

WOMEN EMPOWERMENT THROUGH FINANCIAL INCLUSION: A CONCEPTUAL STUDY ON THE INTERVENTIONS OF GOVERNMENT SCHEMES IN INDIA

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Abstract

The issue of Women Empowerment is now a global phenomenon. Women empowerment is a radical approach to transform power relations in favour of female gender that leads to better gender equality. Financial inclusion (FI) is the accessibility of individuals businesses to useful and affordable financial products. This paper highlights the importance of economic empowerment of women through FI and about various schemes offered by the government of India. The objectives of this research is to find the gender gaps in FI; to identify the barriers; to know the steps to overcome such constraints and to throw light on various government schemes promoting FI. This research is based on secondary data which endorses that there is a positive correlation between FI schemes and economic freedom of women. The study suggests that gender bias in FI should be eliminated. It further suggests that the procedure and laws related to financial accessibility should be simplified.

Keywords: Women Empowerment; Financial Inclusion; Govt schemes; gender bias; Economic freedom.

INTRODUCTION

“THERE IS NO TOOL FOR DEVELOPMENT MORE EFFECTIVE THAN WOMEN EMPOWERMENT” – Mr Kofi Annan (Former Gen. Secretary of the United Nations) in 2020, quoted this statement to address the issue of gender inequality as a barrier in global development.

Empowerment is a holistic concept that requires targeted interventions across multiple action areas. The word empowerment was first used in 17th century and has meanings like :authority, delegate or enable.It refers to increasing the spiritual, political, social, or economic strength of individuals and communities.

WOMEN EMPOWERMENT: (WE)

Women empowerment refers to the liberation of women from socioeconomic restraints of reliance. The issue of WE has become a point of interest since the origin of UNO.

The empowerment and autonomy of women and the improvement of their political, social, economic health status is a highly important end in itself.

TYPES OF WE: According to Keshab Chandra Mandal, WE could be defined in separate 5 categories.

- Social Empowerment: A woman is entitled to live in dignity and freedom. Social empowerment strengthens her social relations and positions in social structures ,giving her more of a purpose outside the home.
- Educational Empowerment: Literacy of women is an important key to improving health, nutrition and education in the family and to participate in decision making process. Father of the Nation Mahatma Gandhi rightly said “If you educate a boy ,an individual is educated ; If you educate a girl , the whole family is educated “.
- Political Empowerment: Having a voice in politics can be substantial to push up a group’s view into the mainstream media. The political involvement of women implies the decentralisation of power to the powerless people and their participation in policy formulation.
- Psychological Empowerment: It aligns with social empowerment. It transgresses the traditional , patriarchal taboos and social restrictions. This lets women go beyond what is expected of them in the society. It can boost their self confidence and help them to realise their worth.
- Economic Empowerment: People say money cannot buy happiness , but financial dependence certainly snatches one’s happiness. Economic independence for women would gain a significant share of control over different resources.

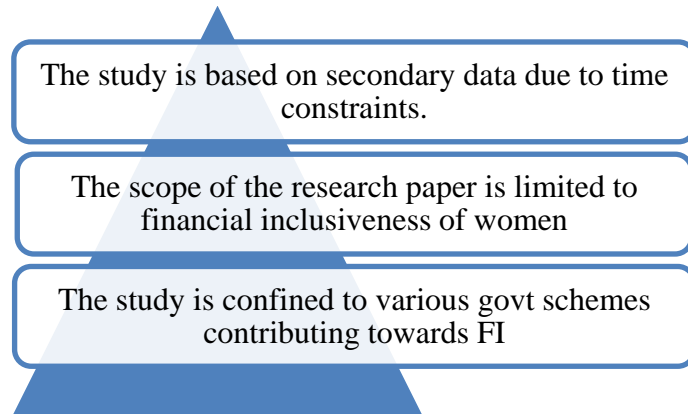
A recent report by the United Nations titled “Turning Promises into Action”: Gender Equality in 2030, Agenda for Sustainable Development said that achievement of Sustainable Development Goals {SDG } could be difficult without women empowerment.

