

# WOMEN EMPOWERMENT THROUGH FINANCIAL INCLUSION.

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## **ABSTRACT**

This paper examines how financial inclusion helps in women empowerment. Women play variety of vital roles in our society from their birth until the tip of life. Even when enjoying her all the roles and All the task timely in economical manner within the fashionable society, she is weak as a result of men are still strongest gender of the society. Even when variant awareness programmers, rules and regulations within the society by the govt., her life is additional difficult than a person. Money accomplishment will empower women to develop a money identity even with their unit savings, and facilitate them get access to formal credit for profitable occupation, giving them economic freedom and power.

**KEYWORDS:** Women empowerment, Financial inclusion, Financial services, Employment opportunities

## **1 Introduction**

Women play an excellent role within the growth and development of the society and creating it a sophisticated and fashionable society. There's a famous saying by the Brigham Young that, “**You educate a person; you educate a man. You educate a woman; you educate a generation.**” Educating and giving power to the women is of nice importance that has to be followed among the society to bring women empowerment and development of society. As a result of it's true that, if a person is obtaining educated and empowered, solely he will be benefitted but if a woman is obtaining educated and empowered, whole family and society will be benefitted.

## **WOMEN EMPOWERMENT**

Women empowerment in easy words are often understood as giving power to women to determine for their own lives or inculcating such talents within them so they may be able to notice their rightful place in the society.

According to the world organization, women's empowerment primarily has 5 components:

- Generating women's sense of self-worth;
- Women's right to possess and to work out their choices;
- Women's right to possess access to equal opportunities and every one sorts of resources;
- Women's right to possess the ability management} and control their own lives, among and outside the home; and
- Women's ability to contribute in making a additional simply social and economic order.

Thus, women empowerment is nothing however recognition of women's basic human rights and making an atmosphere wherever they're treated as equals to men.

### **Financial Inclusion**

Financial inclusion is the pursuit of creating monetary services accessible at cheap prices to any or all people and businesses, no matter net worth and size, severally. Financial inclusion strives to deal with and proffer solutions to the constraints that exclude individuals from collaborating within the money sector. It's conjointly known as comprehensive funding. Money access facilitates daily living, and helps families and businesses set up for everything from long goals to surprising emergencies. As accountholders, individuals are a lot of doubtless to use alternative money services, like credit and insurance, to start out and expand businesses, invest in education or health, manage risk, and weather money shocks, which might improve the general quality of their lives.

### **Financial Inclusion and women empowerment**

Financial literacy helps to check and choose the simplest merchandise for women's want and empower them to exercise their rights and responsibilities. It permits women to act financially sensible by providing data and skills to grasp financial planning, savings, basics of banking, understanding want of

household budgeting, income management, plus allocation to satisfy monetary goal etc. Financial inclusion helps women in social and economic development because it creates or provides awareness regarding varied programmes that aims at health, education, water and sanitation, and legal rights. Savings are necessary for women to create security and to decrease vulnerability.

Financial inclusion intends to empower women belonging to low-income teams by increasing monetary awareness among them. Women are also tutored in easy ways in which to save lots of their cash for future functions. They're supplied with exposure to multiple cheap savings instruments. They're conjointly tutored regarding the varied styles of credit offered within the market. These styles of credit can facilitate them initiate a brand new tiny business venture or take up a coaching course to use for a brand new occupation. This can conjointly increase their monthly financial gain.

Financial inclusion is additionally creating many ladies get mobile phones for his or her own usage. In many elements of the state, solely men had their own mobile phones and ladies had to rely on these men. Over the past few years, women have began to own mobile phones and have began to use them for work functions, business functions, and monetary needs. Several of them have begun to utilize digital modes of payment and different monetary operations with the assistance of mobile phones. This has simplified and quickened their transactions.

