



ADVANCING FINANCIAL EMPOWERMENT AND SUSTAINABILITY FOR WOMEN: CURRENT STATUS, ISSUES AND CHALLENGES

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Abstract: Financial empowerment of women has been recognized as a crucial step towards achieving gender equality and inclusive economic growth. Despite significant progress in recent years, women still face numerous challenges in their financial empowerment journey. In India, where gender inequality persists in various financial aspects of life, women's financial empowerment has emerged as a critical tool to address the same. The paper discusses the present state of women's financial empowerment and shed light on the obstacles that they face in attaining financial empowerment and financial independence. This study also explores the factors that contributes in the financial empowerment of women. The study's findings indicate positive evidence of increasing financial inclusion of women, yet they continue to face significant challenges in others dimensions of financial empowerment such as decision making, assets ownership, access to formal financial credit. The paper concludes by suggesting some measures that can be taken to further enhance women's financial empowerment for ensuring sustainable economic growth.

Keywords: - Financial Empowerment, Sustainability, gender equality and inclusive growth.

INTRODUCTION

The current economic landscape is characterized by high fluctuations in economic growth. According to World bank (2023) both global economy and India have witnessed substantial fluctuations in GDP growth rate over the last five years. These fluctuations emphasize the significance of redirecting our attention from mere growth to sustainable economic growth. Recognising this need, in 2015 United Nation Development Programme (UNDP) has set up 17 sustainable development goals to be achieved by 2030. These goals aim to promote balanced and sustainable economic growth that takes into account economic prosperity, environmental preservation and social well-being (Bayeh, 2016). These goals include a specific goal of gender equality (SDG 5) that serves as a foundation for all the others goals. Moreover, gender equality and women empowerment are widely recognized as a pre-requisite for the attainment of sustainable development. These are not only desirable goals but also essential tool for attaining prosperous, peaceful, sustainable and inclusive world.

The issue of gender equality and women's empowerment are of global priorities, particularly in developing countries where gender disparity are highly prevalent (Jayachandran, 2015). In India, despite the government aggressive efforts to alleviate inequalities, low empowerment of women & significant high gender gap continue to hinders the country's development (Sundar, 2017). Understanding of financial empowerment of women is one of the critical Concern of government as women struggles a lot to meet up with their financial necessity. Around 25% of girls aged 15 to 19 are not engaged in education, employment, or training which is approximately two and half times more than the corresponding figure for boys, where the proportion is around 10% (UNICEF, 2020). In terms of financial inclusion globally 13% of women are unbanked. In developing countries gender gap in account ownership still exists to 6%. In 2021 74% of men and 68% women in developing country had a bank account (Demirguc-Kunt et al., 2021).

The current status of financial empowerment of women in India is mixed. On the one hand, women are increasingly participating in workforce and gaining access to banking and financial institutions. On the other hand, there are still significant gender gap persist in terms of financial literacy, access to formal credit and ownership of assets and control over finance. The various cultural and social norms prevailing in the society pose a major challenge in achieving financial empowerment of women that limit their mobility, decision making power, and access to education and training. Additionally, women often face discrimination and biases when it comes to accessing financial services and also more vulnerable to economic shocks and poverty. To tackle these challenges, the Government of India has introduced numerous initiatives such as Beti Bachao Beti Padhao Scheme, the Pradhan Mantri Jan Dhan Yojana, and the Sukanya Sam Riddhi Yojana, Atal Pension Yojana, Start-up India Scheme aimed at promoting financial inclusion and empowerment of women. The main objective of this paper is to assess the current status of financial empowerment of women

The paper also highlights the challenges that women face in their financial empowerment and also provides recommendations to be taken to appraise the level of financial empowerment among women.

LITERATURE REVIEW

The review of literature establishes the foundation of research by providing an overview of related work.

