

A Study on Role of Banking sector in Women Empowerment in India

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Abstract

Banking is the most important sector in any economy. Women empowerment has been a vital issue that has come into the limelight in past few years. Empowerment literally means becoming powerful. Women empowerment is to motivate and develop women by promoting their participation in all areas and sectors, to build stronger economies, improve their quality of life and bring gender equality with equal opportunities. Women empowerment may be defined as to empower a female person in her own capacities. As banks are playing a major role in scripting India's growth story, bringing the much needed change across the country, they are also playing a vital role in women empowerment. Public sector banks, which have their presence even in the remote corners of the country, have traditionally been first and foremost support structure for women as far as their financial needs are concerned. Be it schemes related to educational financing at a very early age or financial assistance for setting up livelihood or stable source of income in youth; banks have always played a very important role in enhancing financial inclusion of women in the Indian economy. One of the key objectives of the bank is to focus on the banking needs of women and promote economic empowerment. This study gives more emphasis on role of banking sector in women empowerment in India. This paper is mainly based on a secondary data on women empowerment of banking sector in India. To complete this, annual reports, various books, journals, periodicals and websites have been consulted, several reports on this area have been considered.

Key words: Women Empowerment, Banking Sector, women-centric banking schemes.

Introduction:

Women Empowerment has been a vital issue that has come into the limelight in past few years. Despite numerous government schemes and policy decision, women in India still remain deprived of equal opportunities in terms of education, employment and skill development. Although, there have been significant improvements in this field especially in urban areas, women in rural areas are still underprivileged from any such advantages.

Banks are one of the primary pillars of Indian economy and, therefore, are an ideal agent to play a pivotal role as far as women empowerment is concerned. Public sector banks, which have their presence even in the remote corners of the country, have traditionally been first and foremost support structure for women as far as their financial needs are concerned. Banks have always played a very important role in enhancing financial inclusion of women in the Indian economy. All major public sector banks have announced women-centric and women only financing and loan schemes that offer financing opportunities at concessional interest rates and relaxed loan rules.

Despite, all the best efforts from the government and public sector banks, women still remained away from banks and its services due to social and cultural barriers that prevent women from access to banking services. The comparative statistics regarding women in the banking sector, with women holding only 24% of total operational bank accounts in the country and 28% of total deposits; the participation of women in the banking sector is definitely not at an acceptable level.

Especially when it comes to credit supplied, only 12% of individual bank accounts belonged to women.

According to a World Bank report, women account ownership has inflated by 30 percent between 2014 and 2017. Further, 29% of women in India use digital payments. This rise is accredited to the Pradhan Mantri Jan Dhan Yojana (PMJDY). This paper gives information about the how banks play in empowerment of women through introducing various schemes related to women empowerment.

Review of literature

Roy and Tisdell (2002) in their research entitled on “Property rights in women’s empowerment in rural India” this paper examined the importance of property rights in women’s empowerment in rural India. The study conclude that the extensive field work in rural West Bengal and Orissa have been presented to illustrate the pattern of development process that poor rural women want and in which the property right is only one component, not the only component.

Sanjay Kanti Das (2012) in his research entitled “Socio-Economic Empowerment of Women Through SHG-Banking Linkage Programmed: A Boon for Development” this study attempted to explore on the much debated question about the role of SHG as a financial intermediary for enhancing women empowerment. The suggested that SHG-Bank Linkage of micro finance programme has a profound influence on the economic status, decision making power, knowledge & self worthiness of women participants of SHG linkage programme in Assam.

Rajeshwari and shettar (2015) in their study on “A study on Issues and Challenges of Women Empowerment in India” this paper attempted to analyze the status of Women Empowerment in India and highlights the Issues and Challenges of Women Empowerment. This study concluded by an observation that access to Education, Employment and Change in Social Structure are only the enabling factors to Women Empowerment.

Needs for the study

Generally the women entrepreneurs face difficulties in getting finance which is a critical resource for venture creation. Women believe that lending practices of the banks and government funding agencies were too restrictive for them. They used their own personal saving to start the business. For this purpose, the researcher to study the role of banking sector in empowering the women in terms of income, asset creation, employment generation.

Objectives of the study

The specific objectives of the paper are:

- To study the role of banking sector in women empowerment in India
- To know the Major women-centric banking schemes provided by the various banks.
- To understood the various financial services availed by women through banks.
- To offer suitable suggestions on the basis of the findings of the study.

Methodology

The present study is based on secondary data and the data were collected from journals, books, news papers and other websites. It provides reliable, suitable, adequate and specific Knowledge about role of banking sector in women empowerment.

Banking is empowering women in India in multiple ways:

1) Bank Accounts:

According to World Bank’s Empowering Women through financial report “women are more likely to save, allocate, and invest money in order to be protected against unexpected expenses, and in their children’s education; giving an opportunity for a better livelihood to the next generation”

once women get access to a bank account, their natural tendencies to save are channelized in a productive financial discipline that earns them interest and gives financial security. They get the decision making power on that money which increases the possibility that it is used for productive purposes.

2) Educational Loans:

An educated woman is a possibly the best way to ensure that the next generation is also educated. Education helps women to practice the trade of their choice. Many banks offer educational assistance schemes for women at concessional terms and lower interest rates. Education helps in a big way in women empowerment.

3) Financial Assistance:

Due to their entrepreneurial skills, a number of women today are successfully managing their small and big businesses. Banks offer credits and loans to such businesses that help women to grow their ventures. Many banks support micro, small, and medium size enterprises (MSMEs) specifically run by women under different programs.