Women empowerment is an indispensable tool for advancing development and reducing poverty. Empowered women contribute to the health and productivity of the family, community and improved prospects for the next generations.

OBJECTIVES OF THE STUDY:



SCOPE OF THE STUDY:



RESEARCH METHODOLOGY

Sources of data: Data is the facts, figures, past and present relevant materials serving as basis for the study and analysis. This article is prepared by overviewing the available literature on the topic from past 6 years. A number of issues related to the topic are studied through available research articles and other updates from newspapers, journals and websites.

FINANCIAL INCLUSION (FI) : FI is the accessibility of individuals businesses to useful and affordable financial products and services. These products are directed to meet the needs of the beneficiaries in the form of transaction , credit and insurance , payments , savings etc delivered in a more responsible and sustainable way. In India FI is one of the major contributing factors for the changing landscape of the banking sector. Since independence, the combined efforts of regulatory institutions, successive governments and the civil society have aided in improving the FI in the country.

The purpose of FI is to target the unbanked and underbanked people and divert sustainable financial assistance to them.

The G-20 Summit 2010, perceived FI as one of the paramount pillars of the world wide progress. Infact FI has been identified as facilitator for 7 of the 17 sustainable development goals. Since 2010, more than 60 countries had launched a national strategy directed towards attaining Universal Financial Access by 2020.

Majority of women in India are home makers which is a full-time job with no pay.

Globally (as per 2021 survey), 68% of women in developing economies have a bank account as against 74% men. India is the 2nd largest nation in terms of unbanked population. Gender gap is particularly wide in South Asia where only 37% of women have an account compared to 55% of men.

Supply side	Demand side	Regulatory
<ul style="list-style-type: none"> Lack of gender-specific policies and practices for product 	<ul style="list-style-type: none"> Interest on lower paying economic activities 	<ul style="list-style-type: none"> Complicated Account opening procedure

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<p>design and marketing</p> <ul style="list-style-type: none"> • Inappropriate product offers • Incorrect distribution channels 	<ul style="list-style-type: none"> • Competing demands on women's time related to domestic unpaid work • Lack of assets for the collateral • Lack of bargaining power within the household • Lack of formal identification • Reduced mobility due to time constraints and social norms • Lower access to digital products 	<ul style="list-style-type: none"> • Obstacles to obtain formal identification • Legal barriers to own or inherit property and collateral • Lack of gender inclusive credit reporting system
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GOVERNMENT SCHEMES FOR THE PROMOTION OF FI IN INDIA: The government of India has directed the following programs. These initiatives are rolled out in order to aid the weaker sections of the society. These include:

- 1 Opening of bank branches in rural areas.
- 2 Issuing Kisan Credit Cards
- 3 Increasing the number of ATMs in remote areas
- 4 Promotion of online transactions
- 5 RBI's project of Financial Literacy
- 6 Jan-Dhan Aadhar Mobile (JAM Trinity)
- 7 Atal Pension Yojana
- 8 Pradhan Mantri Suraksha Bima Yojana
- 9 Pradhan Mantri Jivan Jyoti Bima Yojana
- 10 Setting up of Mudra Bank

NATIONAL STRATEGY FOR FINANCIAL INCLUSION (NISFI): 2019-2024 :

The NSFI includes analysis of the country's current status on financial inclusion and the challenges , measurable goals , techniques to achieve these goals and how the progress of NSFI will be evaluated . Given below are the NSFI for the term 2019 to 2024.

- FI is considered as a key factor in driving the economic growth and poverty reduction across the globe
- Access to formal finance can increase employment opportunities and investments in human capital.

