that aligns financial sector development with India's broader environmental and inclusive growth objectives.

Green deposits are specialised interest-bearing deposits where the funds collected are earmarked for projects that generate positive environmental outcomes. Unlike conventional deposits, these funds are allocated only to approved green sectors, ensuring that capital flows toward environmentally responsible investments. This framework strengthens sustainable finance by enabling banks to play an active role in climate-friendly development while promoting responsible investment among depositors.

The introduction of green deposits has broad implications for financial inclusion because the funds can be directed toward sectors that benefit underserved

populations. One important area is Solar Irrigation Systems, which can significantly improve agricultural productivity in rural areas. Small and marginal farmers often face irregular electricity supply and high irrigation costs. Financing solar-powered irrigation systems through green deposits can reduce operational costs, increase farm output, and stabilise income. At the same time, farmers become connected to formal banking services through loan repayments, subsidies, and digital transactions.

Another area supported by green deposits is Green Housing. Green housing projects include energy-efficient homes, eco-friendly construction materials, rainwater-harvesting systems, and improved waste-management solutions. Financing such housing initiatives can improve living conditions for low-income households while expanding access to home loans and housing-related financial products. This supports financial inclusion by bringing economically weaker groups into the formal credit system.

Clean Transportation is another major investment area. Funding electric vehicles, shared clean mobility systems, and sustainable transport infrastructure can create employment opportunities for drivers, small transport operators, and local entrepreneurs. It also allows financially excluded individuals to access credit for purchasing electric vehicles or related equipment, thereby increasing their participation in the formal economy.

Green deposits can also finance Rural Renewable Infrastructure, such as decentralised solar grids, biogas plants, and clean energy distribution networks. These projects are particularly important in remote rural areas where access to reliable energy remains limited. Improved energy access enables local businesses, educational institutions, healthcare facilities, and households to become more economically productive. As a result, communities gain greater access to banking, digital services, and formal market participation.

These investments have a direct, positive impact on financially excluded communities by creating economic opportunities and financial access. Rural households, small farmers, women-led enterprises, and micro-entrepreneurs often face barriers in obtaining formal financial services. Green investments funded through the deposit framework can reduce these barriers by creating structured financial relationships through loans, subsidies, digital transactions, and insurance.

Furthermore, the Green Deposit Framework encourages a broader shift toward responsible banking. It increases awareness among depositors, financial institutions, and businesses regarding the role of finance in environmental sustainability. It also promotes accountability by ensuring that deposited funds are transparently used for approved green projects.

Thus, the RBI's Green Deposit Framework serves not only as an environmental financing mechanism but also as an inclusive development tool. By

channelling financial resources toward sustainable sectors that directly involve rural and underserved populations, it can contribute significantly to financial inclusion, poverty reduction, and long-term sustainable growth in India

The Reserve Bank of India introduced the Green Deposit Framework to mobilise funds specifically for environmentally sustainable projects.

Such deposits can finance:

- Solar irrigation
- Green housing
- Clean transportation
- Rural renewable infrastructure

These investments can directly benefit financially excluded communities.

- **NSFI 2025–30**

- Micro enterprises
- Rural households
- Financial literacy
- Digital inclusion

This offers an institutional base for integrating green finance goals.

Role of Sustainable Business Practices

- **Green Banking**

Green Banking includes:

- Paperless banking
- Energy-efficient branches
- Green loans
- ESG investment
- Carbon-sensitive lending

Indian banks are increasingly integrating ESG principles.

Green banking supports financial inclusion by lowering operational costs and enabling outreach to rural areas through digital channels.

- **Sustainable Supply Chains**

Companies using sustainable sourcing often engage small-scale producers in agriculture, textiles, and handicrafts.

Formal procurement relationships encourage:

- Bank account opening
- Digital wage payment
- Credit history creation
- Access to insurance

Thus, sustainable supply chains create entry points into formal finance.