4) Priority Banking (Mahila Banks)

A bank run by women is a concept where priority is given entirely to women empowerment. Community-based Mahila Banks are set up in some parts of India where the local women run the bank offering benefits to local community women. This is an innovative approach to encourage women to take benefits of banking in male dominated communities.

According to Ministry of Finance, there were 498 exclusive branches for women in 2016.

5) Self- helps Groups:

Women's bargaining power in the society increases with access to financial services. Self-helps groups increase it multi-folds by bringing several women together to achieve economic independence. These groups promote small savings among its members which are kept with a bank and invested in revenue earning economic activity of the group. This form owns their capital resource base. Banks too offer financial assistance to self-help groups on concessional terms.

6) Training:

Many banks have initiated special training programs for their women customers who have started self-help groups or own businesses. This training enables them to get knowledge of different aspects of trade and commerce. Banks also offer training to women from economically weaker section in various vocations that give them access to jobs.

Paytm payments Bank has launched an initiative that seeks to empower women in India's smaller towns and cities by training them for financial services and creating new employment opportunities.

7) Employment:

Banks give employment opportunities both quantitatively and qualitatively to women and we see several women bank employees in urban areas. Growth in women education and financial inclusion will result in growth of women employees in rural areas too. There is also no glass ceiling in banking industry as we see many women reaching senior and top-most positions in state owned as well as private banks.

While the entire banking sector is collectively making efforts to support to cause of women empowerment, women in particular will also have to participate in these initiatives. Be it Financial Inclusion, training or employment, women will have to make clear choices and help the banks in fighting the "Gender Disparity" prevailing in the country.

Women-centric banking schemes that are aimed at enabling financial empowerment

Bank Name	Scheme Name	Scheme Description
Punjab National Bank	PNB Mahila Udyam Nidhi Scheme	Offers financial support to micro and small scale sector and industries owned and managed by women
	PNB Mahila Samridhi Yojana	Finances infrastructural purchases for small business units like tailoring shops, boutiques, telecom agencies, beauty parlors, and internet browsing centre
	Scheme for Financing Crèches	Finances equipment purchase for crèche development; aids in purchase of stationary, refrigerators and water filters, etc
	PNB Kalyani Card Scheme	Offers working capital credit for agricultural activities or misc farm or non-farm activities to both literate illiterate women dwelling in rural or semi-urban areas. Would include farmers, landless labourers, agricultural laboureres, tenant farmers, share croppers, lessee farmers, etc.
Punjab and Sind bank	P&S Bank Udyogini Scheme	Offers loans to women entrepreneurs on liberal terms for direct agricultural activities, Tiny SSI industry units, business enterprises, retail traders, professional employment and self-employment training
Oriental Bank of Commerce	Scheme for Professional & Self-employed Women	Provides financial assistance and long term loan for purchase of fixed asset to women
	Scheme for Beauty Parlours / Boutiques / Saloons and Tailoring	Financial assistance is offered or small scale business units for the purchase of tools /equipment /furniture & fixture, shop etc
	Oriented Mahila Vikas Yojana	Need-based loans are provided to women entrepreneurs
Dena Bank	Dena Shakti Scheme for Women Entrepreneurs	Offers financing schemes to women entrepreneurs handling agricultural & allied businesses, small scale industries, retail trade, micro credit, education and housing
Bank of Baroda	Akshaya Mahila Arthik Sahay yojana	Provides financial assistance to women entrepreneurs working in retail trade and agricultural sectors
Andhra Bank	Mutual Credit Guarantee Scheme for Women	Offers credit facilities to women entrepreneurs up to Rs 1 Lakh without collateral security with exception of retail sector
State Bank Of India	Stree Shakti Package	Offers special concessions and privileges for financing facilities to business units in which women entrepreneurs hold more than 50% share capital
SIDBI	Marketing Fund for Women	Offers financial assistance for marketing of products manufactured by women entrepreneurs in both domestic as well as international markets

Karur Vyasya bank	KVB mahila Swarna Loan	Installment loan to working women for the purchase of gold /diamond ornaments/silver wares. The loan is offered at concessional rates
Bank of India	Star Mahila Gold Loan Scheme	Offers loan facilities to working or non-working women for purchase of gold ornaments, preferably hallmarked, from reputed jewelers and /or gold coins of Bank of India
Syndicate Bank	Synd Mahilashakthi	Provides a concessional rate of 0.25% to the applicable interest rate for women beneficiaries to meet working capital requirements for existing or new units for the loans from Rs.10 lakhs to Rs.5 crores.
State Bank of Hyderabad	Stree Shakti Package	For developing entrepreneurship among women by providing certain concessions and special facilities to train women entrepreneurs.
Bhartiya Mahila Bank	BMB Shringaar	Loan for setting up of Beauty Parlour or Saloon or Spa for women.

As per the above table, it is clear that all major banks, especially public sector banks have started implementing targeted policies for women empowerment including an announcement of several important women-centric and women only financial schemes and making banking services more accessible in rural areas.

Conclusion

Women empowerment is to motivate and develop women by promoting their participation in all areas and sectors, to build stronger economies, improve their quality of life and bring gender equality with equal amount of opportunities. For women empowerment, the Indian bank gives more facilities to women through providing women-centric programmes. The banks give training, financial assistance, employment, etc. This facilitates the empowering the women themselves. Thus, banks play very important role in women empowerment in India.

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