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Woman Empowerment and Financial Inclusion

Dr. Prabhat Ranjan

University Dept of Commerce

B. R. A. Bihar University Muzaffarpur

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Abstract

Financial inclusion is emerging as a new paradigm of economic growth. That plays major role in driving away the poverty from the country. It is important priority the country in terms of economic growth and advances of society, it empowers individuals and families, especially women and the poor and well-functioning financial systems enrich whole countries. While a superfluity of research exists in connection between the financial inclusion and women empowerment most of those are cross state studies and findings are mixed. And there is a paucity of studies examining the nexus of financial inclusion and women empowerment of developing economy, particularly in the Bihar state of India. This research attempted to fill this interruption. In order to achieve the objective, a survey by means of structured questionnaire, has been conducted on 200 rural women living in the Khirhar village of Madhubani District of Bihar during February to March 2018. Research reveals that financial inclusion increases women income, purchasing power of women living standard and position in the family. Research also reveals that after availing financial inclusion programmes, rural women become able to meet their essential needs, give child better education, get better medical facility, reduce dependency on husband for essential needs. Which means that Financial Inclusion schemes promote women's economic empowerment.

Keywords: -Financial Inclusion, Financial Inclusion programmes, women empowerment, inclusive growth.

Introduction

Financial inclusion is conceived as a major driving force to achieve self-sustained inclusive economic growth. Financial inclusion can be defined as the process of ensuring access to financial services and timely availability groups such as weaker section and low income groups at an affordable cost. The concept of financial inclusion is not a new one. The Government of India and Reserve Bank of India have been making concerted efforts to promote financial inclusion as one of the important national objectives of the country. Some of the major efforts made in the last five decades include

- Nationalization of Banks.
- Priority sector lending stipulations.
- the lead bank scheme and service.

The Nationalization of major commercial banks in 1969 was an important landmark in the history of financial inclusion. Empowerment is the process of enabling or authorizing individual to think, take action and control work in an autonomous way. It is the process by which one can gain control over one's destiny and the circumstances of one's lives. It is not merely a feel of greater extrinsic control, but also grows intrinsic capacity, greater self-confidence and an internal transformation of one's consciousness that enables one to overcome external barriers to accessing resources or changing traditional ideology. Financial inclusion may be defined as "the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost" (The Committee on Financial Inclusion, Chairman: Dr. C. Rangarajan). Financial Inclusion, broadly defined, universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products (The Committee on Financial Sector Reforms, Chairman: D. Raghuram G. Rajan). Women's empowerment is very essential for the development of the society. Empowerment means individuals acquiring the

power to think and act freely, exercise choice and fulfill their potential as full and equal members of society. As per the United National Development Fund For Women “the term women empowerment means :

-Acquiring knowledge and understanding of gender relations and the ways in which these relations may be changed.
-Developing a sense of self-worth, a belief in one's ability to secure desired changes and the right to control one's life.

-Gaining the ability to generate choices and exercise bargaining power

-developing the ability to organize and influence the direction of social change, to create a more just social and economic order, nationally and internationally Thus, empowerment means a psychological sense of personal control or influence and a concern with actual social influence, political power and legal rights. It is a multi level construct referring to individuals, organization and community. It is an international, ongoing process centered in the local community, involving mutual respect, critical reflection caring and group participation, through which people lacking an equal share of valued resources gain greater access to the control over these resources”.

‘women empowerment is used to alleviate poverty and other socio-economic issues. Self-Help movement through thrift and savings has been taken of as a mass movement’ under the government programme of development of women and children in the rural areas, some of the state government assisted these self-help groups by providing revolving fund and helping them in micro-enterprise activities. The government of India has been introducing several exclusive schemes for the purpose of financial inclusion These schemes intend to provide social security to the less fortunate sections of the society. 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. Let us take a list of the financial inclusion schemes in the country:

- Pradhan Mantri Jan Dhan Yojana (PMJDY)
- Atal Pension Yojana (APY)
- Pradhan Mantri Vaya Vandana Yojana
- Stand Up India Scheme
- Pradhan Mantri Mudra Yojana
- Pradhan Mantri Suraksha Bima Yojana (PMSBY)
- Sukanya Samridhi Yojana
- Jeevan Suraksha Bandhan Yojana
- Credit Enhancement Guarantee Scheme (CEGS) for Scheduled Castes (SCs)
- Venture Capital Fund for Scheduled Castes under the Social Sector Initiatives
- Varishtha Pension Bima Yojana (VPBY)

Women empowerment is one of the recent priority issues in developing countries, since women have less salaried jobs. According to Mayoux (1998) empowerment is a multi dimensional and intertwined method of change in relating to power. Krishna (2003) stated that women's empowerment is a process through which women can make their choices and renovate these choices into desired actions and outcomes. Economically empowering women is indispensable both to apprehend women's rights and to achieve broader development goals such as economic growth, poverty reduction and social welfare.

Research Problem:-

Bihar is a predominantly rural based agrarian state, where women constitute approximately half of the population, majority of them are marginalized and live in utmost poverty. All modern financial institutions having credit operations of various types are mostly located in urban areas, and thus rural areas in general and particularly rural women are excluded from the financial intermediation. The patriarchal society of ours has put a check on women's potential, capabilities as well as self-confidence just because of their economic dependence on men folk. The hypothesis that financial inclusion reduces poverty and empowers women has been a contentious issue in the academic and the public domain.

the validity of the claim that financial inclusion empowers women has been questioned (Schicks,2010;Goetz & gupta,1996).

the contentious debates on the validity of financial inclusion impacting women prompted this paper to investigate the role of financial inclusion in empowering women in Bihar.

