

Women and Financial Inclusion –Paving the Path Towards Sustainable Development Goals

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Abstract:

India has one of the youngest population in an aging world. By 2020, the median age in India will be just 28 compared to the other developed countries. Demographics can change the pace and pattern of economic growth. No country can be successful without the full participation of working population, both Women and Men. In making women part of the journey financial inclusion through Self Help Groups (SHGs) movement of Micro- credit innovation is an efficient strategy to bring the rural poor into banking fold with the intension of improving their household standard with saving and credit access. In developing country like India to translate into higher rates of economic growth, these SHG's need to be translated into business enterprises for having sustainable and equitable growth. As top of the growth agenda of 2030, the fifth goal of SDGs can only be achieved if all the stakeholders are marching towards creating equitable women's economic opportunities with collective effort. NABARD is the first bank to introduce the concept of microfinance and promoting rural livelihood and during the FY 2017-18 the number of SHGs increased by 1.67 lakh with a corresponding increase in the saving by Rs 3477.89 crore. The present paper focuses on understanding how the membership of SHGs groups is leading to financial stability, autonomy, emotional & behavioural intelligence. The primary data collected from random sample group (464) from Nalgonda, Khammam, Rangareddy & Hyderabad districts. The results show that there is a positive correlation between the Financial Reason to join the SHG (.490**), SHG's address the Financial stability(.346**) and SHG's gave more strength & voice(.311**). Microfinance is recognized as an effective tool to address poverty and women empowerment but the present study there is a negative relationship with autonomous action without support and able to achieve most of the goals (-.285**) indicating that government needs to hand-hold the members to have more economic stability. The way forward is to have inclusive development by creating financial awareness and expand their economic activities through skill awareness to improve their income levels.

Keywords: Financial sustenance, Empowerment, Autonomy, Sustainable, Micro-credit.

I Introduction

Woman is an incarnation of 'Shakti'—the Goddess of Power. If she is bestowed with education, India's strength will double. Let the campaign of 'Kanya Kelavni' be spread in every home; let the lamp of educating daughters be lit up in every heart.

—Shri Narendra Modi, Prime Minister Of India

Financial Inclusion through SHGs, is a critical pathway for Inclusive economic growth specifically in rural areas. In a developing country like India to inculcate the habit of saving money among women in the small units is successful. The strategic pathway to unleash the power of women through entrepreneurship. Exclusion from the financial system is a significant disadvantage to a women struggling for economic independence. To fill this gap banks need to pitch in and play an important role in mobilizing savings and allocating it to meet the credit needs of the women at the grassroots. Reserve Bank of India, Commercial banks and NABARD are taking initiatives to bring the unbanked women into the banking fold. The presence of banking services works as a roadmap for savings habit. Availability of timely and adequate and transparent credit from formal banking channels will allow the entrepreneurial spirit of the masses to increase the prosperity in the country. India in its comprehensive financial inclusion plan banked as on

April ,2018 are 31.38 crore beneficiaries of which 16.62 crore are women which is nearly half of the total beneficiaries. If these women are made to participate in the economic value generation with the capacity building initiatives ,it provides an opportunity to change the narrative. Fianancial literacy can empower women to develop a financial identity even with their small and micro household savings and help them to access to formal credit (SHGs) for gainful economic activity for revenue giving them economic freedom and power.

II Literature Review

Empowerment is giving legitimate power or authority to perform the tasks. If women were empowered they would be able to participate in the planning and decision making task and contribute to the development programmes and activities individually to the family and collectively to the society (Yogendrarajah, 2013).India has also led the way with self-help groups (SHGs), which are savings and credit association groups that manage and lend accumulated savings to their members. These SHGs exist across the country and consist of groups of women lending to one another. With more than eight million SHGs across India, the Indian government is now using SHGs as a delivery channel for government services aimed at women. These developments have fueled mounting international recognition of the importance of women's economic advancement to poverty reduction and economic growth, manifested most notably in the landmark Sustainable Development Goals (SDGs) adopted at the United Nations in September 2015 (Tzemach Lemmon, Gayle; Vogelstein, n.d.). Pradhan Mantri Jan-Dhan Yojana is key drive to go ahead for the economic development of the country. So, the main focus of financial inclusion through this plan is to promote sustainable development and generating employability for a vast majority of the population especially in the rural areas. To achieve this objective many commercial banks and cooperative banks like NABARD as well as RRBs are serving (Dr. V K Joshi, Ms. Reema Singh, & Dr. Sonal Jain, 2014). Inclusive financing or financial inclusion is the delivery of financial services at reasonable costs to vast sections of low income population with the provision of equal opportunities. Even though the emergence of technological innovations in Indian banking sector has boosted its growth in terms of volume and complexity, there are apprehensions that banks have not been able to bring the financially weaker and underprivileged sections of the society, into the fold of basic banking services (Sriram & Sundaram, 2016). Financial mechanisms such as cash transfers targeting girls can help to incentivize behavioral changes within families and communities. Opening up avenues for women to engage in productive work and entrepreneurship, and lowering barriers to their moving into positions of responsibility and leadership are areas where the private sector can play a particularly effective role (Dobbs, Manyika, Chui, & Lund, 2015). The then RBI governor Raghuram Rajan made a strong push for India's information and communications technology industry to get more involved in figuring out solutions to improve financial inclusion in the country. This can be done with technologies that automate high-volume, low-ticket-size transactions that comprise the bulk of transactions made by poor people. Reserve Bank of India's vision for 2020 is to open nearly 600 million new customers' accounts and service them through a variety of channels by leveraging on IT. However, illiteracy and the low income savings and lack of bank branches in rural areas continue to be a road block to financial inclusion in many states (Jishajoseph & Varghese, 2014). (Study, 2015) The William and Flora Hewlett Foundation has made grants to advance women's empowerment since its founding by supporting a focused agenda on women's economic empowerment. Improving women's well-being contributes to a cycle of better health, nutrition and education outcomes, more stable societies, and more sustainable development. In short, empowering women is essential for them to fulfill their human capability

