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A Study of Financial Inclusion Efforts among Women and Its Impact on the Women Empowerment

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ABSTRACT- Financial inclusion has been a major concern in the government in recent years. Financial inclusion refers to the availability to both individuals and businesses of useful and cost-effective financial goods and services, including payments, transactions, savings, credit, and insurance, that are provided in a sustainable and responsible manner. This will help the people to grow and develop. The impact of financial inclusion is positively on every aspect of society. In a single study it is not possible to understand the role of financial inclusion. Researcher has emphasized on the women empowerment aspect in the present study.

KEYWORDS- Financial Inclusion, Women Empowerment, Social Growth, Financial Security

I. INTRODUCTION

India is a country with huge potential of growth with its population. Indian population has grown massively over the last few decades. The financial opportunities for the population help the population to grow economically. Economic development in modern world is highly related with financial inclusion. Government of India has made several efforts in this direction financial inclusion. The one major objective of financial inclusion in empowering the population financially. Financial inclusion helps individuals for having access to banking services. They become capable of availing government schemes and bank loans for their purposes [1, 2, and 3].

Since the 1950s, the Government of India has aimed to achieve the concept of financial inclusion, which entails providing access to financial services to those who ordinarily lack it. With the nationalisation of 14 commercial banks by Prime Minister Indira Gandhi in 1969, the nationalisation of banks, which took place between the middle of the 1950s and the late 1960s, opened up banking services to previously unreached regions of the nation. Indira Gandhi referred to the "branching" of banks into rural areas as a strategy to "accelerate development" and to combat poverty and unemployment. It increased lending for agriculture and other rural populations that weren't well-served [4, 5, 6].

The phrase "financial inclusion" was being used in India by the early 2000s. The Reserve Bank of India (RBI) established the Khan Commission in 2004, which looked into the state of financial inclusion in India and provided a number of recommendations. The RBI has persisted in pushing for financial inclusion while working with the Indian government to create new regulations and banking products.

Progress has been made since the GOI and RBI made financial inclusion a top priority. The first village in India where all households had access to banking services was Mangalam, Puducherry. States or union territories like Puducherry, Himachal Pradesh, and Kerala declared that all of their districts would have 100% financial inclusion. The goal of the Indian Reserve Bank for 2020 is to add nearly 600 million new customers and provide them with a range of services by utilising IT. The lack of bank branches in rural areas, low-income savings, and illiteracy continue to be barriers to financial inclusion in many states, in addition to an inadequate legal and financial framework [7, 8, 9].

A. Financial Inclusion

Financial inclusion refers to initiatives to make financial services and products available and reasonably priced to all people and businesses, regardless of their personal wealth or the size of their business. The goal of financial inclusion is to lower the obstacles that prevent people from engaging with the financial system and utilising its products to better their lives. Additionally, known as inclusive finance.

Financial inclusion "facilitates day-to-day living, and helps families and businesses plan for everything from long-term goals to unexpected emergencies," the World Bank writes on its website. Additionally, it continues, "As accountholders, people are more likely to use other financial services, such as savings, credit, and insurance, start and expand businesses, invest in education or health, manage risk, and weather financial shocks, all of which can improve the overall quality of their lives [10, 11].

B. Financial inclusion in India

The government has financial inclusion as a top priority. The goal of financial inclusion is to increase access to financial services for the nation's sizable, previously underserved population in order to maximise its growth potential. In August 2014, the government introduced the Pradhan Mantri Jan Dhan Yojana (PMJDY), also known as the National Mission for Financial Inclusion (NMFI), to offer universal banking services to every unbanked household [12].

C. Pradhan Mantri Jan Dhan Yojana (PMJDY)

The Prime Minister's Social Security Schemes, which were introduced by the Honourable Prime Minister on May 9, 2015. The goal of PMJDY was to accomplish audacious, innovative, and ambitious goals. The fact that 28, 70 crores (66.69%) of PMJDY accounts are located in rural areas and 23, 87 crores (more than 55.47%) of PMJDY account holders are females serves as evidence of this policy's inclusivity. Deposits in PMJDY accounts have increased over time. As of 18.08.2021, the deposit balance in PMJDY accounts is Rs. 1, 46,230.71 crores. The average deposit per account increased by more than tripled, from Rs. 1,064 to Rs. 3397, between March 2015 and August 2021 [13].