## **2. RESEARCH PROBLEM**

In India where women represent about 46th of total population majority of them denied to opportunities and rights as a result of their financial dependence. Through varied strategies by banks, government tries to create women economically independent. However access to formal national economy isn't however reached to the whole Indian population. Access to credit is usually restricted for women who don't have assets like land and property. Limited literacy particularly money acquirement and lack of understanding typically plays as a hindrance in accessing of economic services. Financial inclusion is required for women because it helps them to own a daily saving at the side of sanctioning them to pay for micro insurance and procure credit.

Financial inclusion makes women informed regarding their role and right in economic development and alternative data for management. Money inclusion can modify girls for economic higher cognitive process, enhancing getting power, control over loans and control over financial gain and savings, borrow for investments and insure against risk.

Financial inclusion is incredibly explicit regarding including women in money management activities of a house. Financial Inclusion believes that girls are additional capable of handling finances with efficiency compared to men of a house. Hence, money inclusion activities target women by serving to them start engaging in money management. There are many homes wherever girls don't seem to be allowable to be concerned in managing cash. They are controlled by the boys of the house and are asked to require care of solely the domestic chores. Many conservative individuals in India believe that women don't seem to be capable of handling cash. With the assistance of economic inclusion, the govt., also as non-governmental agencies, shall get eliminate this mentality.

Financial Inclusion is encouraging women to require additional employment opportunities and be financially independent. It conjointly explains that women won't have to rely on men for cash. They conjointly don't got to sit up for men's permission to try and do something.

Therefore this paper is concentrated on how money inclusion will empowered more and more women in order that they will stand up to men in all aspect of life.

### **3.Objectives of the Study**

Researchers, practitioners and academicians across the globe contend that women's empowerment promotes inclusive growth of a country. Arguing the same, this analysis intends to specialize in empowering women through money inclusion that ultimately can have a positive impact on the event of the country.

#### **The objectives of the study are:**

- To analyze role of financial inclusion as a tool for women empowerment.
- To understand that women empowerment has a positive impact on development of a country.

### **4.Literature review**

There are very limited studies, that are directly relevant to the current study. They have been taken from journals, articles, PhD thesis and unpublished analysis works.

**Malik and Luqman (2005)** discovered that microfinance raised women's economic standing by aiding them to enhance their financial gain through that they'll expertise a lot of monetary sovereignty. Authors

discovered that small credit enabled poor women to interact in various financial gain generating activities.

Looking at many dimensions of women empowerment, **Schurmann and Johnston (2009)** study supports the positive linkage between microfinance and social performance, exemplified by microfinance's resilient positive result on women's empowerment and a less verifiable impact on sexual and generative health.

**Narayan-Parker (2002)** has powerfully stressed women empowerment as the processes by which women take hold and possession of their lives through enlargement of their decisions. Therefore, empowerment of women is a crucial goal of any development policy of an economy.

**Singh (2012)** mentioned that because the poverty level declined and households have larger levels of discretionary incomes, they would be 1st time monetary servers. They would, therefore, ought to have easy accessibility to formal monetary systems to induce into the banking habit. Banks would wish to initiate and devised newer strategies of as well as such customers into their fold. Innovation within the variety of business facilitators and correspondents would be required for banks to extend their reach for bank to confirm monetary inclusion. He stressed the monetary inclusion as an excellent step to alleviate impoverishment in India. However to attain this, the govt. ought to give a less perspective atmosphere during which banks were liberal to pursue the innovations necessary to achieve low income customers and still create a profit.

**Pratisha Padmasri Deka (2015)** states that in India where women represent 46<sup>th</sup> of total population majority of them are denied to opportunities and rights due to their monetary dependence. Monetary inclusion is way required for women because it helps in increasing quantity of normal savings in conjunction with sanctioning women to purchase small insurance and procure credit. It additionally helps in increasing financial gain from employment and small enterprise, usage of mainstream banking services that supply acceptable designed product and service. This paper mainly deals with-Importance of women's monetary inclusion, Women's specific monetary needs in respect to men's, Functions of finance and role of women, Growth, development and monetary inclusion, monetary acquisition as a tool for women empowerment, Institutional framework in India for monetary education, Economic and social development of women and monetary inclusion.