CONTRIBUTION OF FI SCHEMES FOR THE EMPOWERMENT OF WOMEN IN INDIA

1. **LOAN SCHEMES :** PMJDY is a national mission for FI to ensure access to financial services including basic savings , deposit accounts ,remittance ,credit ,insurance and pension in an affordable way. Data shows that, of the total accounts opened under this scheme, 55% are in the name of women . According to the Ministry of Rural Development, 20.64 crore women PMJDY account holders were benefitted through the ex-gratia payment under Garib Kalyan Yojana.

PM Mudra Yojana (PMMY) launched in 2015 provides loans up to Rs10 lakhs to non-corporate, non-farm small/micro entrepreneurs. Of the total beneficiaries, 68 % are women.

Stand up India (SUPI) launched in 2016 promotes entrepreneurship at the grass root level for economic empowerment & job creation . This scheme seeks to reach out the underserved sector of people such as SC/ST and women entrepreneurs. The scheme facilitates bank loans of 10 lakhs to 1 crore to at least one SC/ST and one woman borrower per bank branch of a commercial bank for setting up a greenfield enterprise. 82% of the total accounts in this account are in the names of women entrepreneurs.

Rastriya Mahila Kosh (RMK) established in 1993 under the Ministry of Women and Child Development , for the socio economic empowerment of women remains neglected. Very few women have taken loan under this scheme.

2. **INSURANCE SCHEMES:** Pradhan Mantri Jeevan Jyothi Bima Yojana (PMJJY) was launched in 2015 to provide a social security system for the under privileged in the age group of 18 – 50 years with a life cover of 2 lakhs at a premium of just 330 /annum. However only 27 % of people who opted this scheme are women.

Pradhan Mantri Suraksha Bhima Yojana (PMSBY) provides an affordable insurance scheme for the less privileged in the age group of 18- 70 years with a bank account at a premium of Rs 12/annum with a risk coverage of Rs 2 lakhs. Women constitute only 37 % of the total beneficiaries.

Atal Pension Yojana (APY) envisages a universal social security system for all Indians offering a guaranteed monthly pension of Rs 1000 – 5000 at the age of 60 years. Even in this scheme women participation is only 44 %.

“This reflects the mind set of the society where men are still considered the bread winners and only they need insurance cover “says Vijayalakshmi Bhosale, a domestic worker.

3. EMPLOYMENT SCHEMES : Pradhan Mantri Employment Generation Program (PMEGP) is a major MSME scheme. Only 33% are women beneficiaries of this scheme.

The Ministry of Rural Development runs Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) which is a placement linked skill development program. Since 2015-16, around 465000 women were trained & 60% of them have found placement.

FINDINGS

- The study clearly shows that gender bias is one of the reasons for the involuntary financial exclusion of women.
- Lack of financial literacy and socio-cultural barriers also add to the problem of financial exclusion of women
- There are various government schemes to promote FI of women in India
- Women in India are still not aware of the importance of insurance coverage
- There has been growing evidence on how FI has a multiplier effect in boosting women empowerment
- The procedures and regulations of FI schemes are time consuming and complex.

SUGGESTIONS

The following suggestions are recommended

- Gender Equality is highly important for the holistic progress of the family, society and nation at large.
- Extensive financial literacy programs should be conducted for women to bring awareness about the various FI schemes especially insurance and employment schemes.
- The laws related to FI schemes should be simplified.
- Mobile Banking and Finance could a promising approach in countries like India which would reduce transaction cost and travel distance.
- Awareness on BNPL (Buy now pay later) services and 100% digital banking systems that are emerging lately.
- Digital financial inclusion on household consumption can be more considerable for rural community than the urban community.

CONCLUSION

“An inclusive FI supports stability, integrity and equitable growth. Therefore financial exclusion because of several barriers like physical, socio cultural and psychological, warrants attention from the policy makers” states the RBI’s NSFI. FI of Women is particularly important for gender equality and women’s economic empowerment adds NSFI.

With greater control over their financial lives, women can help themselves & their families to come out of poverty, eliminate their exploitation from the informal sector and increase their ability to fully engage in measurable and productive economic activities.

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