



WOMEN EMPOWERMENT IN INDIA AND FINANCIAL INCLUSION BARRIERS

Kotte Rani

Research Scholar,
Department of Political Science,
Kakatiya University
Warangal,
Telangana State.

ABSTRACT

In India financial inclusion has been given top priority in recent years in the philosophies and plans of both financial development and economic growth. Financial Inclusion is the delivery of banking services at an affordable cost to the vast section of the disadvantaged and low-income group. Financial inclusion intends to provide finance to the weaker sections of the society enabling better social development which in turn facilitates investment and economic growth in the country. Inclusive growth is meaningless without including the marginalised sections of society. Excluding women, who represent half the population, makes development process and outcomes unjust and unacceptable, leave alone unfinished. Studies show that over 70 per cent of beneficiaries of the financial inclusion agenda are women. SHGs are one of the essential means to include women in the process of financial inclusion, and they are the prime driver for the financial movement in India. Our study found many shared efforts and experiences to prove motivated and mobilised women's capability and confidence turning to capital resulting in a brighter future for the women themselves and their communities as a whole. India's newfound philosophy of 'inclusive growth' includes a route for enabling women in the growth process – of the self and the society. The objectives of this paper are: to examine the role and reach of SHGs towards empowerment; to discuss the issues and initiatives in establishing linkages between the socio-economic dynamics and women's empowerment; and to explore specific strategies and practices that may supplant or supplement the SHG initiatives and remove the imbalances that remain in accomplishing total empowerment of women.

KEYWORDS: *Development, education, financial inclusion, India, SHGs, women empowerment*

1. INTRODUCTION

Empowerment of women is an indispensable tool for achieving growth and advancing development. Gender development enhances the development of a country. Empowerment enables individuals to realise their identity and powers in all spheres of life. It consists of greater access and autonomy in relation to knowledge, resources, and decision-making, i.e. being free from the shackles imposed on them by custom, belief and practices in the society. There are inequity and vulnerability of women in all sectors, i.e. economic social, political, education, health care, nutrition, right and legal etc. Women are oppressed in

all spheres of life. Women need to be empowered in all walks of life in order to fight against the socially constructed gender basis. Women have to swim against the tide, and that requires more strength. Such strength comes from the process of empowerment and empowerment will come from awareness, education and inclusive growth and development.

Inclusive growth is quantifiable through financial inclusion achieved by individual and institutional efforts (collective). Banks, SHGs, cooperatives become crucial stakeholders of financial inclusion and women empowerment. Further, as we move faster in the national mission of "Make in India"

we can ill afford to exclude women both in action and outcomes. Empowerment of women has evolved as the safest way to ensure that the development process is not unjust and incomplete (Sowjanya, Hans & Raghavendra, 2015).

The role of education in this regard is immense. It acts as a catalyst for social upliftment enhancing the returns on investment made in almost every aspect of development effort (Bharti, 2015). It is one of the accepted ways of reaching the targets under Sustainable Development Goals (SDGs). One of the SDGs (Goal 4) is related to education with the formulation of policies for ensuring inclusive, equitable and quality education and promote life-long learning opportunities for all (Sowjanya & Hans, 2019).

Education is the critical factor for women empowerment, prosperity, development and welfare. Welfare is one of the parameters of the financial inclusion of women as it has a significant bearing on their lives as home-makers, workers, and nation-builders (Serrao, Sequeira, and Hans, 2012). In recent years, the empowerment of women has been recognised as the central issue in determining the status of women. This paper, therefore, examines the ways and means of overcoming the barriers in the financial inclusion of women for their full and meaningful empowerment. Education empowers women with knowledge, skills and self-confidence to participate fully in the developmental process. It is also an essential tool for achieving equality as it ensures growth with knowledge of the world, the ability for critical thinking and practical skills which leads to self-confidence and self-respect. It assists in improving the quality life of women and is vital to empower her participation in decision-making in society and to improving family well-being. Educating women has ripple effects for generations as it is something that will not only affect the women herself but also people around her. The role of education is a catalyst for promoting gender equality and women empowerment.

2. PURPOSE AND PLAN OF THE STUDY

The study is planned, and it proceeds in the following way:

2.1 Objectives of the Study:

- To examine the role and reach of SHGs towards empowerment.
- To discuss the initiatives in establishing linkages between the socio-economic dynamics and women's empowerment.