**FATF (2011)** stressed that underprivileged and different vulnerable teams like SC, ST and women, as well as low financial gain households, disabled, people in rural communities and unsupported migrants,

in each developed and developing jurisdictions, were more likely to be excluded from the formal, regulated monetary sector, due to different barriers like issues in meeting the documentary and different needs, non-awareness, wrong perceptions, restricted data, high price etc. Underserved clients represent a terribly heterogeneous class with very completely different risk profiles in several jurisdictions. As a consequence, they could not be classified as low risk clients on the only real basis that they were financially excluded.

**Swamy (2014)**, carried out a close study of economic Inclusion, Gender and Economic Impact analysis. This study concludes that women in several regions of India are still not enclosed within the formal economic system and therefore have very little impact on the growth of the country.

### **5.Data and Methodology**

In order to investigate whether financial inclusion promote women empowerment, primary data have been collected from rural women living in Sriganganagar district of Rajasthan during January to February, 2019. Primary data for the study has been collected from 100 samples by using random sampling method. The study is purely based on sample surveys conducted among women in rural locality. The sample survey was conducted by using a questionnaire.

### **6.Results and Discussion**

This section outlines the major findings of sample survey. It examines the various socioeconomic characteristics of the sample consumers and financial independence of women in the study area and the level of their empowerment. The sample survey was conducted by using a questionnaire.

**Table 1: Profile of the respondents**

<b>Demographics</b>	<b>Number of Persons Age (in years):</b>
Less than 20 years	12
20-29 years	32
30-39 years	28
40-49 years	15
More than 50 years	13
<b>Total</b>	100

## **6.1 Survey Findings**

The study reveals the awareness level of respondents regarding the various financial inclusion schemes like no frills account, direct cash transfer scheme, simplification of KYC norms.

**Table 2: Level of awareness about financial inclusion schemes**

Financial Service Scheme	Level Of Awareness			Total
	1	2	3	
No Frills Account Scheme	12	25	63	100
Overdraft Facility	46	24	30	100
DBT Scheme	7	15	78	100
Jan Dhan Yojana	3	16	81	100
Relaxation Of KYC Norms	10	14	76	100
Micro Finance Without Collateral	26	48	26	100
Sukanya Samridhi Yojana	24	34	32	100

**Source: Sample Survey**

Where, 1 - low awareness level, 2 - medium awareness level, 3 - high awareness level

**Following tables demonstrates the respondents' opinion about different indicators of women empowerment.**

According to findings provided in Table 3, we can argue that financial inclusion programmes have increased the purchasing power of rural women since 74% of rural women opined the same. Nonetheless, 10% 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
Yes	74
No	16
No Effect	10

As can be seen from the Table 4, 81 % rural women think that after availing financial inclusion programmes, they are more able to meet the emergencies arises whereas only 12 % opined that they are not able to meet emergencies even after availing financial inclusion programmes.

**Table 4. Able to meet emergencies**

Respondents opinion	No of Respondents
Yes	81
No	12
No Effect	07



Table 5 reveals that financial inclusion programmes reduced the need of borrowing money or goods from other as 75% rural women opined that after availing financial inclusion programmes they do not go for borrowing.

**Table 5.Reduce need to borrow money or goods**

<b>Respondents opinion</b>	<b>No of Respondents</b>
Yes	75
No	18
No Effect	07

According to Table 6, 78 % rural women do not depend on local money lenders who charge high interest rate which means that most of the respondents go for formal financial market which an essential condition for well-functioning financial system.

