

# A Case Study on Status of Financial Inclusion of Women in Uttar Pradesh, India

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## Abstract

India's rising economy has had significant development over the last ten years, including an annual GDP expansion of about 6%. Furthermore, the expansion has been exclusive and prejudiced toward women. Still, a sizeable percentage of the community, primarily women, lacks exposure to official economic facilities. Financial inclusion is viewed as a crucial measure for the growth and welfare of societies all over the world. In many nations, including India, offering inclusive financial services—that is, financial services that are reasonably priced for everyone—has emerged as a top goal. Female empowerment is a revolutionary strategy that aims to change social dynamics in advantage of the female population and is seen as being crucial to worldwide advancement. As a result, emerging countries are adopting an inclusive finance structure to accomplish vital to developmental goals. The current case study examines the social, political, and financial facets of women's empowerment. Additionally, it runs a test to evaluate if the proportions alter as an outcome of the financial inclusion. The author use research to create a systematic survey on women's financial inclusion and empowerment in Uttar Pradesh, India, using programmes like the PradhanMantri Jan DhanYojana (PMJDY), Pradhan Mantri Jivan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), and Atal Pension Yojana (APY).The outcome showed that the PMJDY scheme, particularly for women in Uttar Pradesh, seems to be quite productive and is having a favourable impact on social, political, and economic considerations of women's empowerment. The report advances the narrative on women in Uttar Pradesh and points out the critical necessity for the creation of a structured financial system in order to increase the extent of financial inclusion.

**Keywords:** Financial Inclusion, Women Empowerment, Financial literacy, Gender equality.

## Introduction:

After India attained independence in 1947, targeted professional developmental, constitutional and legal reforms, and official backing have been focused on measures that were intended to improve the status of women. The Eleventh Five Year Plan [1] focuses on inclusive development for women to achieve their full capabilities and participate in the advantages of socioeconomic development. Subsequent five-year development programs have emphasised measures for the empowerment of women. In The Government 's top objective in the twelfth plan [2] aims to streamline the current initiatives for advancing gender equality and women's empowerment as well as move forward with addressing new gender-specific issues. Launching the National Empowerment Policy [3] and making the Department of Women and Child Development (under the Ministry of Human Resources and Development) a full-fledged Department were two more institutional measures.

One of the countries in the world with the quickest economic performance is India. Notwithstanding this, the majority of people in the nation still lack banking access. In attempt to fulfil the requirement to extend financial services to the disadvantaged, the then-Governor of the RBI, Y Venugopal Reddy, first introduced financial inclusion in India in 2005. Here should be an effort to involve the most engagement possible from across all facets of community as the Indian economy grows, particularly whenever the goal is to accomplish sustainable development. However, like the bulk of the community lacks access to formalized financing, the dearth of financial literacy and education among the Uttar Pradesh rural community is impeding economic development.[4]

Greater and more sustainable financial and social growth of the Uttar Pradesh is made possible through financial inclusion. It aids in the empowerment of the Uttar Pradesh downtrodden, poor, and women with both the goal of fostering their independence and financial literacy. Depending on the degree of their accessibility to financial services like savings and payment accounts, credit insurance, pensions, and other benefits, financial inclusion took in consideration the engagement of disadvantaged individuals like weaker sectors of society and individuals with low incomes in Uttar Pradesh. The goal of financial inclusion is additionally to make financial institutions easily accessible so that rural people and businesses can participate as much as possible in economic development, educational, retirement investments, and other areas.

### **Literature Review:**

#### **(1) B. C. Viraktamath and Amtul Waris**

Investigated the gap between men and women in India and looked at the female literacy, sex ratio, labour engagement, and types of jobs where there was a gender disparity and came to the conclusion that regulations for women needed to be changed. [5]

#### **(2) V.Ganeshkumar**

The likelihood of financial inclusion in India was explained as being strongly correlated with the institution concentration in a state. Since literacy is a requirement for raising financial consciousness, it naturally appears to be a crucial instrument for financial inclusion. However, the assessment notes that illiteracy cannot ever serve as a sufficient safeguard of a government's high level of financial inclusion. [6]

#### **(3) Anju Batra**

Indicated that financial programmes have indeed been widely available in Uttar Pradesh since the banks have made sufficient preparations for them however, women only use about 31% of the aforementioned services. In contrast, SHGs function admirably in terms of access to credit, profession creation, expansion of economic, education, advertising connections, building confidence, and women's empowerment. [7]