2.2 Methodology:

The present study is based on the collection of data from secondary sources. Secondary data is obtained from various published and unpublished

records, books, magazines and journals, both print and online.

2.3 Conceptual and Operational Framework:

Women play a crucial role in the development of the country. So we cannot neglect the importance of education in reference to women empowerment in India. The empowerment of women in India has been obstructed for centuries owing to the various reasons amongst which the initial blow was in the form of depriving women of basic educational facilities (Sandhya, 2015). Women's empowerment is critical to sustainable development and the realisation of human rights for all. In India financial inclusion is regarded as one of the crucial ingredients for higher economic growth and inclusive development. Financial inclusion plays a significant role in poverty alleviation and in decreasing the vulnerability of poor people particularly women. SHGs represent a unique approach of financial intermediation; it provides access of women to low-cost financial services enabling them to become independent.

3. ROLE AND REACH OF SHGs

3.1 Role of SHGs in Women

Empowerment:

Though 48 per cent is women in the total population, their participation rate in economic activities is only 34 per cent. Unless women are brought into the mainstream national development is not possible (Papannavar, 2016). SHGs were essential means of women's financial inclusion when rural Indian women did not connect with institutional banking system; SHGs were the prime driver for the financial movement. SHGs are necessary to overcome exploitation, create confidence for economic self-reliance in poor, particularly women who are mostly invisible in the social structure. Credit delivery through thrift and credit groups (SHGs) emerges as an alternative to the existing system of credit disbursement by the banks. SHGs have been found to help their member's healthy habit of saving and banking. SHGs and bank linkage have helped poor women in enhancing saving habit and also involving themselves in income generating activities.

Empowerment is a multi-dimensional process, that enables the individuals to realise their identity and powers in all spheres of life. It consists of greater access to knowledge, resources, autonomy and decision-making, i.e. removing the shackles imposed on them by custom, belief and practices in the society. SHGs aim at promoting awareness among women about the on-going development programmes. They also help in Women's economic independence and improve their social status (Radhakrishnan, 2013). For instance, TATA Steel's Tejashwini programmes were designed to uplift the lives of women through SHGs,

and they are successful in ensuring the economic empowerment of women in becoming independent.

3.2. SHGs and Savings:

Other than self-employment, there are other indices of financial inclusion, for example, savings. One of the ways to measure empowerment of women through SHGs is their savings potential and realisation.

Jayasheela and Hans in their study conducted in DK District based on purposive and random sampling methods analysed savings size for 302 SHG members. Of these 81 SHG members were from Scheduled Castes (SCs), 54 from Schedule Tribes (ST), 36 from Minorities and 131 members from Other Backward Communities (OBC). Table 1 presents data on the distribution of SHG members who started savings only after joining or before joining SHG by social groups.

Table.1: Distribution of Members who started Savings before or after Joining SHG by social groups (percent)

Social Groups/ Promoters	Proportion of members started savings			Total
	only SHG	after joining	before joining SHG	
Social Groups				
SCs	76 (93.82)		5 (6.18)	81(100)
STs	49 (94.74)		5 (9.26)	54 (100)
Minorities	28 (77.77)		8 (22.23)	36 (100)
Others	108 (82.44)		23 (17.56)	131 (100)
All	261 (86.42)		41 (13.58)	302 (100)

It is evident from Table 1 that most of the members started to save only after joining the group. The researchers argue that in the Group there has been a limit to save, and they cannot save more than the prefixed monthly/weekly saving amount. This will undoubtedly limit the ability of savings of those members who can save more. The study shows that the proportion of members that started saving only after joining the group was estimated to be more than 86 per cent. Across social groups, the proportion of members that started saving only after joining the group was found to be quite higher in the case of SCs and STs as compared to that to minorities and "Others".

Jayasheela and Hans also report that more than 90 per cent of the members belonging to SCs and STs said that that they started saving only after joining SHGs. What it implies is that the socially marginalised

and economically disadvantaged sections of the society seem to have limited awareness about managing the risk and uncertainty by way of savings and minimising the unproductive expenditure. *It is the development and emergence of a 'group' (i.e. cohesion/we-feeling) that has generated such changes in the lives of the women.* This seemed to have paved ways for several changes that they see their different domains of their lives (Jayasheela and Hans, 2014).