D. From Jan Dan to Jan Suraksha

In an effort to create a universal social security system for all Indians, particularly the poor and the underprivileged, the Honourable Prime Minister unveiled three social security programmes in the insurance and pension industries on May 9, 2015.

E. Pradhan Mantra Jeevan Jota Bima Yojana (PMJJBY)

Participants in the PMJJBY must be between the ages of 18 and 50, have bank accounts, and give their permission to enrol in or enable auto-debit. Aadhar serves as the main form of KYC for bank accounts. The 2-lakh-rupee life insurance policy can be renewed, and its validity spans from 1 June to 31 May of the following year. The risk coverage under this plan is for Rs. 2 lakhs in the event of the insured person's death for any reason. Depending on the option he selects, the annual premium, which is Rs. 436, must be automatically taken out of the subscriber's bank account on or before May 31 of every year. Offering the product on comparable terms with the necessary approvals and partnering with banks for this purpose. The Life Insurance Corporation and all other life insurers are doing so. By June 30, 2022, there will have been over 13.11 crore participants in PMJJBY [14].

F. Pradhan Mantri Suraksha Bima Yojana (PMSBY)

Anyone with a bank account between the ages of 18 and 70 who agrees to join or enable auto-debit on or before May 31 for the coverage period running from June 1 to May 31 on an annual renewal basis is eligible to participate in the scheme. Aadhar would be the main form of KYC for the bank account.

II. LITERATURE REVIEW

Chakraborty, S. (2014), used a cross-country survey, discovered statistical evidence that women are significantly less likely to be financially included than men are. Why are women economically disadvantaged? Do laws promoting women's empowerment, the prevalence of discriminatory attitudes towards women in society, and financial empowerment for women all go hand in hand? The number of financially included females is higher in nations that support gender equality, particularly in the workplace, and have effective enforcement mechanisms. Social attitudes are also important. Women are significantly more financially included when there is a lack of tolerance for discrimination, especially when it comes to providing equal educational opportunities for men and women [15].

According to Banerjee and Francis (2014), there is a significant positive relationship between the Human Development Index and FI because the latter promotes the eradication of poverty.

According to Aaron Malhotra and James Yeoman (2015), increased Fires has a significant impact on how consumers and businesses behave, which affects how effective monetary policy is. Increased FI causes income to increase, which spurs more consumption. It also makes it easier for people to access credit and savings. The positive correlation between the FI index and knowledge of various financial products and services was discovered by Biswas and Gupta (2015). Due to low levels of financial services awareness in these areas, FI is low in rural areas of many countries [16].

Pal, M., Gupta, H., & Joshi, Y. C. (2022) aimed to demonstrate the influence of social and economic factors on women's financial inclusion and empowerment in rural India. The findings of this study indicate that women's financial inclusion has a significant impact on their ability to empower themselves. However, the safety of their savings is seen as an insignificant variable, despite the fact that the odd value in the current study is very high (2.437).

Jedi, F. F. (2022) tried to test the relationship between financial inclusion and women's empowerment in Iraq. The study used a descriptive analysis methodology to examine the relationship between financial inclusion (having a bank account, a credit card, saving money at an official financial institution, borrowing money from an official institution, borrowing from family or friends, receiving wages from the public sector, and receiving wages from the private sector) and economic empowerment as measured by the percentage of women [17].

Neuse, T., Desalegn, G., Onshore, B., Tangle, A., Nathan, R. J., & Fekete-Farkasne, M. (2022) analysed how government policies and regulations affect women's financial inclusion and economic empowerment in Ethiopia's small and medium-sized businesses. This study employed a mixed research methodology and an explanatory research design to reach its goal. Both primary and secondary sources of information were used in the study. Both primary and secondary data were gathered through the use of questionnaires and the review of various related literary works, the internet, and journals [19].

Arshad, A. (2023) aimed to conduct an empirical investigation into the relationship between financial inclusion and women's emancipation. Then, using panel data for the years 2004–2019, it examines the overall impact of various aspects of financial inclusion on women's empowerment in developing countries. The findings confirm earlier empirical literature findings and demonstrate that financial inclusion generally has a positive influence on women's empowerment. According to the study, greater financial inclusion will benefit women by enabling them to recognise their strengths and abilities, which make them powerful and dominant. Only with the proper education, awareness, and freedom to express oneself are those skills capable of being developed and improved in the proper manner [18, 20].