#### **(4) Apurva & Chauhan,**

Concluded that when considered to comparable nations, India has a modest degree of financial inclusion in regards to the amount of offices, ATMs, bank credits, and bank savings.To

increase financial inclusion, the Reserve Bank of India had implemented a number of methods, including no-frill accounts, the use of regional languages, straightforward KYC requirements, etc. It may be concluded from Axis Bank's numerous financial inclusion achievements that now the financial sector is essential to the cause of financial inclusion. [8]

### (5) Arpita Manta

Duration of the study, which ran from 1996 to 2006, examined the magnitude to which financial inclusion for women has occurred in India. There seem to be countless options to increase the capabilities of women as significant economic development participants, yet they continue to be a disadvantaged group financially, and the northern region requires additional consideration. [9]

#### **Need/Importance of Study:**

Unemployment and financial inclusion are mutually exclusive, and poor individuals generally experience financial exclusion. Women are frequently disenfranchised more frequently in emerging nations like India especially in Uttar Pradesh. The goal of financial inclusion in Uttar Pradesh India can also be further served by women utilizing banking products and services. In recent years, there has been a noticeable increase in the contribution of women's financial inclusion to GDP and economic expansion. The research places a strong emphasis on how using financial products and services can improve inclusive growth for women financially in Uttar Pradesh. This will create a stronger and more stable financial climate. Women's access to financial services is crucial because of the disparities in socioeconomic and social circumstances between men and women.

#### **Objectives of the study:**

- a. To evaluate the relative importance of different administration initiatives and financial inclusion programmes.
- b. To evaluate each policy's and program's effectiveness to the empowerment of women and financial literacy in Uttar Pradesh, India.

#### **Methodology:**

Supplementary information has been collected to achieve the goals from a variety of secondary source materials, including the Reserve Bank of India's website, publications from the Ministry of Women and Child Development, and numerous advisory board reports on financial inclusion that were forwarded to the Indian government. In furthermore, the articles, journals, news publications, reports, books, and websites that have been published have also been considered.

#### **Analysis of Women & Financial Inclusion Linkage:**

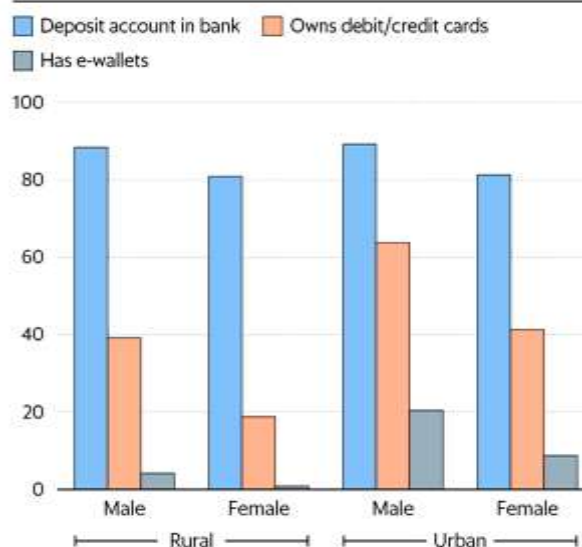
- **Construction of Financial Stability:** In the majority of low-income homes, women make the decisions about consumption and saving. Therefore, they are much more conscientious and dedicated savers than males.

- Numerous studies have demonstrated because when provided the chance, women save it and develop their financial independence.
- Therefore, targeting women by banks is both financially viable and contributes to such public welfare.
- **The building of social capital:** Women's participation in financial institutions, employment opportunities and capacity to obtain credit from such institutions can all boost their social wealth.
  - So that 230 million women are empowered financial support from Jan Dhan clients might

### The gender divide

Designing women-oriented products, having more women banking correspondents and gathering more disaggregated financial inclusion data can help bridge the divide.