4. PROBLEMS AND PROSPECTS

4.1. Challenges:

Women contribute equally in economic activity, and their contribution is more arduous than men; be it subsidiary farming or commercial activities, when compared with men, measured in terms of the number of tasks performed and times spent. However,

lack of quality education among women leads to low market, business and technical knowledge which creates hurdles in the path of women to take up non-farm activities.

There are several challenges both with regards to empowerment and the SHGs – structurally and functionally. The extent of empowerment of women in the societal hierarchy is primarily determined by three factors – their economic, social and political identity and weightage. These factors are profoundly intertwined and interlinked. For holistic empowerment of the woman to happen; therefore, social, economic and political aspects impacting a woman's life must converge effectively. Illiteracy followed by ignorance is a hurdle in the path of inclusive growth. There is a need to offer simplified, or no-frills, low-cost accounts to reduce the barrier to entry and check gender-related barriers in accessing financial services to improve account ownership among women. Financial literacy enables women to act smart by understanding the basics of banking, planning savings, understanding the allocation of assets. It helps women to select the best as per her need and empower them to exercise their rights. Pratisha Padmasri Deka (2015) studied the importance of women's financial inclusion and identified financial literacy and financial inclusion as powerful tools for women empowerment. They found that women even though they constitute almost half of the total population, the majority of them are denied opportunities and rights due to their financial dependence. Financial inclusion helps in the increasing amount of regular savings along with enabling women to pay for micro insurance and obtain credit. It increases income through microenterprise and improves access to markets.

Education is a crucial means of empowering women in rural areas and is in itself a human right. Education enables women to become more productive both inside and outside the household. Empowered women will be able to face the challenges of society and could stand for right and against evil happenings. So women education has a significant relation to women empowerment.

In order to meet the challenge, one measure may be to create a social support network which has a positive effect on individual wellbeing and may translate the impact from individual to macro system. It is evident that SHGs women network could stop domestic violence in some cases (Shirwadkar, 2015). Improving access to credit, technology is believed to increase their productivity, which would, in turn, influence the development process positively. Empowerment has an intricate link with development.

4.2 Recommendations:

RBI recognises that the role of technology in addressing the issues of credit delivery in rural areas. It

directed banks to utilise information and communications technology (ICT) efficiently to deliver doorstep banking services, where the accounts can be operated by even illiterate customers by using biometrics, thus ensuring the security of transactions and enhancing confidence in the banking system. It also facilitates opening of no-frills account which requires no or meagre minimum balance as well as nominal charges that makes banking service accessible to the large population. To provide hassle-free credit to poor and the disadvantaged rural and semi-urban customer general purpose credit card facility was introduced. All these efforts will bring change when women themselves need to be made aware of the special legislation that is available for their protection and rights. They must assert themselves, mobilise resources and monitor the change required. By their clear voices and choices, they must break barriers to inclusive growth both at homes and in workplaces. In this connection, we put forth the following suggestions for consideration by policy-makers and practitioners.

- o Eliminating gender inequality should be the primary goal in all areas of study, work and growth
- o Gender budgeting mechanism is the need of the hour, needs regularly monitored. It also necessitates tracking of funds allocated to female education in terms of expenditures and programming.
- o Induce the feeling of independence, self-confidence amongst women for enterprise and excellence
- o Eliminate all forms of discrimination in employment specifically to remove wage differentials between men and women
- o The SHGs providing the poor women with access to economic resources must be enabled with "macro" finance

Introduction of vocationalisation of education to improve skill development and entrepreneurial ability

5. CONCLUSION

The importance of women in the economic development of India was first recognised during the country's struggle for independence. Microfinance is an attempt at economic independence of the masses and the marginalised, especially women. The government and non-governmental organisations including media should play an active role in creating awareness and eliminating gender inequality in society. We need to focus mainly on women because in every society they struggle against gender norms that limit their resources and opportunities for improvement. Women empowerment leads to social change and a broader fight against global poverty. Real and sustainable growth of India depends on positive socio-economic transformation with men and

women as partners in progress, reinforcing each other's effort in removing barriers to inclusive growth.

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