Murugesan et al. (2022) highlights the role of financial inclusion in the financial empowerment of women. Results of the study confirms that financial inclusion positively affects the sustainable growth as well as having significant positive impact over their financial empowerment. The study of Soni & kumar Patel (2022) provides that income, saving, credit, investment, financial decision making and assets ownership are the factors that contributes to the women financial empowerment. The study of Khurshed (2022) identifying the impact of microfinance on women's empowerment specially in the context of financial and social empowerment in Pakistan. It highlights that loan decision making, utilization of loans, control over saving, ownership of assets are the important determinant for assessing the financial empowerment of women. Ali et al. (2021) focuses on the determinant of financial empowerment among women in Saudi Arabia, by particular emphasis on socio- economic factors such as financial literacy, financial socialisation, financial self-efficacy and financial copying behaviour that affect the financial empowerment among the women. This study proposes a conceptual model that considers that financial literacy is one of the key determinants of financial empowerment of women. Reed et al. (2021) identifies several factors that contribute to economic empowerment including financial decision making, access to spend money, financial literacy, financial inclusion, income, saving and economic position. Adero & Kariuki (2020) uses increase in saving, increase in investment, ownership of assets, & increase in self-employment as the determinants of financial empowerment. The study of Dalmas et al. (2018) analyses the influence of financial decision-making on financial empowerment of women, evaluating financial empowerment in term of financial security, financial independence, decision-making and asset ownership propose that availability of microfinance as a means of achieving financial empowerment. Weber & Ahmad (2015) provides that level of debt and decision regarding loan utilization are the critical indicators of financial empowerment. Result of the study provides that women in higher loan cycle are more financially empowered than women in first loan cycle and use of loan is a main crucial indicator of financial empowerment of women. On the basis of literature reviewed, income, financial literacy, access to financial products and services, ownership of assets, engagement in income generating activities, financial independence and financial decision making are the major determinants to access the financial empowerment of women.

CONCEPT OF FINANCIAL EMPOWERMENT OF WOMEN

Financial empowerment of women encompasses equipping women with the necessary knowledge, skill, resources and opportunity to exert control over their financial decision, achieve economic independence. it involves promoting financial inclusion, access to financial services, improving financial literacy and empowering women to male informed financial choice that positively impact their lives and contribute to the overall well-being.

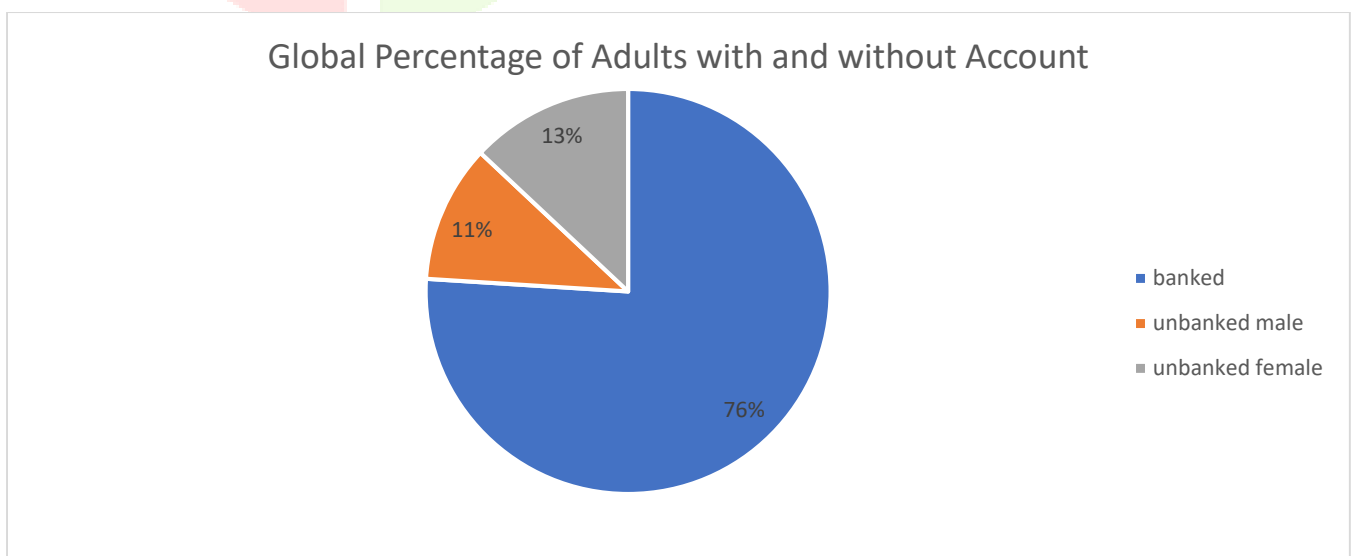
STATUS OF WOMEN'S FINANCIAL EMPOWERMENT

➤ Global Landscape

❖ Global Findex Survey

The World bank's Global Findex Database serves as a comprehensive collection of information concerning worldwide availability of financial services, encompassing areas such as payment, savings and loans (Demirguc-Kunt et al., 2021).

