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Financial Status of Rural Women

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ABSTRACT: Three out of every four women aged 15 years and above in India are not financially independent. And female labour participation rate has been falling steadily and stands barely above 20% today. The inequity is reflected in the human development standing, for the two are closely correlated. Despite being one of the fastest-growing economies, India ranks 131 out of 189 countries on the Human Development Index. Financial inclusion is the prime indicator for any country's growth and development. In many countries, inclusive financial inclusion with affordable financial services is the topmost priority which includes India as well. Time and again, G-20 nations have highlighted the importance of financial inclusion as a facilitator to achieve gender equality and promote sustainable development activities. The global progress of a nation is dependent on women's empowerment, as Kofi Anan, former general secretary of United Nations once said- "There is no tool for development more effective than women empowerment." He also emphasized the importance of economic gender equality by means of financial inclusivity. It's been found that people living in extreme poverty often find it difficult to conduct digital transactions. They are largely not educated about digital facilities which can ease their lives. Additionally, since women, living in tier 1 and tier 2 cities, play an important role in the financial inclusion model, it becomes the foremost priority to educate them.

KEYWORDS: Financial, Status, Rural Women, India, Inclusion, Empowerment, Education, Independent

I. INTRODUCTION

In developed countries, the inclusive financial model has emerged as a way to achieve formative objectives. Hence, implementing such pattern in developing countries like India can be helpful for the growth of the rural sector. A dynamic financial literacy programme that gives rural women knowledge about cash management, savings, banking, insurance, investment tools, and other financial services can also help close the gender gap in rural India. Facilitating women empowerment through affordable financial services in tier 1 and tier 2 cities are a systematic approach to achieve sustainable growth. It's been found that most rural women have very little access to financial information and, coupled with low literacy, are unable to take advantage of banking services, especially if they are online or digital. The fact the traditional banking is often male-dominated leads to women feeling intimidated. In this scenario, the importance of financial and digital education for rural women becomes obvious. To resolve the existing issues, India government is consistently making efforts to make the country a cashless economy where men and women can participate equally. However, there are still cases where rural women are less likely to visit bank branches because they feel uncomfortable in a male-dominated environment, rural men may not feel the same way. As a result, the financial literacy programs need to include the importance of digital literacy so women can conduct their basic banking transactions remotely, on their mobile phones.[1,2] Certain FinTech companies and organisations are working tirelessly to promote financial literacy in remote areas of India for women and have implemented financial and digital literacy programmes. One such FinTech company is Payworld that has empowered more than 10000 women from various regions in the retailing business. "Pehle to bank jaane se bhi dar lagta tha, aur ab hum bank wali didi ban gaye hain" (Earlier I used to be afraid of stepping into a bank branch but now I am called a bank representative!). These are the words of Nidhi Kumari, aged 24 who hails from a Baheri Village in Darbhanga district of Bihar. You cannot help but notice the pride and new-found self-confidence behind her wide smile.

Nidhi is one of over 1500 Banking Correspondent Agents (BCAs) under the World Bank's (IDA \$500M) National Rural Livelihood Project (NRLP) in India that supports the Government's National Rural Livelihood Mission (NRLM) in 13 high poverty states. Agent-based branchless banking in India is not new and has been around for over a decade. Given that there are over 650,000 villages in India and that less than 10 percent of villages have bank branches[i], an ICT-enabled alternate channel is now a dire necessity to enable greater financial inclusion. This agenda got a further boost when the Government of India launched the Pradhan Mantri Jan Dhan Yojana (PMJDY) in 2014 to boost financial inclusion. To date, over 310 million PMJDY bank accounts (basic savings bank accounts) have been opened with 53 percent of these accounts now being held by women. It is estimated that about 126,000 BC agents currently

operate in Indian villages of whom only about 10-12 percent are women. Encouraging rural populations especially women, to participate formally in the financial system continues to be a challenge not just in India, but globally, as most village level transactions still happen in cash. India has some special challenges. Social barriers such as caste, low literacy levels, and low mobility of women do not encourage poor rural women to engage with the formal financial system. Given these constraints, it has indeed been a daunting task to engage women as BC agents on the supply side and simultaneously encourage the use of bank accounts by rural women on the demand side. [3,4]

A pilot initiative supported under NRLP is now exploring different pathways of improving formal financial access for rural women-headed households in partnership with various financial institutions (both public and private) including non-bank financial institutions like m-pesa & Oxigen. Tapping the 45 million strong network of women Self-Help Group (SHG) members under NRLM, various states are identifying and training eligible members as BC agents in association with partner banks. Apart from investments in hardware and in training, BC agents are also trained to service transactions of SHGs and their members.

