

Financial Inclusion and Gender Empowerment (With Special Reference to Eastern Rural Region of Haryana)

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Abstract: Gender parity has emerged as one of the most vital concern of the 21st century. A recent report by the United Nations titled, 'Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development', said that achievement of Sustainable Development Goals (SDGs) could be difficult without gender equality and women's empowerment. In fact, development in any sphere would be incomplete without equitable participation and contribution of women. This time theme for international women day celebration is balance for better. Therefore, this paper is based on attainment the goal of gender parity through financial inclusion because Financial literacy can empower women to develop a financial identity even with their household savings, and help them to get access to formal credit for gainful occupation, giving them economic freedom and power.

Keywords: Micro Credit, Financial inclusion, SDG and Gender gap, Gender empowerment.

1. Introduction

In India where women constitute 46% of total population and majority of them are deprived from opportunities and rights due to their financial dependence. Therefore, this study is an attempt to know the status of women in India as well as Haryana and initiatives taken so far to bring the half population in mainstreaming.

It is indeed difficult to gauge an equal world without empowering women with equal social and economic opportunities. It is fact that empowerment is a holistic concept that requires targeted interventions across multiple action areas. However, including women in the financial mainstream and making them financially literate are among the most important action areas. Financial Inclusion is one of the most effective accelerators of economic participation by women; it is therefore important to design products that help women overcome barriers to access and inclusion.

A. Why focus on Gender Empowerment

According to Global Gender Gap Report 2018, the world has closed 68% of gender gap, as measures across four key pillar: economic opportunity, political empowerment, education attainment, and health and survival. Specifically, Indian context, among the total 142 countries India is at 108th place while Bangladesh at 48 and Srilanka at 100th and Nepal at

105th Place in global ranking for Gender gap. The need of the hour is that half population of India could not able to explore the opportunities and their legitimate rights due to lack of awareness, man dominated society and social and cultural boundaries. Financial dependence and education is most significant tool for receiving the target of gender empowerment. Statistics below is showing the demographic profiling of India as well as Haryana. It also indicates the picture of gender gap and focus on that there is a need to take initiatives for women welfare.

Table 1
 Census report 2011

		India	Haryana
Population	Total	1,210,854,977	25,351,462
	Males	623,724,568	13,494,734
	Females	586,469,294	11,856,728
Literacy	Total	74%	75.5%
	Males	82.10%	85.6
	Females	65.50%	66.8
Sex ratio	per 1000 males	940 females	879 females
Child sex ratio (0-6 age group)	per 1000 males	914	830

Source: Census report 2011

A recent report by the United Nations titled, 'Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development', said that achievement of Sustainable Development Goals (SDGs) could be difficult without gender equality and women's empowerment. In fact, development in any sphere would be incomplete without equitable participation and contribution of women.

Financial Inclusion is much needed for women as it helps in enhancing the amount of regular saving along with enabling women to pay for micro insurance and obtain micro credit. Under the Pradhan Mantri Jan Dhan Yojana (PMJDY), India is working on comprehensive financial inclusion of all the households in the country. Of the 31.48 crore beneficiaries banked as on April 18, 2018, more than half (16.62 crore) are women. According to the World Bank's Global Findex Database 2017, in developing economies female account owners are, on average, five percentage points more likely than male account owners to have an inactive account. In India, however, this gender gap is about twice as large, says the report,

adding that 54 percent of women with an account made no deposit or withdrawal in a year as compared to 43 percent of men.

There are varied reasons for low financial inclusion and literacy among women. A majority of the women in India, especially in rural areas, are homemakers, which is a full-time job with no payment. Lower participation in workforce and wide gender pay gap are other constraints. As per the National Sample Survey 2011-2012, the Workforce Participation Rate at an all-India level is 25.51 percent for females as against 53.26 percent for males. The survey also found that irrespective of education level and residence (rural/urban), the average per day wage/salary earned by a female is less than that earned by a male.

B. Role of financial Inclusion in Gender Empowerment

India needs to sustain this momentum to transform into a completely financially inclusive economy. Otherwise, despite being linked to bank accounts, the rural and the excluded population will not be able to avail full advantage of financial inclusion. Building and enhancing financial literacy of the population, especially women, is imperative to sustain financial inclusion while ensuring women's empowerment. This results in weak economic and decision-making power for them within the household. Usually, women in the rural areas do not possess any assets other than gold. Land and other assets are hardly bought in their name. Absence of assets leaves women with fewer opportunities to avail institutional credit.