Therefore this study will investigate first of all,nexus between financial inclusion and women’s economic empowerment which ultimately have impact on the inclusive growth of the country.

Research Methodology:-

Sample, Data Collection and Description

In order to investigate whether financial inclusion promote women empowerment, primary data have been collected from rural women living in Khirhar village of Madhubani District of Bihar located in northern region of India during February to March 2018. We select this village as because financial inclusion of this village is low . these are rural area and standard of living of women in this area are not better as compared to other areas. Simple random sampling method was used. In order to identify problems with instrument wording, format, content, usefulness and relevance the questionnaire was tested extensively for validity before the actual survey was administered. The survey was pilot tested with 200 respondents. On the basis of comments and results found in the pilot test, the survey was redesigned with some minor changes. The final paper-based questionnaires were then distributed to a total of 310 rural women. Out of the 310 rural women, 200 usable respondents were obtained (64.51% response rate).

Table 1. Profile of the respondents

Demographics	Frequency	Percentage
Age (in years):		
Less than 20 years	9	4.5
20-29 years	74	37
30-39 years	60	30
40-49 years	36	18
50-59 years	17	8.5
60 years more	4	2
Education:		
No formal education	70	35
Primary school	56	28
Higher secondary school	45	22.5
College	13	6.5
Bachelor degree	8	4

Master degree	3	1.5
Other	5	2.5
Income:		
None	-	-
Less than Rs 7000	118	59
Rs 7000-14999	72	36
Rs 15000-24999	10	5

Empirical Results and Discussion

Survey Findings

Following tables demonstrates the respondents' opinion about different indicators of women empowerment. As can be seen from the Table 2, 80.5 % rural women think that after availing financial inclusion programmes, they are more able to meet the emergencies arises whereas only 6 % opined that they are not able to meet emergencies even after availing financial inclusion programmes.

Table 2. Able to meet emergencies

Respondent's Opinion	No. of respondents	Percentage
Yes	161	80.5
No	12	6
No effect	27	13.5

According to findings provided in Table 3, we can argue that financial inclusion programmes have increased the purchasing power of rural women since 90.5 % rural women opined the same. Nonetheless, 6% rural women think that financial inclusion programs have made no effect on their purchasing power.

Table 3. Increased your purchasing power

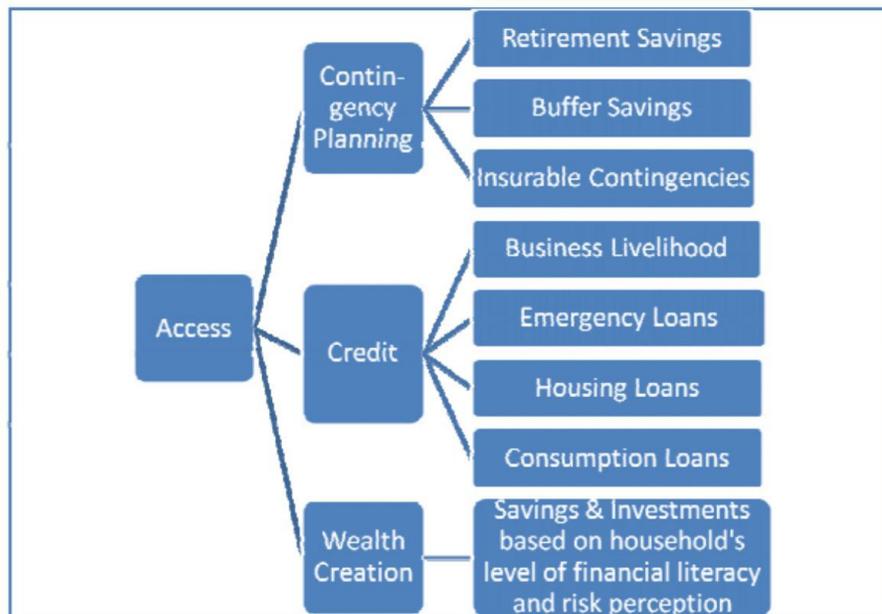
Respondent's Opinion	No. of respondents	Percentage
Yes	181	90.5
No	7	3.5
No effect	12	6.0

Argument of the study

Researchers, and academicians across the country contended that women’s empowerment promotes inclusive growth of a country. arguing the same, this research intends to focus on empowering women through financial inclusion which ultimately will have a positive impact on the development of the country. there is both an instrumental and an intrinsic argument for such an explicit focus on women empowerment as recent research evidences on financial inclusion and women empowerment nexus are mixed. these mixed evidence may be due to geographic or demographic differences of the countries studied.

Women’s financial inclusion can increase women’s empowerment in a number of ways. Firstly, through included in formal financial system women will have additional assets on their account which will intensify bargaining power of them within their households and also will have more ability to manage their daily financial matters. Secondly, at outside of household, once women are included in financial inclusion programs, they will become more able to control their assets. Thirdly, financial inclusion could, by means of insurance, assist them to diversify risk and thus reduce women’s vulnerability. These are all key factors for economic empowerment and they can also help to empower women more broadly. Household access to financial services is depicted in Figure 1.1.

Figure 1.1 Household Access to Financial Services



Source: A Hundred Small Steps - Report of the Committee on Financial Sector Reforms

Conclusions:

Women in northern region of India belong to the ranks of unbanked and uninsured. They are experiencing high levels of financial distress as they are subjected to a wide range of financial and health risks. This study examined whether financial inclusion promotes women empowerment on the argument that if we can empower women, it will have a positive impact on the country's growth process. To examine the relationship, we conducted a survey in Madhubani districts of northern region of Bihar, where most of women are poor and unbanked. We found that after availing financial inclusion programs, rural women become economically empowered and thus this study concludes that financial inclusion promotes women's economic empowerment.

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