Since June 2017 under this initiative over 1500 SHG members have started their entrepreneurial journeys as BC agents of partner banks across six low-income states including Bihar, Jharkhand, Madhya Pradesh, Odisha, Rajasthan and Chattisgarh. In Feb 2018 alone these BC agents, locally known as “bank sakhis” (bank friends) collectively did over 260,000 transactions worth over INR 640 million (approx.USD 10M).

The growth in female rural BC agents is encouraging earlier un(der)banked women to use their bank accounts meaningfully which progressively, is also helping them create their own credit history and access other financial services. As Kanak Lata Toppo, a bank sakhi from a tribal district of Bedo, Jharkhand says proudly, "Main sirf bank account hi nahin kholti, apne computer se insurance policy bhi karti hoon; aaj mujhe gaon ke log bank wali didi bulate hain." (Not only do I open and service bank accounts, now I can also issue insurance policies - villagers now know me as the local banker!).[5,6]

Such initiatives are not only improving usage of bank accounts by women but are helping in improving loan repayment rates due to improved access to banks. For now, bankers are also happy as this is migrating low value transactions to a low-cost ICT-enabled channel and reducing attrition amongst BC agents. Emerging lessons from this pilot have important implications for rural financial inclusion globally. Training and empowering women as BC agents may be a very effective way to reach the un (and underbanked) clientele of rural women.

II.DISCUSSION

So the development community has been trying to promote financial inclusion—that is, to connect almost 2 billion people who live completely outside the formal financial system to bank accounts and services like credit and insurance. The problem is, it’s been too expensive to do at any kind of scale.Until now. With mobile phones, it’s orders of magnitude easier and cheaper to reach the poor with financial services. The number of people with accounts is going up quickly, and we’re starting to see the impact. In particular, there’s exciting new evidence that digital financial services like payments and savings do indeed help people lift themselves out of poverty.India has been especially innovative about investing in the building blocks of digital financial inclusion. Aadhaar, a nationwide biometric identification system, makes it simpler and more secure for poor people to do business with banks. India’s regulators have implemented new rules that give financial institutions greater flexibility to provide a wider variety of services. For example, a new class of banks called payment banks has brought in new private-sector players to the market and opened millions of new accounts. In 2014, the government launched a program called PMJDY to help the poor open accounts in huge numbers, and it recently started providing benefits to them through these accounts.One of the development community’s hypotheses has been that inclusion could be especially revolutionary for women, who traditionally have been excluded from making economic decisions. Now, researchers are starting to test it. Last year, a study by Tavneet Suri and William Jack established a clear link between financial inclusion and women’s empowerment. This year, Rohini Pande and her colleagues added to the evidence base with fascinating results. Melinda talked to Dr. Pande about her research, what financial inclusion can do for Indians and India, and how to speed up progress.[7,8]

The details of ongoing scheme launched by the Government of India for the financial empowerment of rural women are as follows:

1. Initiatives of Department of Financial Services (DFS):

DFS has six schemes namely Pradhan Mantri Jan-Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Pradhan



Mantri Mudra Yojana (PMMY) and Stand-Up India (SUPI) for financial inclusion and entrepreneurship development of people across the country including that of women. The share of women vis-a-vis total number of beneficiaries in the above schemes is given hereunder :

Scheme	Total number of Accounts	Women Accounts
PMJDY (As on 27.01.2020)	417,498,276	231,226,199
PMJBY(As on 27.01.2020)	9,88,79,708	2,67,91,274
PMSBY (As on 27.01.2020)	22,26,96,354	8,34,94,070
APY (As on 05.02.2020)	28,510,260	12,445,034
PMMY (As on 29.01.2020)	274,761,862	186,045,718
SUPI (As on 03.02.2020)	110,333	90,185