This huge lacuna, however, also provides an opportunity to change the narrative. For this, women need to be educated on the importance of institutional savings, avenues of subsidiary income and ways to avail institutional credit for micro activities. Financial literacy can empower women to develop a financial identity even with their small and micro household savings, and help them to get access to formal credit for gainful occupation giving them economic freedom and power. Financial literacy can motivate women generating sustainable income through micro activities to wholeheartedly use financial systems and institutions and slowly create a ground for their graduation to higher income opportunities. Embedding financial literacy in programmes where women have significant representation could be a good starting point. For instance, the Self Help Group-Bank Linkage Programme (SHG-BLP) programme, which is the largest microfinance programme in the world in terms of client base and outreach, provides SHGs access to institutional lending. More than 86 percent of the groups under this programme comprise exclusively of women.

2. Objectives of the study

The study is intended to achieve the following objectives:

- To know the present status of financial inclusion as well its impact on gender empowerment.
- To check the status of financial gender empowerment within the families in rural areas of Haryana.

- To give suggestions and recommendations to the regulators/policy makers on financial inclusion in respect of rural areas of Haryana.

3. Research design

Basically, it's a Descriptive study based on both primary and secondary data, Primary data is collected through a well-structured questionnaire from Delhi surrounding rural region and secondary data from different websites. Sample for collecting primary data is taken on the basis of judgmental sampling. eastern region of Haryana –Mewat, Faridabad and Gurugram are selected for survey due to more vulnerable status of women in these districts. Out of the 300 respondents were approached but only 260 people have provided adequate information which was required for survey from which 220 were female and 40 were male of different age group and having annual income less than one lakh/lower income segment

A. Significance of the study

The study would be important from the following aspects: By assessing the gender empowerment of women within the families' necessary educational programs / empowerment programs may be undertaken by the government and the NGOs. It could be useful for the policy makers and regulators for planning purposes in respect of rural areas: India's Ranking in WEF Report on Gender Equality While India is ranked an impressive 15th out of 144 countries in political empowerment; it is ranked 112th for education and 141st for health and survival. The economic participation ranking is 142th out of 149 with a 66 percent gender gap. When examining the indicators used to measure economic participation, India's women are significantly behind in labour force participation (65 percent gap) and earned income (77 percent gap). There is also an 85 percent gap between women and men serving as legislators, senior officials and managers. India's economic growth is hindered by the inefficiencies and lost opportunities underlying this gap, as global research is revealing; WEF says, closing the economic participation gaps in the US (24 percent) and Japan (45 percent) could add an additional USD 1,750 billion and USD 550 billion, respectively, to the GDP of these countries.

B. The Essential Role of Financial Inclusion

One of the most effective accelerators of economic participation is financial inclusion, particularly in our country, which had large gender gap in bank account ownership. Women make up almost half of the 1.3 billion Indian population, a majority of whom live on under USD 4 a day. There remains a 6 percent gender gap in bank account ownership (according to the 2017 Global Findex). A UN research showed that more women than men in India belong to informal savings groups (not linked to a bank), demonstrating the great value that women place on setting money aside.2.14.3 The Power Of Digital In Enabling Inclusion Digital technology presents powerful opportunities to close the overall financial inclusion

gap. Aadhar biometric identification system represents a significant accelerator for inclusion. Lower costs of mobile phones and the explosion of financial technology companies are also opening new paths to bring people into the formal financial sector.

We also need to innovate and use technology to deepen financial literacy amongst women. Physical distance from the financial literacy contact centres and trainers and the socio-cultural contexts are major impediments in extending financial literacy to women. Therefore, there is a need to use interfaces that allow women to access financial literacy easily, conveniently and without disturbing their contexts. India has witnessed revolutionary penetration of mobile phones even in the hinterlands. We need to ensure that every woman who owns a mobile phone or has access to one is able to use it for educating themselves and managing their own finances. India will truly become Digital India when every woman has access to mobile devices and is able to use these channels for their own empowerment and gaining economic Agent-based branchless banking in India is not new and has been around for over a decade. Given that there are over 650,000 villages in India and that less than 10 percent of villages have bank branches, an ICT-enabled alternate channel is now a dire necessity to enable greater financial inclusion. This agenda got a further boost when the Government of India launched the Pradhan Mantri Jan Dhan Yojana (PMJDY) in 2014 to boost financial inclusion. To date, over 310 million PMJDY bank accounts (basic savings bank accounts) have been opened with 53 percent of these accounts now being held by women.