- In terms of financial inclusion, globally 13% of women and 11% of men are unbanked.



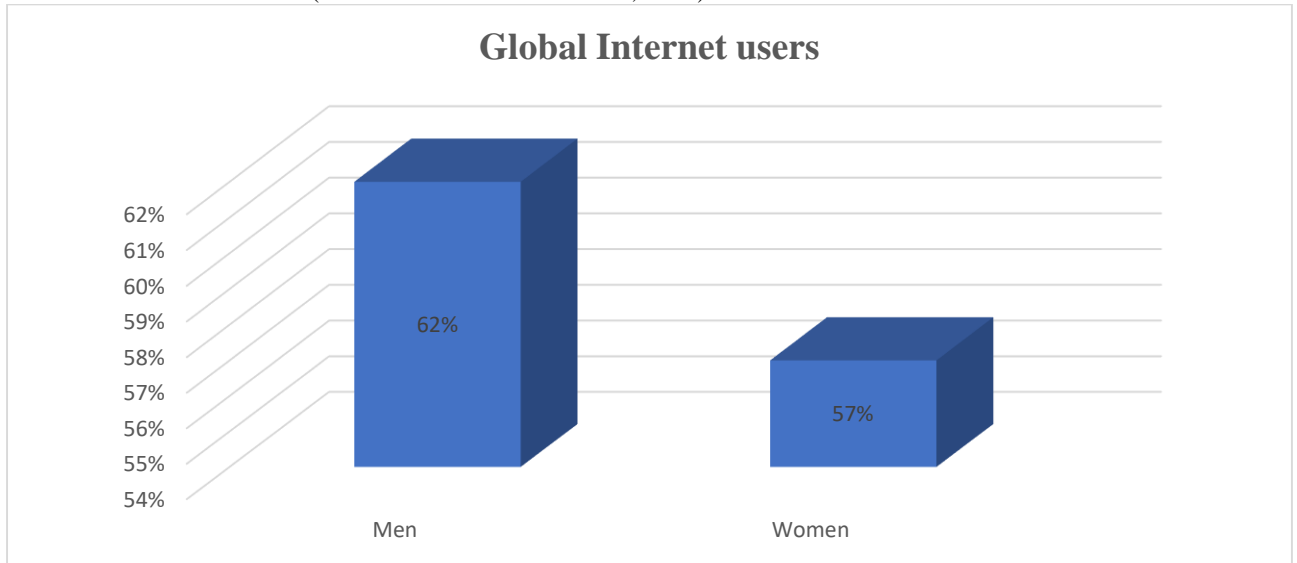
Source: - Global Findex Database, 2021

- In developing countries, gender gap in account ownership fell down to 6% points in 2021 from 9% points in 2011. But in the era of digitalisation still 6% points of gender gap exists in account ownership. In 2021, around 74% of men and 68% of women had a bank account.

❖ **International Telecom Union**

ITU is a specialized agency of United Nations that provide data on various aspects of ICT, including internet usage statistics, telecommunication infrastructure and digital connectivity.

- According to the latest data of International Telecom Union, the global internet usage rate stands for 57% for women, while men account for 62% of internet users. In relative terms, indicating that there is an 5% difference in internet usage between men and women worldwide (*International Telecom Union, 2022*).