III. RESEARCH METHODOLOGY

A. *Objective of Study*

Following objectives have been defined for present research:

- To study the impact of financial inclusion on women in selected district
- To study the impact of financial inclusion on livelihood of women in selected district

B. *Hypothesis*

Based upon the objectives, researcher has proposed following hypothesis:
H01- There is no significant level of awareness about financial inclusion schemes among women in district Lucknow
H02- These is no significant impact of financial inclusion schemes on women empowerment in district Lucknow

C. *Population and Sampling*

Population: Proposed population for the present research is women form marginalised society. Low income earning women from deprived class of society have been the focus of financial inclusion and women empowerment. The researcher has considered self-employed women in small business, selling staple goods, and wage labour for the present study.

D. *Sample size*

Sample size calculation is very important part of the research. Adequate sampling techniques and sample size reduces method biases. Researcher has used Rao soft sample size calculator free online templet for sample size calculation. As per reports of Census India, population of Lucknow in 2011 is 2,817,105. Researcher has considered the population size in the templet as 2 Lakhs. The response distribution as 50%. The estimated sample size for same appeared 384.
The temple uses the formula $x=Z(^{c}/_{100})^2 r\ (100-r)$ $n=^{N x}/_{((N-1) E2 + x)}$ $E=\text{Sqrt}\ [^{(N - n) x}/_{n\ (N-1)}]$
For indefinite population, and 50% effect size of phenomena the value for 95% scale some 314.17 so considering a sample of 385 has been considered good.

IV. FINDINGS OF THE STUDY

H01- There is no significant level of awareness about financial inclusion schemes among women in district Lucknow

Table 1: Chi Sq. calculation for hypothesis -1

	Observed Frequency (O)	Expected Frequency (E)	(O-E)	$(O-E)^2$	$(O-E)^2/E$
Strongly Disagree	7	77	-70	4900	63.63
Disagree	0	77	-77	5929	77
Neither agree nor disagree	28	77	-49	2401	31.18
Agree	296	77	219	47961	622.87
Strongly agree	54	77	-23	529	6.87S

$\sum(O-E)^2/E = 801.55$
For 0.5 level of significance at the degree of freedom 04, the critical value of chi square is 9.488. On comparing critical value of chi square with test statistics, it is found that the test statistics is higher than critical chi square value. So, the null hypothesis is rejected. By observing, the scores it can be said that, "There is a significant level of awareness about financial inclusion schemes among women in district Lucknow"
H02- These is no significant impact of financial inclusion schemes on women empowerment in district Lucknow

Table 2: Correlations

		financial inclusion	women empowerment
financial inclusion	Pearson Correlation	1	.510**
	Sig. (2-tailed)		.000
	N	385	385
women empowerment	Pearson Correlation	.510**	1
	Sig. (2-tailed)	.000	
	N	385	385
**. Correlation is significant at the 0.01 level (2-tailed).			

The correlation table 2 shows that financial inclusion is positively related with women empowerment. The correlation value is .510 which is above 0. 400.The value shows that both have moderate correlation. With results of correlation table, hypothesis is rejected so it could be said that, these is a significant impact of financial inclusion schemes on women empowerment in district Lucknow
Respondents does have bank account and credit services. Most of them receive payments on UPI or use any other scan code but they suggested that they do not use credit cards. The level of financial inclusion is limited to owning a bank account.

- In his Independence Day speech on August 15, 2014, the honourable prime minister designated Pradhan Mantri Jan Dhan Yojana as the National Mission on Financial Inclusion. This initiative aims to ensure complete financial inclusion of all households in the nation by granting everyone access to banking services.

According to this, a person without a savings account may open one without the need for a minimum balance and may open a small account if they self-certify that they lack any of the legally valid documents needed to open a savings account. Thus, through financial literacy programmes, PMJDY provides unbanked individuals with simple access to banking services and financial product knowledge. They also receive a Repays debit card with a built-in $100,000 accident insurance policy. This was a route cause to understand the acceptance of people to have access to insurance schemes and other loan related facilities.