It is estimated that about 126,000 BC agents currently operate in Indian villages of whom only about 10-12 percent are women. Encouraging rural populations especially women, to participate formally in the financial system continues to be a challenge not just in India, but globally, as most village level transactions still happen in cash. India has some special challenges. Social barriers such as caste, low literacy levels, and low mobility of women do not encourage poor rural women to engage with the formal financial system. Given these constraints, it has indeed been a daunting task to engage women as BC agents on the supply side and simultaneously encourage the use of bank accounts by rural women on the demand side.

A pilot initiative supported under NRLP is now exploring different pathways of improving formal financial access for rural women-headed households in partnership with various financial institutions (both public and private) including non-bank financial institutions like m-pesa & Oxigen. Tapping the 45 million strong network of women Self-Help Group (SHG) members under NRLM, various states are identifying and training eligible members as BC agents in association with partner banks. Apart from investments in hardware and in training, BC agents are also trained to service transactions of SHGs and their members.

Since June 2017 under this initiative over 1500 SHG members have started their entrepreneurial journeys as BC

agents of partner banks across six low-income states including Bihar, Jharkhand, Madhya Pradesh, Odisha, Rajasthan and Chattisgarh. In Feb 2018 alone these BC agents, locally known as “bank sakhis” (bank friends) collectively did over 260,000 transactions worth over INR 640 million (approx.USD 10M).

The growth in female rural BC agents is encouraging earlier under banked women to use their bank accounts meaningfully which progressively, is also helping them create their own credit history and access other financial services. Such initiatives are not only improving usage of bank accounts by women but are helping in improving loan repayment rates due to improved access to banks. For now, bankers are also happy as this is migrating low value transactions to a low-cost ICT-enabled channel and reducing attrition amongst BC agents. Emerging lessons from this pilot have important implications for rural financial inclusion globally. Training and empowering women as BC agents may be a very effective way to reach the under banked clientele of rural women.

Indian economy has shown impressive growth during post liberalization era of 1991, impact is yet to percolate to all sections of the society. Census, 2011 estimates that only 58.7% of the households have access to banking services. According to World Bank Findex Survey (2012), only 35% of Indian adults had access to a formal bank account and 8% borrowed from a formal financial institution in last 12 months. The miniscule number suggested an urgent need to further push the financial inclusion agenda to ensure that people at the bottom of the pyramid join the main stream of the formal financial system. The banking network of the country as on 31.03.2014 comprised of a bank branch network of 1, 15,082 and an ATM network of 1, 60,055. Of these, 43,962 branches (38.2%) and 23,334 1 ATMs (14.58%) were in rural areas.

In Rural area main occupation of the villagers is farming. Some villagers are without land so they are engaged in small jobs while some people are unemployed or some are engaged under disguised unemployment.

There is shortage of water for irrigation and drinking purposes. Farming mainly depends upon rainfall. So, there is a risk of crop failure. A large portion of people are below poverty line. The education level is low as villagers do not have easy access to good schools available in towns. In village schools there is generally shortage of teachers. Further, all schools in the villages are not up to 12th class. Many villages have school upto primary level while some have schools up to 10th standard. Many children especially girls who do not have schools in their villages up to class 12 are not able to go to other villages/towns for higher classes due to various constraints like safety, long distance, conveyance etc. Earlier, the financial inclusion level in the people of rural areas was almost negligible. Many people were not aware of the banking services and products. The government undertook a national mission on financial inclusion through Pradhan Mantri Jan Dhan Yojana in 2014 for the poor and unbanked people. So, there is a need to assess the level of financial inclusion achievement in rural areas through Pradhan

Mantri Jan Dhan Yojana. Hence the study intends to conduct a survey on the extent of financial inclusion achieved in rural areas especially among economically weaker population.

However, while effective in closing the financial inclusion gap, they can actually widen the financial inclusion gender gap. Mobile technology is extensively used in banking services. However, only 44 percent of women in India own phones and less than 2 percent have mobile accounts. So rather than serving as a fast track to financial inclusion for everyone, digital banking can actually be widening the divide between men and women if proper banking services awareness drive is not carried out for women. Design for Women, Create The Demand While the Global Gender Gap Report results may seem like a dismal report card for India, the gap represents a significant opportunity for financial service providers. India's unbanked women remain one of the largest untapped markets in the world. With low-income women in India regularly borrowing and saving through informal means, demand can be created for formal products that can provide more secure and effective financial tools. As a start, financial service providers must approach women as individual clients with complex financial needs, instead of focusing on them through the more limited lens of microcredit, group loans or payment platforms.