- Initiatives of Ministry of Micro, Small and Medium Enterprises (MSME):
Benefits are extended to women under Prime Minister’s Employment Generation Programme (PMEGP), which is a major scheme of MSME. The scheme facilitates generation of self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youth. Details of the micro enterprises set up under the scheme are as under:

Year	No. of micro-enterprises setup	No of micro enterprises setup by women
2015-16	44340	11356 (26%)
2016-17	52912	14768 (28%)
2017-18	48398	15670 (33%)
2018-19	73427	25378 (35%)
2019-20	66653	24720 (37%)
2020-21	31923	11862 (37%)

III.RESULTS

Initiatives of Ministry of Rural Development:

Ministry of Rural Development is implementing two welfare schemes in the field of skill development for rural poor youth under the National Rural Livelihoods Mission (NRLM) for gainful employment and to eradicate poverty in the country as follows :

- DeenDayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) which is a placement linked skill development program for wage employment.
- Skill development through Rural Self Employment and Training Institutes (RSETIs) enabling a trainee to take bank credit and start his/her own micro-enterprise.[9,10]

Both DDU-GKY and RSETI schemes are applicable to all the categories including women. The physical achievement regarding the total number of candidates/ women candidates trained and placed in jobs/settled under both the above mentioned schemes during the last five years and current year is given below:

Physical Achievement under DDU-GKY

FY	Total Trained	Women Trained	Total Placed	Women Placed
2015-16	236471	106419	109512	49855
2016-17	162586	63409	147883	59147
2017-18	131527	51401	75787	30307
2018-19	241080	116172	138248	55685
2019-20	238336	122617	150199	66454
2020-21 (Till December 2020)	9986	5134	36933	17362



Physical Achievement under RSETIs

FY	Total Trained	Women Trained	Total Settled	Women Settled
2015-16	436385	106419	300375	181752
2016-17	445143	63409	364214	226377
2017-18	423343	51401	351266	217682
2018-19	403672	116172	298039	199931
2019-20	384028	122617	285059	204728
2020-21 (Till December 2020)	111367	5134	93874	69156

4. RashtriyamahilaKosh (RMK):

The details of the women benefitted by RMK loan schemes during each of the last five years and the current year are as under:

S.No	Year	Women beneficiaries
1.	2015-2016	NIL
2.	2016-2017	NIL
3.	2017-2018	2915
4.	2018-2019	2199
5.	2019-2020	810

Steps have been taken by the Government for enhancing financial inclusion of women through Pradhan Mantri MUDRA Yojana (PMMY), Stand-Up India Scheme, Prime Minister’s Employment Generation Programme (PMEGP) etc.[11,12]

IV.CONCLUSIONS

Amid adversaries and unpleasant news during a pandemic, encouraging reviews are poured in from every corner of life. Especially women’s participation and contribution during the pandemic in economic growth is remarkable, from Economic Survey 2020-2020. Women came forward not only in the time of crisis to manage livelihood but managed the finances of the family with equal ease and confidence.[13,14] Cases had been reported of family violence during this time by women, but as far as the zeal to come up with the cause of equality and harmony in society is significantly displayed by women. Financial literacy formally is come up in studies, whether it may be the formal online course, or any learning from the prevailed circumstances with available resources without any complaint. Reports and stories of the humanitarian side and healthy mental well from this soft gender being prevailed on social media. Efforts to acquire Knowledge of operations of stock markets, financial markets, banking services, and government schemes were curiously put in by women from rural backgrounds as well. Rural women are no less behind in their endeavors. They participated in family domestic chores as always with grace and happily learned financial skills, during this period of counterparts keeping their susceptibility at bay. pandemic.[15] Self-growth and self-awareness have come into light while the discussion on liberation and financial liberty is being. Keeping their marginalized and vulnerable at bay women from rural India emerge as stronger as never seen before. They are prepared to compete with their male co Financial independence with self-awareness and lessons on humanity are new chapters of life. Economically, improvement and sustainability plans are in place in this year union budget.[16]

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