

***A STUDY ON THE IMPORTANCE OF FINANCIAL INCLUSION FOR
GROWTH AND DEVELOPMENT OF WOMEN***

By Kulvinder Kaur Batth And James Jacob

Abstract:

Financial literacy will be a strong tool for women empowerment. Gender inequality and lack of access to financial services will hinder the overall growth and development story. The research paper presents insights about the need for financial literacy and financial Inclusion. It provides an understanding about the correlation and impact of financial literacy and Financial Inclusion on the Human Rights of Women. Financial literacy will make them more aware and informed about their rights and duties. Financial exposure will give birth to financial inclusion. The empowerment of women will also provide more contribution from the women in the economic, social and political spheres, thus widening the horizon of India's success story. The paper incorporates the future of financial empowerment, leading to women more socially, economically, and politically empowered.

Keywords: Micro credit, Financial Inclusion, Financial Literacy etc.

Introduction

Financial inclusion defines and discusses the inclusion and adoption of all the people under its ambit. The present government's initiatives focusing on the financial and insurance schemes at the minimum cost and with easier access aims to cover each and every individual in the nation in the financial map of the country. The goals and objectives also dream of providing financial independence and self-reliance in the times of need.

The important initiatives include Pradhan Mantri Jeevan Bima Yojana, Pradhan Mantri Suraksha Bima Yojana, Atal Pension Yojana, Sukanya Samruddhi Account for the girl child and Pradhan Mantri Jan Dhan Yojana¹. All the above initiatives foster to achieve one common goal and that is Financial Inclusion. To cover the untouched and unaccessed sections of the society which are far away from the benefits of the financial gains. An important goal also tries to protect the rural villagers, farmers residing at the countryside from the atrocities and fables of the unorganized sectors who have been taking advantage of their needs, illiteracy and conditions.

“Discrimination against any group of human beings is wrong, not because it hurts that particular group but because, in the final analysis the fact of its existence hurts all groups of society.”- Minerva Bernardino²

Empowering Women through Financial Inclusion

The financial education, knowledge, awareness and services will increase their bargaining power, making them self-sufficient and lead them to live a life much more dignified and with immense pride. The number of programs and policy initiatives like Micro finance, financial

¹ Pradhan Mantri Jeevan Bima Yojana is life insurance plan , Pradhan Mantri Suraksha Bima Yojana provides accidental insurance cover, Atal Pension Yojana is a pension plan and the most importantly the foundation of all of above Pradhan Mantri Jan Dhan Yojana ensures bank accounts for all the citizens to providing them with banking services with zero balance.

² Minerva Bernardino, Dominican Feminist and public servant who in 1945 was one of only four women signers of the UN Charter and went on to be driving force behind the founding of the UN Commission on the Status of Women.

institutions, and women oriented schemes has been launched, targeted at upliftment and improvement in their present status.

My notion of democracy is that under it, the weakest should have the same opportunity as the strongest. - Mahatma Gandhi

There have been a large number of efforts instituted by the Government of India to provide assistance in food, education and pension plans. Sukanya Samruddhi Account aims to provide financial security to girls through the contribution of their fosters. The fact remains that despite such efforts and initiatives there are large number of communities and women who have been left without them.

Micro credit-Case Study on Chittagong District, Bangladesh

The most important and the sensitive role played by the Micro finance institutions have been to empower the poor, the true beneficiaries more than helping the poor. After 30 glorious years of micro finance, Mohammed Yunus and Grameen³ Bank received the Nobel Peace Prize in 2006.

“Maybe our great-grandchildren will go to museums to see what poverty was like”.- Mohammed Yunus⁴

A time when loans to poor without any financial security were considered impossible, Micro finance came with the goal of poverty alleviation. The inner demand and desire fuelled with the institution of right to credit a fundamental right among the other human rights. In Grameen bank only a women is eligible for loans. The idea to create self sufficient women, to develop and build the entrepreneur hidden in them leading to empowered women.

Self Help Groups and Banks linkage Model

³ Grameen Bank was launched in 1976, when Professor Muhammed Yunus initiated an action research project to examine the possibility of designing a credit delivery system to provide banking services targeted at the rural poor.

⁴ Professor Muhammed Yunus established the Grameen bank in Bangladesh in 1983, fuelled by the belief that credit is a human right. In 2006, Muhammed Yunus and Grameen Bank jointly received The Nobel Peace Prize.

Financial empowerment has laid a path towards increased self-esteem and confidence to the women.

