



FINANCIAL INCLUSION AND WOMEN EMPOWERMENT IN INDIA- AN OVERVIEW

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Abstract: Women account for half of the human population but there is discrimination in status in terms of birth, education, health, employment rights, and remuneration. Over the past decade, women empowerment is a matter of great decades in India. Almost half of the population in India is women but still, we can see women are not empowered in our country. Empowering of women population is required to accelerate economic growth. However, according to a 2018 report by the World Economic Forum, India ranked 139th out of 144 countries, with a 66% gender gap, in terms of economic participation. One of the reasons for this impending gap is low financial inclusion across the nation and more distinctly in rural pockets. Women empowerment is the process of creating an environment where women can take their own decision for their benefit. The financial soundness and financial literacy of a female is one of the major indicators influencing the decision of women. This paper argues about the importance of financial inclusion, Financial Inclusion Schemes, different initiatives are taken by RBI and Government, etc. towards women empowerment in India.

Keywords: Financial Inclusion, Women, Empowerment, RBI, Govt. of India.

I. INTRODUCTION:

Khan Commission was set up by the Reserve Bank of India in 2004 to look into the ignited matter of Financial Inclusion and the recommendations of the commission were incorporated into the Midterm review of the policy (2005- 06). In the Khan Committee Report, the RBI exhorted the banks intending to achieve greater financial inclusion to make available a basic "no-frills" banking account. Khan Committee recommendations were incorporated into the midterm review of the policy (2005–06). Mangalam Village became the first village in India where all households were provided banking facilities.

According to censuses 2001, only 30 % of rural households were availing banking services, this percentage increased to 54 % in the census 2011. Whereas, in the case of the urban area the condition is much better where the percentage increased to 67 % from 49 %, reveals the census 2001 and 2011 respectively. CRISIL-Inclusix reports reveal that 73% of farmer households have no access to formal sources of credit. In the year 1969, Indian banks were nationalized and India took a major step toward financial inclusion. Some of the Arun Jaitley Finance Minister of India presented the Union Budget 2014-15, he listed several steps which should be taken and will go a long way in boosting financial inclusion in a country where about 60 percent of the population does not have bank accounts.

Inclusive financing is aimed at providing financial services at an affordable cost to every segment of the society; especially low-income segments. Thus, banks allocated villages of the various district under financial inclusion programs to promote rural and poor populations. Mangalam Village became the first village in India where all households were provided banking facilities. Ample of programs and yojanas were formed especially for women to promote the participation of females and a few of the schemes are Rashtriya Mahila Kosh, Dhan Lakshami Yojana, Indira Gandhi Matritva Sahyog Yojana, Pradhan Mantri Jan Dhan Yojana, special bank for women-Bharatiya Mahila Bank.

II. OBJECTIVES OF THE STUDY

1. To know the various schemes and government policies contributing to financial inclusion
2. To analyze the policies and schemes for promoting financial inclusion and women empowerment in India

III. METHODOLOGY

To address this problem we have tried to triangulate the secondary data by using numerous independent sources. The information about the problem is collected from the Research Journals, News Papers, Reports, Books, Website of Banks, Annual Reports RBI, and other Banks, Publications of Ministry of women and Child Development, and also taken from various committee reports submitted to Government of India on Financial Inclusion have been taken into account.

IV. REVIEW OF LITERATURE

Anju Batra, (2013) revealed that in districts of Punjab, microfinance services have been offered largely as there are enough provisions made by the banks. But, women are using around 31% of the aforesaid services. On the contrary, the performance of SHGs is remarkable with respect to credit availability, employment generation, income generation and training, marketing linkages, confidence-building, and women empowerment. Arpita Manta, (2014) studied the extent to which financial inclusion for women has been taken place in India and the period of study was from 1996 to 2006. There are unlimited opportunities to enhance the potential of women toward the direct contributors of economic growth but they are still the financially excluded lots and the northern region needs more attention. Banerjee G, (2019) states that the Empowerment of women means when a woman is having economic liberty and financial decision-making authority. Nearly half of the population of a country is females and hence it is extremely necessary to make this population involved in the economic activity of a country. But there is of course gender-based discrimination in society.

Nur Alam Siddik, (2017) conducted a study on 500 rural women living in the Kurigram and Gaibandha district of Bangladesh from January to February 2017. The study reveals that financial inclusion increases women's income, purchasing power, living standard, and position in the family. The study also reveals that after availing of financial inclusion programmes, rural women become able to meet their emergencies, give children a better education, get a better medical facility, reduce dependency on local money lenders which means that financial inclusion programmes promote women's economic empowerment. Victoria M, (2021), Gender differences in financial inclusion put women at a further disadvantage, especially in times of crisis. Women are generally paid less than men and lack the financial literacy skills and confidence needed to invest their money. The situation that women face when it comes to financial wellbeing is dire and must be addressed. Due to several factors including systemic inequalities, gender stereotypes, and roles, women earn and save less money, and they are less likely to optimize how they invest to build wealth. Gender differences in financial inclusion have far-reaching effects on women's quality of life and autonomy, their families, and their communities, putting them at risk of financial fragility and poverty, especially in times of crisis.

V. FINANCIAL INCLUSION IN INDIA

According to the census 2011, India is having a population of around 1.22 billion, and 65 percent of adults across the country are excluded from the formal financial system. As per the report of the World Bank, In India, only 35.2 percent of adults above the age of 15 years have an account at formal financial institutions. 55 percent population has deposit accounts and only 9 percent population has credit accounts with formal financial institutions. Reports show that there is one bank branch per 14,000 persons. Just 18 percent are debit cardholders and less than 2 percent are credit cards holders. In India, despite the expansion of bank branches post-reform period, the total branches of commercial banks including RRB's and SCB's have still stood only 48000 in a country to provide service to 6 lakh villages.