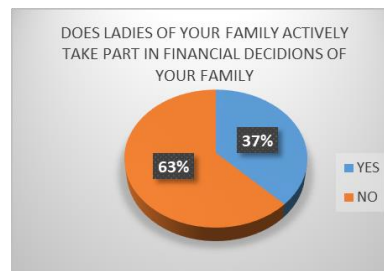
Mobility issues of unbanked women in rural areas are a significant barrier. Women are often unable to travel to bank branches because they are busy in childcare and it may be culturally inappropriate or unsafe to travel alone. 69 percent of Indian women live in rural areas. Detailed analysis of the data collected question wise are given in succeeding paragraphs. The data has been taken in the form of individual details and questions. About 300 persons were contacted. However only 160 persons have responded. People of rural area were reluctant to give the information. Some people looked at the questions with suspicion while few were arrogant, questioned the purpose of the research and blamed the corruption in the system for various issues and problems. However, the people who responded to the questions were cooperative after the questions were explained to them and were briefly educated on the same. The profile of the people who responded to the questions is given below: According to the data more than 93% of the respondents are from rural areas and only small portion and rest are from urban and semi urban areas. This indicates about the dependence of large mass on villages and rural areas.

4. Analyses and Interpretation

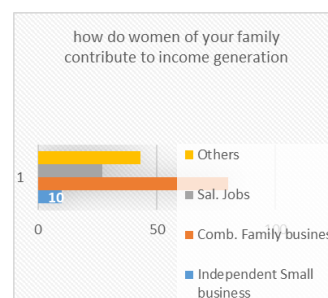
About 69% respondents are using debit card, it means they are aware about the banking facilities.

About 37% of families of Mewat area do not involve women of their families in their financial decision. These women are not financially empowered within their families. The reason could be anything like illiteracy/ less education among women of family, old medieval aged traditions, etc. These women are financially excluded from the financial decision of their families. Government should take necessary steps to improve

the condition of such women. It could be achieved, through proper education of girls, awareness and literacy programmes for women and urging people to leave the medieval aged traditions by which women feel suppressed. Development of women would lead to better development of their children and over all development of the family.



Out of the families where women are involved in financial decision of the families, 59% are such families where all ladies are involved. Such situation is a case ideal gender empowerment within the family. Government may look into the matter to improve social fabrics of the families.



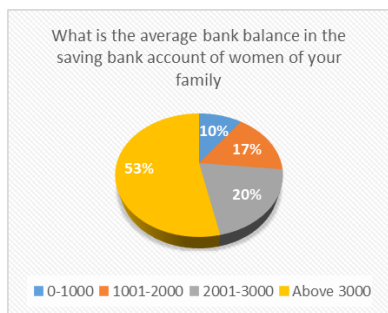
50 %of women are involved in combined family business. And only 5%of women either involved independent Small business and 18% are engaged in salaried job. Women are not involved in economic activity/income generation. In these families, women are only involved in house hold activities. To empower the women, government should increase the job opportunities/create conducive business environment for women.



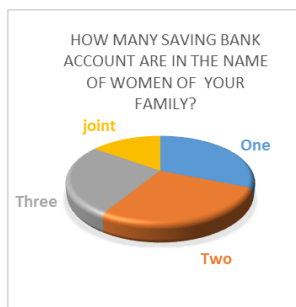
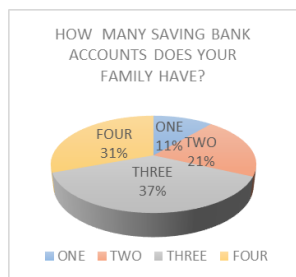
As per the data collected for measuring the women empowerment in regard of financial inclusion , it is found out

that 60 %of respondents are of the opinion that women contribution in family income is nominal(i.e. 0-25%),likewise 18% responses indicate that women contribute in family income upto 50% or less than 50%It is a fact that in composition of men and women are utmost equal while we discuss the financial inclusion and women empowerment, it can be easily said that how much equal half (women) is financially empowered.

As per sample responses on awareness about toll free number of state level banking committee or Indian bank association. It revel’s that only 37% people are somewhat aware about this number and even sometime awareness is limited to only that one number is there but what number is they don’t know.