Source: - International Telecom Union, 2022

❖ **International Labour Organization**

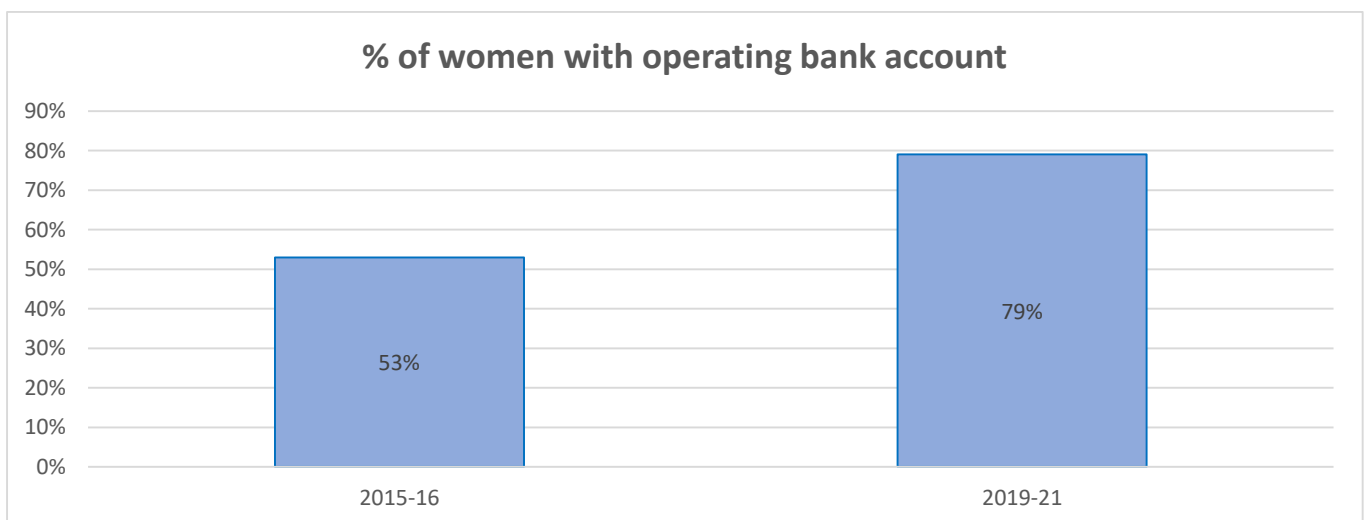
- The labour force participation rate for women aged between 25 to 44 is 63%, while it is around 94% for men. While, considering the younger (up to the age of 15 years) and older women (aged 55 and more) the global labour force participation rate for women in 2018 was lower at 48.5% which is 26.5 percentage lower than that of men.
- The gender wage gap is estimated to be approx. 20%, indicating that women earn around 80% of what men earn (*International Labour Organization, 2018*).

➤ **Indian Landscape**

❖ **National Family Health Survey 2019-21**

The latest round of National Family Health Survey NFHS-5 (2019-21) provides following indicators related to women’s access to financial resources (*Ministry of Health and Family Welfare, 2021*).

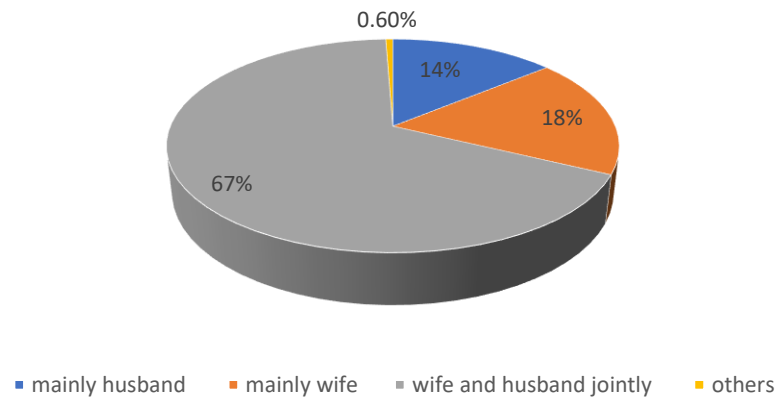
- In India, only 32% of married women aged between 15-49 are employed, whereas it is 98% for men in the same age group. Among the employed married women, 83% earn cash as payment for their work, while 15% do not receive any payment. The 83% of employed married women earn cash for their work demonstrate that significant portion of them are involved in some form of economic activities. However, the 15% who do not receive any payment may be indicate unpaid work at home.
- The percentage of women with operating bank account in India has shown a significant increase from 53% in NFHS (NFHS-4) to approximately 79% in latest National Family Health survey (NFHS-5).