**Table 6, Reduce the dependency on local money lenders**

<b>Respondents opinion</b>	<b>No of Respondents</b>
Yes	78
No	15
No Effect	07

Findings of Table 7 indicates that after availing financial inclusion programmes, majority of the respondents(84 %) are able to get their children better education and 10 % opined that their child are not getting better education even after availing financial inclusion programmes. This might because of rural infrastructure constraints of the country.

**Table 7.Children get better education**

<b>Respondents opinion</b>	<b>No of Respondents</b>
Yes	84
No	10
No Effect	06

Empirical results of Table 8 reveals that after availing financial inclusion programmes, 72% rural women are able to get better medical facility and 20% rural pined that financial inclusion programmes have no effect on getting better medication.

**Table 8.Better medical facility**

<b>Respondents opinion</b>	<b>No of Respondents</b>
Yes	72
No	08
No Effect	20



According findings of Table 9, it is evident that financial inclusion programmes enhanced their source of income as because 80 % rural women have now more source of income. However, 8 % women think their source of income have not expanded.

### **Table 9.Increased source of income**

<b>Respondents opinion</b>	<b>No of Respondents</b>
Yes	80
No	08
No Effect	12

According to Table 10, majority of the respondents (91 %) opined that their living standards have been improved .Now, they can consume more, produce more, getting better health and so on. It clearly indicates the success of financial inclusion programs and its productive benefits for the rural women. Financial inclusion significantly increased rural women's income and due to increased income they achieved better financial status. They could simply fulfill the necessities of household expenditures and desires of livelihood. Thus living standard and easier access to the several facilities of life of rural women have improved.

### **Table 10.Improved living standard**

<b>Respondents opinion</b>	<b>No of Respondents</b>
Yes	91
No	06
No Effect	03

### **Access to financial services and women empowerment**

Financial inclusion is the expanding outreach of banking or financial services at an affordable cost. This also indicates whether access to financial services helps them to make their own decisions and whether they are financially independent. The various monetary services embody access to saving, credit, insurance, bank account etc. The access to financial services helps them in their social and economic development. Saving helps women to arrange and invest in tiny ventures that they'll run with success with the assistance of loan. Insurance permits women to overcome risk to health, old age, death etc.

It is noted that access to money service through financial inclusion do have impact upon the social and monetary empowerment of women leading to their overall empowerment.

## **7. Conclusions**

Women in this district 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 the rural area of Sriganganagar district of Rajasthan 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.

Thus we conclude that financial inclusion promotes women empowerment. On the ground that bringing rural women into the mainstream financial system will have positive impact on their efficiency which is critical for inclusive growth, this study highlighted all these issues and calling for the policy revision to make the financial inclusion programmes more conducive and more convenient. When women have some saving they're going to be financially independent. They can take their own decisions. In the case of women who have preoccupied their own business are prosperous and are financially independent.

Thus, proving the fact that financial inclusion leads to women empowerment.

## **8.Limitations Of Study**

As in most empirical research, this study has several limitations which actually create scope for future researches.

**Firstly**, this study is conducted in rural areas of Sriganganagar district of Rajasthan. Moreover, the research surveyed about 100 respondents chosen randomly from rural areas only.

**Secondly**, the sample size of this study is 100 respondents only, and thus these findings may not be generalized to the whole issue based on this study alone. There exists a possible bias in the information provided by the respondent's majority who are illiterate. Analysis of perception about effectiveness of financial inclusion programmes is based on only few parameters.

**Lastly**, as people gain expertise over time, their perception and angle changes. The conclusions drawn from this study are based on cross-sectional data.

## Scope for future Research

**Firstly**, the study is based on rural areas and only 100 samples are selected from that areas so there is scope of further study which should be more wide and include wider area.

**Secondly**, in future research, it would be logical to elevate sample size and testing this model more extensively, hence this future research would be more generalizable.

**Lastly**, the study is based on cross sectional data so, it would be interesting to use a longitudinal study to assess the effects of financial inclusion programmes. A longitudinal study would provide greater insight into the causality and the interrelationships between variables and thus make comparisons with our model.

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