and for their families and societies to realize their full potential.(Postmus, Plummer, McMahon, & Zurlo, 2013) Empowerment can encompass many domains of an individual's life, including one's personal financial abilities. Hence, economic empowerment addresses an individual's knowledge, skills, and confidence to address her own financial well-being. Economic empowerment provides a comprehensive theme that encompasses economic self-efficacy and economic self-sufficiency, and is enhanced by financial literacy.(Rocha, 2004) The importance of entrepreneurship in changing the economic and social structure of the economy, more research on the impact of entrepreneurship on development i.e. focus on capabilities rather than on output is needed. Entrepreneurship is the creation of new organisations linked by economic and social interdependences.

III Research Methodology

The present paper focuses on understanding how the membership of SHGs groups is leading to financial stability, autonomy, emotional & behavioural intelligence. The study is based on literature review and the collection of both primary and secondary data. The primary data collected from random sample group (464) from Nalgonda, Khammam, Rangareddy & Hyderabad districts. For understanding how women members of SHGs through Financial Inclusion can towards reaching of Sustainable Development Goals set by 2030 with the collective efforts of all the stake holders.The demographic outline of the member of women SHG members were categorised into three categories, the data showed i.e below 35 years-226, below 45 years-113 and below 55 years-125. Women between the Age 25-45 were very enthusiastic to make some remarkable change in their lives.

IV Results & Discussion

UNDP¹ states that 'The task of cutting world poverty in half is not happening fast enough, even as the deadline for reaching the Millennium Development Goals approaches. At the global level Development Fund for Women (UNDFW)²includes the following factors in its definition of women empowerment.(1) Acquiring knowledge and understanding of gender relations and the way in which these relations may be changed.(2) Developing a sense of self-worth, a belief in one's ability to secure desired changes and the right to control one's life. At the the national level National Mission for Empowerment of Women (NMEW)³ was launched by the Government of India (GoI) on International Women's Day in 2010 with the aim to strengthen overall processes that promote all-round development of women.

TABLE:1

Correlations Matrix of SHG's Membership and Individual Financial Strength				
		Financial Reason to join the SHG	SHG's address the Financial Stability	SHG's gave more Strength &Voice
Financial Reason to join the SHG	Pearson Correlation	1	.490**	.311**
	Sig. (2-tailed)		.000	.000
	N	464	464	464

¹ The United Nations Development Programme(UNDP) is the United Nations' global development network. Headquartered in New York City founded on January 1 1966,it advocates for change and connects countries to knowledge, experience and resources to help people build a better life.

² The United Nations Development Fund for Women (UNDFW) was established in December 1976.It provides financial and technical assistance to innovative programs and startegies that promote women's human rights, political participation and economic security.

³ National Mission For Empowerment (NMEW) was lauched by GoI by the Ministry of Women & Child Welfare.

SHG's address the Financial stability	Pearson Correlation	.490**	1	.346**
	Sig. (2-tailed)	.000		.000
	N	464	464	464
SHG's gave more strength & voice	Pearson Correlation	.311**	.346**	1
	Sig. (2-tailed)	.000	.000	
	N	464	464	464

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data

Interpretation: According to the Table:1 there is a significant correlation between the women joining the SHGs for financial reasons (.490**) and the SHGs are also addressing the financial stability of the women members showing positive and significant correlation (.490**) indicating economic empowerment. The positive correlation matrix of financial reason (.311**) and members having financial stability (.346**) indicate that SHGs are giving financial stability leading the greater economic strength. According to (Vitt, 2000) Financial literacy is one avenue to reach economic empowerment, and includes the knowledge and skills needed to “discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future, and respond competently to life events that affect every day financial decisions. In sum, when knowledge and skills (financial literacy) are expanded, they may lead to strength and voice which includes a greater confidence (economic self-efficacy) and an ability to establish effective financial behaviors (economic self-sufficiency). To understand the level of economic empowerment the first step is to establish relationship between financial literacy and economic empowerment, economic self-efficacy, and economic self-sufficiency? Does financial literacy predict economic empowerment? The answer is yes.