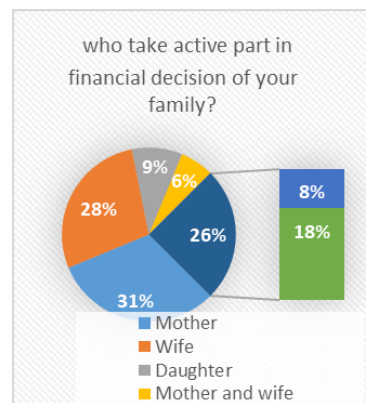
56% of the women have Rs 1000 or less than that in their saving bank account it includes zero balance in their bank accounts. Its shows the economic. Empowerment/condition of the women. Income generation opportunities for women would improve their financial condition. Then, they would be able to save more and it would improve economic conditions of women of poor families/rural areas.



The above survey reveals that among the total of 160 respondents 37% have three bank accounts and 21% even have

four bank accounts that is mere due for taking benefits of government schemes not for saving and deposit. But rest 42 % have one or two bank accounts.

40% of the families have one bank account in the name of a woman of the family and 2% have one joint account. While 20% of the families do not have any bank accounts in the name of the women. Others have more than one account. Under certain welfare schemes for women, Government gives benefits to eligible women through Direct Benefit Transfer (DBT) mode of payment. Eligible women who do not have bank account may find it difficult to avail such facility. Therefore, government should educate women to open accounts under PM Jan Dhan Yojna. Examples of women welfare scheme where DBT mode of payment is made is Janni Suraksha Yojna (in certain districts). Under Ujjwala Yojna LPG gas connection would be given to women in BPL category. Gas subsidy would be given into the bank accounts of these women account holder. Therefore, to avail benefit under certain welfare schemes for women, the account should be opened in the name of women.



The figure is showing that in rural areas daughter of family get least chance to take part in financial decision (9%) while wife at second place and mother are at top who actively participate in financial decision making. It is matter of concern here that overall participation of women in financial decision making is only 18% of which 8% are mother.

5. Conclusion & Recommendations

Government should organize a massive campaign for social and financial awareness and empowerment of women. This is required because in 21% families, women are not involved in any financial decision. It could be due to social suppression or illiteracy. With social barriers and illiteracy, gender empowerment is not possible. Government may also engage NGOs this purpose because they actually deal with them at grassroots level and understand their requirement in actual sense. Women of 20% families who do not have bank accounts should be educated to open the bank accounts at the earliest. Because, if these women do not open their bank accounts then they may not be able to receive certain government subsidies meant for women through Direct Benefit Transfer scheme.

Financial independence is the strong tool of women empowerment. Government should not only focus on creating more job/business opportunities but also create a conducive environment for women of rural because of they are not empowered financially. It is evident from the balance in their bank accounts. 56% of the women having accounts have Rs 0 to Rs 1000 in their accounts. Women's contribution towards income generation can be increased if jobs and business opportunities are conducive to working of women. Their jobs have to be created in villages and not in faraway towns / cities where women would find it difficult to travel. Women's other commitments like towards children should be kept in mind for creation of jobs / business opportunities for them. As per records, Majority of women do not contribute to income generation or having nominal contribution in total family income. To make them more empowered this percentage should go up and for this jobs / business through skill development suited for women need to be created.

Many families do not have LPG connections. Majority of families either do not have LPG connection or even those who have not using it regularly due to economic and other issues. Women of these families are subjected to smoke which seriously affect their health. These families should be provided LPG at the earliest. Therefore, mindset need to be changed and Govt. Should subsidize the price of cylinder for economically backward class.

At many places / villages, the girl child is not given education above fifth class due to their culture and household chores because it is a mindset that girls and women are predestined for taking care of household chores and rearing of children as per society norms. People must be educated and convinced to provide education to their girls at least up to class 12 and even beyond that.

All village schools should be upgraded till 12th class so that girls can get education in their respective villages up to 12th class. Adequate teachers should be posted to these schools as without teacher's education is not possible. Therefore, it is essential to provide independence through providing and creating livelihood opportunities for women at grassroots and financial literacy for their financial independence. Both of these initiatives pave the path of women empowerment and gender equality.

Generally, while we discuss about gender empowerment, it is suggested to provide equity to all but here the concern is slightly different because women in Indian society are suppressed in man dominated society. Therefore, need of hour for gender empowerment means those steps should be taken for bringing equality for example if job opportunity for both men and women and equal but for women, it also requires in addition to job i.e. Washroom and crèche facilities, Security, maternity benefit, and other facilities which will provide balanced platform for women to go ahead and get empowered. On the whole, it can be said that 3 C's are very important to change the picture i.e choice, chance and change, efforts could be done for providing such environment to women for making choice and take chance them definitely there will be change.

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