The Reserve Bank had advised from 2010 to 2013, all public and private sector banks to prepare and submit their board-approved financial inclusion plans (FIPs). These FIPs contained self-set targets in respect of opening of deployment of business correspondents (BCs), rural brick and mortar branches, coverage of unbanked villages through various modes, Kisan Credit Cards (KCCs), the opening of no-frills accounts and General Credit Cards (GCCs) to be issued, etc. The government of India announced "Pradhan Mantri Jan Dhan Yojna," in the year 2014, a national financial inclusion mission that aims to open bank accounts to at least 75 million of the population by January 26, 2015. To achieve this target, both service providers and policymakers need to have readily available information outlining gaps in access and interactive tools that help better understand the context at the district level.

VI. FINANCIAL INCLUSION- NEED AND IMPORTANCE

In developing countries like India, the frequency of women is more excluded. Women using financial products and services can better serve the purpose of financial inclusion in India. Financial Inclusion strengthens the availability of economic resources. Most importantly, it toughens the concept of savings among poor people living in both urban and rural areas. This way, it contributes to the progress of the economy in a consistent manner. Financial inclusion engages in including poor people in the formal banking industry to secure their minimal finances for future purposes. There are many households with people who are farmers or artisans who do not have proper facilities to save the money that they earn after putting in so much effort.

VII. FINANCIAL INCLUSION- RBI INITIATIVES

In India, RBI has initiated several measures to achieve greater financial inclusion. These schemes are made for the whole population but play a vital role in providing financial stability, especially to the low-income group women in the rural area.

- Relaxing KYC norms have reduced the burden and hesitation of females. Because the literacy rate of females is lower than that of males in India, women feel uncomfortable by strict norms. With the simple norms of KYC, they are coming forward and there is a hike in the number of females availing of banking services.
- All banks to open Basic Saving Bank Deposit (BSBD) accounts with minimum common facilities such as no minimum balance, deposit, and withdrawal of cash at bank branch and ATMs, receipt/ credit of money through electronic payment channels, facility of providing ATM card.
- A No-frills scheme allows the customer to open a savings account that requires no balance lower costs which enables excluded people to open a savings account.
- RBI asked banks to consider introducing a General purpose Credit Card (GCC) facility up to Rs. 25,000/- at their rural and semi-urban people based on the assessment of households' cash flows.
- Simplified branch authorization, Most of the females in rural areas as well as sometimes in urban areas are unable to travel every long distance for banking facilities due to various reasons, even sometimes their health or family members does not allow so. So, the bank's branches are expanding intending to reach every corner.
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VIII. FINANCIAL INCLUSION- GOVERNMENT INITIATIVES TOWARDS WOMEN EMPOWERMENT

The Government of India has been introducing several schemes which just extended the financial services and became the medium of empowering women. After a lot of planning and research by several financial experts and policymakers, the government launched schemes keeping financial inclusion in mind. These schemes have been launched over different years.

1. Pradhan Mantri Jan Dhan Yojana: (PMJDY)

PMJDY has recently announced a scheme to provide universal access o banking accounts with an overdraft facility and Ru-Pay debit card to all households. This was a fully loaded scheme with technological innovations like Ru-pay, mobile banking, etc.

2. *Rashtriya Mahila Kosh: (RMK)*

Under the Ministry of Women and Child Development to provide microloans to bring socio-economic upliftment of lower-income group women in India. Various schemes have been introduced for promoting small loans with a maximum limit of 10 lakhs to making the females capable and self-dependent. A facility of 100% refinance to Mahila Urban Co-operative banks, gold credit passbook schemes, housing loan schemes have also been provided.

3. *Mahila Samakhya Programme: (MSP)*

This scheme has been particularly targeting out the schoolgirls by working with the community to create learning opportunities in the alternative center and early childhood development. A National review, MSP coverage exists across 42,397 villages in 125 districts of 10 states and is planned to expand for 60-70 districts.

4. *Bharatiya Mahila Bank: (BMB)*

BMB has opened 23 branches to support and empower women folk who want to become entrepreneurs.

5. *Home loan for Women:*

Leading banks like SBI and HDFC have discounted their interest rates for females on both individual and joint loans where women are the first borrower.

6. *Financial support to victims of rape:*

Article 38(1) has directed National Commission for women to evolve a Scheme, under this scheme financial support to rupees two lakhs is to provide to the rape victim. In case of injuries compensation up to rupees, 1 lakhs is transferred to the rape victim by the Ministry of Women and Child development under 'State Criminal Injuries Relief and Rehabilitation Board'.

7. *Indira Gandhi Matritva Sahyog Yojana: (IGMSY)*

Under this scheme pregnant and lactating women 19 years and above for their first two live birth will get the direct cash transfer of rupees 4000/- in three installments. The scheme targeted to address short term income support objectives with long term objectives of behavior and attitudinal change.

IX. CONCLUSION:

Financial inclusion in India is an ignited issue involving the new concepts and ideology with considerable scope for the development of better products, technologies, and models. However, women empowerment through financial inclusion attracted the attention of researchers and policymakers but still, more research is needed to broaden the study of the scope of financial inclusion of women in India. Schemes under financial inclusion have been identified which plays an important role in empowering women.

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