Gender-wise access to digital financial services (in %)



Source: All India Debt and Investment Survey (2019)

improve 920 million lives, assuming a household size of four. [10]

- **Important for empowering women and reducing inequality:** Women's empowerment and inequality alleviation depend on offering lower women with practical and inexpensive financial instruments to mitigate resources, save and receive money, and send and receive remittances.
- **Lack of Financial Inclusion for Women:**

An essential indicator of India's financial inclusion is the National Statistical Office's All India Debt and Investment Survey (AIDIS). Female data from the most recent poll (2019) provides a valuable indicator of how women utilise and own various financial products. [11]

According to the poll, 81% of women in urban locations and 80.7% of women in rural areas have bank accounts. This is an advance over the anticipated 77% of Indian women who have bank accounts, according to the most recent Global Findex Report (2017), which polls a comparable socioeconomic bridge. [12]

The Pradhan Mantri Jan Dhan Yojana (PMJDY) account implementation has helped to close the gender disparity in bank account participation during the past several years. Presently, women own slightly more than half of all Jan Dhan accounts. Financial inclusion, however, is not simply the availability of financial services.

This is explained by socioeconomic variables, such as the greater accessibility of mobile phones and internet access for men compared to women.

About 55 percent of women really don't regularly use own PMJDY accounts, thus according numerous research findings. Women from minimal income families frequently save modest amounts of money in their homes, in chit funds and bishis, as well as with their jobs, friends, and family members. Additionally, India's female work population engagement rate, which was under 20% before falling to around 16% in the 2nd period of 2020–21 due to the pandemic, is among the poorest anywhere in the world.. Cheaper workforce involvement and low incomes can be blamed for the low use of financial services.

### **Overview of Government Initiatives towards Women Empowerment through Financial Inclusion:**

The Indian administration has already been launching several programmes that simply expanded financial services and served as a vehicle for strengthening women. The government implemented programmes with financial integration in consideration after extensive preparation and research by numerous financial professionals and authorities.

#### **(1) Pradhan Mantri Jan Dhan Yojana: (PMJDY)**

Recently, PMJDY unveiled a plan to give every family access to financial accounts with just an excess option and a Ru-Pay debit card. It was a fully fuelled plan with cutting edge technology like Ru-pay and mobile banking, among others. [14]

#### **(2) Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)**

People with bank accounts in the age range of 18 to 50 who agree to enrol or allow auto-debit are eligible to participate in the PMJJBY. For a bank account, the basic KYC would be an Aadhar. The 2-lakh-rupee life insurance policy will be renewed and valid for a calendar year starting on June 1 and ending on May 31. In the event of the insured person's death for any circumstance, this policy provides risk coverage up to Rs. 2 Lakh. The annual premium is Rs. 436, and it must be automatically deducted from the user's personal bank account before or on May 31 of each year, depending on the option he chooses.[15]

#### **(3) Pradhan Mantri Suraksha Bima Yojana (PMSBY)**

The Programme is open to anyone between the ages of 18 and 70 who have a bank account and who accept to join or activate auto-debit on or before May 31 for the insurance period running from June 1 to May 31 on an annual renewal basis. The basic KYC for the savings account would be Aadhar. Under the plan, risks are covered up to Rs. 2 Lakh for accidental death, Rs. 1 Lakh for partial impairment, and Rs. 2 Lakh for complete impairment. The account holder's bank account will be debited once for the annual premium of Rs. 20 using the "auto-debit" feature. [16]

#### (4) Atal Pension Yojana (APY)

To establish a comprehensive financial safety program for any and all Indians, particularly the poor, the disadvantaged, and disorganized sector employees, the Atal Pension Yojana (APY) was introduced on May 9, 2015. Pension Fund Regulatory and Development Authority oversees APY (PFRDA). Every bank account users between the ages of 18 and 40 are eligible for APY, and the deposits vary depending on the pension amount selected. [17]

#### Conclusion:

Research on financial inclusion for women is still difficult and perplexing. In India, the problem of financial inclusion has sparked debate about novel ideas and ideologies, and there is room for improvement in terms of models, technology, and products. However, scholars and decision-makers have become interested in women's empowerment through financial inclusion; however, additional research is required to widen the study's focus on women's financial inclusion in India.

Although significant progress has been made in enhancing financial inclusion generally and for women in particular, more work remains to be done, Moving forward, it is important to make an effort to comprehend the constraints that prevent women from exercising their agency and mobility at all phases of financial inclusion, from opening an account to saving money to obtaining credit to making sure an account is continuously used. By adjusting product characteristics and bolstering delivery methods, the present laws and programmes make some effort to remove the social, cultural, and other obstacles that promote women's financial exclusion. In this section, we have made an effort to examine and comprehend the significance of some of them in promoting the economic empowerment of women.

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