Source: - National Family Health Survey, 2015-16 and 2019-21

- Women's access to credit still remains low, even as awareness about microcredit programmes increase from 41% in NFHS-4 to 51% in NFHS-5. currently, only 11% women have ever taken a microcredit loan.
- Only around 18% of married women having earning exercised full autonomy in making financial decisions on how to spend their money, while the majority of 67%, made decisions jointly with their spouses.

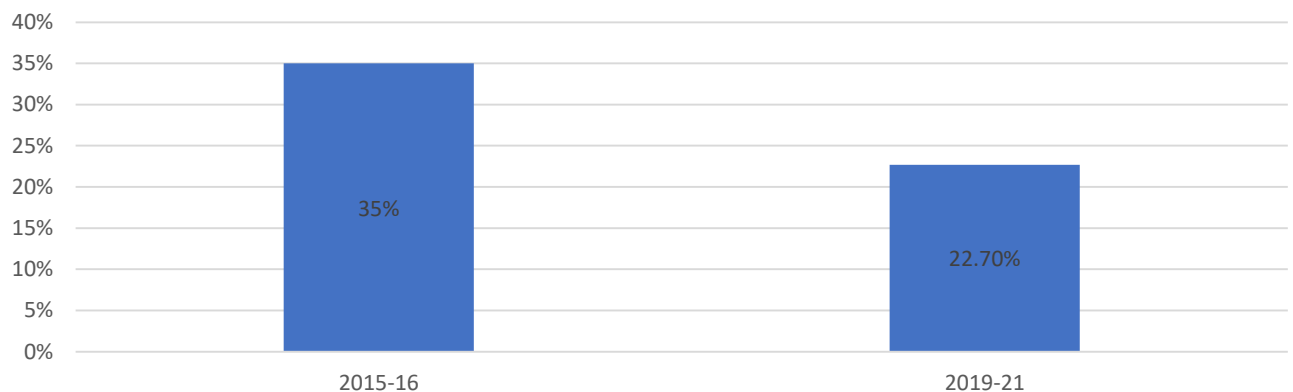
Earning control over women



Source: - National Family Health Survey, 2019-21

- The digital gender gap continues to persist, encompassing access and literacy. Among women, only 53.9% possess mobile phone that they personally use and among them around only 71% of women can read text messages. However, merely 22.5% of women with mobile phones utilize these for financial transactions.
- The percentage of women with registered ownership of property witnessed a decline from approximately 35% in 2015-16 to 22.7% in 2019-21.

% of Women with registered ownership of Property



Source: - National Family Health Survey, 2015-16 and 2019-21

CHALLENGES FACED BY WOMEN IN THEIR FINANCIAL EMPOWERMENT

Based on extensive review of literature, the following challenges related to women's financial empowerment have come to the light.

Income inequality

Average pay of women is lower than the men and they also face inequality in asset ownership and financial decision making (André & Bourrousse, 2017). The gender pay gap not only restricts women's earning potential but also limits their ability to accumulate wealth, save for future and invest in their own financial well-being and became obstacle in their path of being financial empowered.

Lack of access to formal credit & financial services

Due to the lack of proper collateral security to secure loans women often face limited access to formal credit & financial services (Niethammer et al., 2007). The absence of proper collateral security restricts women's ability borrow money from formal lenders, such as banks & micro finance institutions. Due to the absence of formal credit options, women may turn to informal sources of credit, such as local money lenders. These local money lenders engage in various discriminatory practices towards women such as

charging higher interest rates as compared to their male counterparts, even if they have similar creditworthiness & offered lower loan amount as compared to male borrower, as they consider women as highly risk borrowers.

Various Cultural & legal barriers

In some societies, women are not allowed to own property or have limited legal rights to inheritance, making it difficult to build wealth or secure their financial future (Sutha, 2016). This increases their dependence on the male counterparts and limits their access to financial resources.