TABLE :2

Correlations Matrix of SHG Members Autonomy through Financial Sustenance				
		Autonomous action without support	Confident of facing any situation in life	Able to achieve most of the goals
Autonomous action without support	Pearson Correlation	1	.335**	-.285**
	Sig. (2-tailed)		.000	.000
	N	464	464	464
Confident of facing any situation in life	Pearson Correlation	.335**	1	-.299**
	Sig. (2-tailed)	.000		.000
	N	464	464	464
Able to achieve most of the goals	Pearson Correlation	-.285**	-.299**	1
	Sig. (2-tailed)	.000	.000	
	N	464	464	464

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data

Interpretation: The correlation matrix in the Table:2 indicate that there is a positive correlation between women taking autonomous action (.335**) and having confidence of facing any situation in life. But there is a negative and significant correlation (-.285**) between autonomous action without support and able to achieve most of the goals indicating women need mentoring and support for them to be successful. Negative significant correlation (-.299**) of able to achieve and the confidence of facing any situation. According to (Postmus et al., 2013) Economic self-efficacy is defined as the intrapersonal belief that one has the resources, options, and confidence to be financially successful

and completing financial tasks based on one's current situation. Economic self-sufficiency, another component of economic empowerment, is defined as the manifestations of a wide range of skills related to financial management. In essence, one is economically self-sufficient when one is capable to master financially-related tasks.

TABLE :3

Correlations Matrix of SGH members Managing Money with Emotional Intelligence				
		Responsibility of managing the money	Autonomous action without support	Behavioral & Emotional intelligence
Responsibility of managing the money	Pearson Correlation	1	.298**	-.106*
	Sig. (2-tailed)		.000	.022
	N	464	464	464
Autonomous action without support	Pearson Correlation	.298**	1	.403**
	Sig. (2-tailed)	.000		.000
	N	464	464	464
Behavioral & Emotional intelligence	Pearson Correlation	-.106*	.403**	1
	Sig. (2-tailed)	.022	.000	
	N	464	464	464
**. Correlation is significant at the 0.01 level (2-tailed).				
*. Correlation is significant at the 0.05 level (2-tailed).				

Source: Primary data

Interpretation: According to the Table:3 correlation matrix, there is a significant and positive correlation between women having the responsibility of managing money (.298**) and autonomous action without support and negative and significant correlation between emotional intelligence (-.106**) and responsibility of managing money indicating that women need to be more stable in money management. According to (OECD, 2012) Women's economic empowerment is a prerequisite for sustainable development and pro-poor growth. Achieving women's economic empowerment requires sound public policies, a holistic approach and long-term commitment and gender-specific perspectives must be integrated at the design stage of policy and programming. Women must have more equitable access to assets and services.

TABLE :4

Correlations Matrix of SHG Members Access to Government schemes and benefits			
		Access to special protection schemes of the government	Awareness of the benefits of girl education
Access to special protection schemes of the government	Pearson Correlation	1	-.257**
	Sig. (2-tailed)		.000
	N	464	464
Awareness of the benefits of girl education	Pearson Correlation	-.257**	1
	Sig. (2-tailed)	.000	
	N	464	464
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Primary data

Interpretation: According to the Table:4 the correlation matrix shows that there is a negative correlation (-.257**) between access to special protection schemes of the government and awareness of the benefits of girl education. Lot more need to be done by all the stake holders to reach the goal of sustainable development goals.

V Conclusion

With this vision there are few changes which are positive pointers but lot has to be achieved when compared to what we have accomplished till today. The Constitution of India grants equality to women in all fields of life, but it is still only on paper. After seventy eight years of republic India, Yet a large number of women are either ill-equipped or not in a position to shove themselves out of their traditionally unsatisfactory and unequal socio-economic conditions and are still poor, uneducated and insufficiently trained. Patriarchy continues to be rooted in the social system across all parts of India, denying a majority of women the choice to decide on how they live, and what they do in the progression. The dominant magnitude of community in a patriarchal sense ensures that women hardly have an independent say even in community and societal issues. There has been a shift in policy approaches from the concept of 'welfare' in the seventies to 'development' in the eighties and now it is to 'empowerment' in the millanum. This process has been further accelerated with some sections of women becoming increasingly self-conscious of their discrimination in numerous areas of family and public life marching towards pathway of unleashing the power.

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