- **ESG-Oriented Enterprises**

Environmental Social Governance-oriented firms often prioritise social equity alongside environmental responsibility.

This includes:

- Women-led sourcing
- Community investment
- Inclusive vendor development
- Financial literacy programs

Such firms contribute to broader inclusion outcomes.

Role of FinTech in Green Inclusion

- **Digital Payment Ecosystems**

Unified Payments Interface has revolutionized financial access.

Digital payments support green marketing by reducing:

- Paper usage
- Transaction costs
- Cash dependence

It also connects rural producers to broader markets.

- **Green Microfinance**

Microfinance institutions increasingly support:

- Solar enterprises
- Organic farming
- Waste management businesses
- Eco-enterprises

Small loans enable low-income households to invest in sustainable livelihoods.

- **Data-Based Credit Assessment**

Fintech platforms use alternative credit scoring to provide loans to borrowers lacking formal collateral. This particularly benefits:

- Small green entrepreneurs
- Self-help groups
- Informal workers
- Rural youth

Sectoral Applications in India

- **Agriculture**

Green marketing in agriculture includes:

- Organic certification

- Sustainable packaging
- Direct-to-consumer marketing

Farmers entering organic markets gain access to:

- Crop loans
- Digital payments
- Crop insurance
- Supply-chain finance

- **Renewable Energy**

Solar entrepreneurs in rural India often require small loans.

Financial inclusion tools support:

- Solar irrigation
- Rooftop systems
- Solar charging stations
- Clean energy retailing

- **Women-Led Enterprises**

Women's self-help groups are major beneficiaries.

Green enterprises led by women include:

- Jute products
- Organic foods
- Recycled crafts
- Natural cosmetics

Access to microfinance improves both ecological and social outcomes.

Challenges

- **Infrastructure Deficits**

Many remote areas lack:

- Banking infrastructure
- Internet access
- Digital devices

This limits participation.

- **Low Awareness**

Consumers and entrepreneurs often lack knowledge about:

- Green products
- Sustainable finance
- Financial rights
- Digital banking

- **Greenwashing**

Some businesses market products as green without meaningful environmental commitment.

This reduces consumer trust.

- **Policy Fragmentation**

Green policies and financial inclusion policies are often implemented separately, reducing synergies.

Strategic Recommendations

- **Green Credit for Rural Enterprises**

Special low-interest credit should support:

- Organic farming
- Renewable energy
- Waste management
- Eco-enterprises

- **Financial Literacy Campaigns**

Programs should combine:

- Financial awareness
- Digital skills
- Sustainability education

- **Public-Private Partnerships**

Collaboration between government, banks, fintech, and businesses can improve outreach.

- **Incentives for Sustainable MSMEs**

Tax and subsidy incentives should encourage sustainable enterprises employing marginalized groups.

- **ESG-Based Inclusive Metrics**

Companies should report:

- Number of financially included suppliers
- Women beneficiaries
- Sustainable jobs created
- Green credit beneficiaries

Future Prospects

India's green transition presents major opportunities.

Emerging sectors include:

- Circular economy

- Carbon markets
- Green bonds
- Renewable infrastructure
- Sustainable digital finance

As businesses adopt greener strategies, they can become vehicles for:

- Job creation
- Credit access
- Rural transformation
- Women empowerment

This can deepen inclusive growth significantly.

Conclusion

Green marketing is not merely an environmental branding strategy; it can function as an instrument of socio-economic transformation. In India, sustainable business practices are increasingly linked with inclusive growth through expanded access to finance, digital platforms, and livelihood generation.

By integrating green entrepreneurship with financial inclusion initiatives, India can create a development model that is both environmentally sustainable and socially equitable. Policies such as PMJDY, green deposits, ESG integration, and digital finance have laid the foundation for this convergence. Yet success depends on stronger coordination, awareness, infrastructure, and targeted support for marginalized communities.

Green marketing, when strategically leveraged, has the potential to transform financial inclusion from a banking objective into a broader mechanism for inclusive and sustainable development.

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