- Mostly respondents were not so sure about the methods and documentation for getting a bank loan. They have got financial assistance in any form but not so sure about the procedure. This shows that objective of the financial inclusion. The researcher has also observed that the respondents have a suspicion about us being a bank employee. So, it might be possible for the reason of their response to uncertainty.
- Economic slowdown and uncertainty in the businesses have created huge fear among the women in weaker section. They fear for the shutdown of the business or loss of their jobs. The weaker section is highly dependent on their physical potential for earning their livelihood. Small businesses are vulnerable as they hardly consist any technology. Most of the respondents in the research felt that they are not certain whether their financial awareness will provide any security to them.
- Financial independence helps people to fulfil their needs. People felt that after banking availability, insurance, saving, and small credits their lives have changed. They believe respected due to the financial inclusion activities.
- Once people start formalizing their operations and start using banking services, they start developing a sense of awareness about their rights. The researcher framed the question to comprehend that whether financial inclusion have made any effect on the psychological strength. The researcher found that still small businesses operated by women are affected by the local administration.
- Respondents strongly agree that with the help of banking services they became capable to contribute to their family needs. While filling up the questionnaire the respondents also told that now they can invest for the future of their child. All the women respondents who were having girl child have preferred to open Susana Samriddhi Yojana.
- People who are financially included have better access to credit and other financial services as well as the opportunity to participate in the organised financial sector. For the masses to escape poverty and pave the way for prosperity, this is crucial.
- Financial inclusion refers to the availability to both individuals and businesses of useful and cost-effective financial goods and services, including payments, transactions, savings, credit, and insurance, that are provided in a sustainable and responsible manner.
- Financial inclusion solves capital problem of business. Big loans are comparatively easy as they have collateral and credit evaluation. But small loans are not safe even for banks. People getting money have no certainty of returning the amount.
- Since there will be more money available, financial institutions will have more lending power. More companies will launch and grow. The general public will have easier access to financial planning and education. It will bring about a society that is economically advanced and aid in the mobilisation of financial resources for useful purposes.
- Mobile wallets use highly sophisticated techniques for tokenization and encryption to protect a user's credit or debit card information. A security measure known as encryption uses a secret key to guarantee that only the sending and receiving parties can access private data.

V. CONCLUSION

Despite recent economic growth in India that has outpaced that of the majority of developed nations, the majority of the population still lacks access to banking services. Financial inclusion refers to initiatives to reach out to low-income households and excluded groups of society by offering them access to adequate credit at affordable rates as well as financial services. It rose to prominence in the early 2000s after the RBI emphasized the value of financial inclusion in its yearly policy statement. The public now has access to the fundamental financial services thanks to the three-year Financial Inclusion Plans (FIP) and Pradhan Mantra Jan Dan Yonne (PMJDY) Programmes. With the implementation of said services and the measurement of its development, India's score in the Global Findex (GFX) index increased from 35 in 2011 to 80 in 2017, but it is still struggling to achieve last-mile connectivity as coordinated efforts from all the involved parties are required to deepen access.

Some of the key determinants that will help India move towards financial inclusion are listed below:

- Collaboration of Fitch Companies with Banks
- Numerous finch businesses in India are working hard to streamline the process of giving underserved people access to financial services. Poor people are frequently taken advantage of by moneylenders, and they may end up paying them hefty interest rates as a result. NBFCs can work with fintech firms to develop more efficient and quick banking procedures to protect the poor from such high bank costs. As these procedures advance, India will move closer to financial inclusion.
- Financial and Digital Literacy
- The widespread implementation of financial inclusion is being hampered by the lack of effective and widespread financial and digital literacy. Are we doing enough to educate the public, one might ask? In order to reach the last mile of underserved segments, more awareness Programmes should be launched through a variety of channels. A knowledgeable consumer is a crucial component of the payment ecosystem.
- Increased Utilization of FI Infrastructure
- It is important to encourage all industries currently involved in financial inclusion, including NGOs, banks, non-banking financial institutions, and government agencies, to use the infrastructure for financial inclusion more frequently because it has been built with significant financial investment.

- 4-Training Programs for Startups
- Startups can benefit from training Programmes that assist them in finding solutions across the nation. The knowledge gained from these Programmes can be used to develop fresh approaches to financial inclusion.
- Enrichment of The Bureau Due to India's demographic and geographic characteristics, it has always been difficult to reach the underbanked rural areas because opening branches is an expensive way to provide financial services. Up until the discovery of the digital platforms, the issue was a serious issue.

CONFLICTS OF INTEREST

The authors declare that they have no conflicts of interest.

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