Limited financial literacy

Women may not have access to the same financial education & resources as men, making it harder to make informed decisions about their finances

Lack of confidence

Women may not feel as confident as men in their financial ability, which can hold them back from risk taking & pursuing opportunities to grow their wealth (Fachrudin et al., 2018). It limits their participation in managing finances resources. This lack of involvement can lead to increase their dependence on others and hinders their financial independence.

Time constraints

Women bear a substantial burden of unpaid work within their households, devoting a significant amount of time and effort to various activities such as child care, housekeeping and caregiving for elderly family members. Around the world, on an average woman spends two to ten times more of their time in unpaid care work at home as compared to their male counterparts (Ferrant et al., 2014). It also indicates that time devoted by women in unpaid care work is negatively correlated with their labour force participation. This extensive engagement in unpaid work hampers their ability to achieve financial empowerment. By allocating a considerable portion of their time to domestic responsibility, women often face limitation in pursuing education, professional development and limit their ability to work outside the home.

These facts collectively represent the challenging condition of women, which acts as an obstacle to the country's growth & development. This emphasizes the urgent need to prioritize the financial empowerment of women by government. Financial empowerment of women is of great importance as it can help in reducing poverty, promoting gender equality and improving the overall economic growth of the country.

RECOMMENDATIONS TO APPRAISE FINANCIAL EMPOWERMENT AMONG WOMEN

Global Gender Gap report (2022) ranked India at 135 out of 146 countries with a score of 0.629 out of 1 in term of gender equality. It represents a challenging condition of India in terms of gender equality. India's position in achieving gender equality is incredibly challenging, as it ranks lower than other underdeveloped countries like Nepal, Bhutan and Bangladesh. Taking into account the aforementioned challenges that women face in achieving financial empowerment, the following recommendations can be made to enhance women's access to financial products and services.

Implementation of Gender-Sensitive Policies

Financial empowerment among women can be enhanced by developing and promoting gender-sensitive policies that prioritize women's financial inclusion and empowerment. These policies should address the issues and barriers faced by women in accessing financial services, promote equal opportunities for women in workforce and encourage women participation in economic activities.

Financial education initiatives

By the means of allocating resources, to create and implement financial education initiatives that specially targets the women. These initiatives should provide accessible financial literacy programs, workshops and resources to enhance women's knowledge and skills in accessing and managing the financial resources.

Enhanced digital financial inclusion

More emphasis should be given on promoting digital financial inclusion in order to overcome barriers such as geographical limitations and time constraints. Encourage women's access to mobile banking, digital wallets, technology-based solution to make financial products and services more easily accessible to women, particularly in unserved areas.

Enhance Access to Financial Services

Work towards improving women's access to formal financial services by promoting the establishment of women-friendly banking and microfinance institutions. Encouraging the development of innovative and inclusive formal products and services that caters women's needs, including saving accounts, affordable loans, insurance and investment options.

Collaboration with Financial Institution

Collaborate with financial institutions to encourage them to adopt inclusive practices that benefit women. Promote partnership between government and financial institutions to develop and deliver financial products and services specially designed to meet the needs the women.

Improve access to credit

Take measures to improve women's access to formal credit by advocating for alternative credit assessment models, collateral requirements and loan guarantee schemes that address the challenges and barriers faced by women. Encourage financial institutions to provide fair and equitable credit opportunities for women entrepreneur and individuals. More steps should be taken to enhance the awareness about micro-finance initiative's taken by the government.

CONCLUSION

In conclusion, financial empowerment and women and sustainability is a critical area that requires attention and action. While progress has been made in increasing women's access to banking and financial services, it is important to recognize that mere financial inclusion is not sufficient for achieving true financial empowerment. It involves equipping women with necessary knowledge, skill and resources necessary to make informed financial decisions, control over finance and achieving long term financial security. The present status of women indicates a lack of control of women over earning and limited access to formal financial credit and financial literacy. To address these challenges and promoting financial empowerment, it is essential to implement gender-responsive policies, and initiative that focuses on promoting women's access to financial products and services such as loan, insurance and various other financial products. Additionally, more efforts should be made to improve the level of financial literacy among women and providing them necessary financial tools to navigate the financial landscape confidently.

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