The Self Help Groups (SHGs) are groups of twenty members. Self Help groups are also based on micro credit fundamentals. Self Help groups have played very active roles in the growth and development of women. The financial assistance through these groups have achieved poverty alleviation, income, smoother financial condition etc. the financial strength have led to providing more authority to women giving them more control over their financial situation, assets, consumption, spending, investment patterns, loans and overall financial decision making.

Financial Inclusion, Financial Literacy and Human Rights of Women

Financial literacy will provide knowledge about the investments, savings, financial growth and futuristic planning for women to live dignified lives independently. To achieve the objective of financial literacy to all the women in the country, FSDC (Financial Stability and Development Council) have initiated The National Strategy for Financial Education (NSFE).

Financial Inclusion of women is essential prerequisite for poverty alleviation, upholding human rights and for sustainable development. Assam Human Development Report(2003). When the women's take control of financial decision making that the real empowerment will take place.

The purpose of NSFE is to create awareness and educate consumers to be able to access the financial services through involvement of central, state bodies, NGO's, including the regulators.

Table: Loan and deposit accounts per 10,000 persons, for women and men

Year	Loan accounts per 10,000 persons		Deposit accounts per 10,000 persons	
	Women	Men	Women	Men
2001	2	19	2149	5731
	(11)		(37)	
2007	21	118	2123	5858

	(18)		(36)	
Source: Reserve Bank of India, Basic Statistical Returns, various issues.				

Conclusion

The disparity in terms of deposits was little less but it still reflected the wide gap that prevailed in the financial inclusion of women vis-à-vis men. There is a dire need for government intervention for the initiation and implementation of various schemes. Financial literacy, financial inclusion will lead to empowerment. The financial empowerment will give way to social, economic and political empowerment contributing towards national growth and development.

Micro finance is primarily driven towards women, the coverage of women under the existing banking network can also be an indicator of the spread of micro finance. Though there are about 93 women per 100 men in India, there were only 21 loan accounts per 10,000 women as compared to 118 loan accounts per 10,000 men in the country. Further, on an average, the amount of bank credit outstanding per woman worked out to Rs. 20 for Rs. 100 outstanding per man.

References

- ✚ Chavan. Pallavi, Birajdar. Bhaskar, (2006), Micro finance and financial inclusion of Women: An Evaluation; Reserve Bank of India.
- ✚ Deka. Pratisha. Padamsri, (2015), Financial Literacy and Financial Inclusion for women empowerment, International Journal of Applied Research.
- ✚ Desai. Vasant. (1991), Fundamentals of Rural Development: A Systems Approach, Himalaya Publishing House, Mumbai.
- ✚ Forbes. Geraldine, 1998, Women in Modern India, Cambridge University Press, New Delhi.
- ✚ Ghadially. Rehana, 2007, Urban Women in Contemporary India, Sage Publications, New Delhi.

- ✚ Ghosh. Saikat, 2014, Progress towards Millennium Development Goal #5: Inequality as the main Challenge in Maternal Healthcare in India, Prerna, SIESCOMS, Vol 5, No.2014/001, Mumbai.
- ✚ Kolaskar. Ashok.S, 2012, Women and Society: The Road to Change, Oxford University Press, New Delhi.
- ✚ Kumar. Ashok, 1993, Women in Contemporary Indian Society, Anmol Publications, New Delhi.
- ✚ Raman. Sita Anantha, 2006, Women in India: A Social and Cultural History: A Social and Cultural History, Kanishka Publishers, New Delhi.
- ✚ Rana.Kranti, 1998, Modern Working Women and the development debate, Kanishka Publishers, New Delhi.
- ✚ Reserve Bank of India (2006a), “Financial Inclusion and Millennium Development Goals”, Address by Usha Thorat, Deputy Governor of the Reserve Bank of India, January 16, available at <http://www.rbi.org.in>.
- ✚ Reserve Bank of India (2006b), “Economic Growth, Financial Deepening and Financial Inclusion”, Speech by Rakesh Mohan, Deputy Governor of the Reserve Bank of India, November 20, available at <http://www.rbi.org.in>.
- ✚ Sharma.D.P, Desai.V.V. (1980), Rural Economy of India, Vikas Publishing House Pvt Ltd, New Delhi.
- ✚ Yunus, Muhammad (1999). Banker to the Poor (First ed.). United States: Public Affairs. p. 155, 218.

Bio

Ms. Kulvinder Kaur Batth is an Asst. Professor in Department of Commerce, K.C.College. She can be contacted at kulprofessional@gmail.com.

Dr. James Jacob is an Assoc. Professor in Department of Commerce, Menon College.