



Socio-Economic Empowerment of **WOMEN**

Initiatives for Impoverished

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Awareness of Rural Women towards Financial Inclusion Schemes

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Abstract—Financial Inclusion is an integral part of the growth process. It is critical for achieving inclusive economic growth and only such a growth is sustainable. It is an acknowledged fact that Indian economy is one of the fastest growing economies in the world. Majority of the population in India resides in rural areas. Thus development of rural India is a key for economic development. Credit is one of the very important inputs of economic development. Micro Finance, Self-Help Groups and Financial Inclusion are the three dimensional approach to eliminate poverty and ensure rural development. No-frill account has emerged as a powerful tool for financial inclusion, which links low income groups with banks. In India, Micro Finance is dominated by the SHGs through bank linkage programme. Through a cost effective mechanism it aims at providing financial services to the unreached poor. The proximity of the financial service is another fact and also due to most of the excluded consumers who are unaware of the bank's products, which are beneficial for them. To analyze the association between the social economic status and level of awareness toward financial inclusion. Sample of 300 respondents, particularly rural women belonging to weaker section of the society were selected from five villages in Suler taluk of Coimbatore district using simple random sampling. The primary data were collected through a well structured interview schedule. The data were analysed through Percentage, Mean and F ratio. The results revealed that Financial inclusion programs must emphasize the active participation of women to maximize impact. Specifically targeting women's training coupled with financial education to increase women's access to simple and affordable savings services should be an integral part of any financial inclusion strategy.

INTRODUCTION

Financial Inclusion is an integral part of the growth process. It is critical for achieving inclusive economic growth and only such a growth is sustainable. It is an acknowledged fact that Indian economy is one of the fastest growing economies in the world. (GDP growth rate was 13% in 2010-2011 in India as against global growth rate of 3.1%). Majority of the population in India resides in rural areas. Thus, development of rural India is a key for economic development. Credit is one of the very important inputs of economic development. The timely availability of credit at an affordable cost has a big role to play in contributing to the well being of the weaker sections of the society. Micro Finance, Self-Help Groups and Financial Inclusion are the three dimensional approach to eliminate poverty and ensure rural development. No-frill account has emerged as a powerful tool for financial inclusion, which links low income groups with banks. But in India, Micro Finance is dominated by the SHGs. It is a bank linkage programme. Through a cost effective mechanism it aims at providing financial services to the unreached poor. So SHGs are playing a very important role in the process of financial inclusion.

The Report of the Committee on Financial Inclusion in India headed by C. Rangarajan (2008) defined financial inclusion as "the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable such as weaker sections and low income groups at an affordable cost" (Chandrasekhar Babu). Financial inclusion mainly on the power who do not have formal financial institutional support and getting them out of the clutches of local money leaders (Dhevan Ravichandra). Regional Rural Bank (RRB) continued to take initiatives in the

area of financial inclusion by opening "No frill accounts' issuing Kisan Credit Cards (KC) and General Purpose Credit Card (GCC) and dispensing micro credit through formation and linkage of SHG (DarlingSelvi).

WOMEN IN RURAL AREA

Rural women are active agents of economic and social change and environmental protection. They are, in many ways and to various degrees, constrained in their roles as farmers, producers, investors, caregivers and consumers. They play crucial roles ensuring food and nutrition security, eradicating rural poverty and improving the well-being of their families yet continue to face serious challenges as a result of gender-based stereotypes and discrimination that deny them equitable access to opportunities, resources, assets and services.

REVIEW OF LITERATURE

Mudra-Samir's (1992) survey on "Working women's awareness and attitude toward various saving avenues" brings out that working women in urban India put one-fifth of their earnings as savings. Awareness exists on various saving avenues and mutual funds have not found widespread presence. Arokia Jerold(2008) survey on " Financial inclusion and Literacy in India"-A study brings out that element of financial inclusion. Christopher Bullet(2008) survey on "Financial inclusion: Implication and opportunities" bring out that less than 20 percent of household savings in India are deployed in this way. As a consequence saving equivalent to two months of earning, while one half have accumulated saving of less than three months earnings.

STATEMENT OF THE PROBLEM

The main reason for financial exclusion is the lack of a regular or substantial income. In many cases people with low income do not qualify for a loan. The proximity of the financial institutions is another fact and also due to most of the excluded consumers who are unaware of the benefits of the products, which are beneficial for them. India, being developing country, requires more information through Savings and Investments. In order to achieve this objective there should be a proper planned, promoted and channeled investment pattern among the masses. As the Gross Domestic Product (GDP) is growing the savings among middle income group and higher income group is increasing but the lower income groups are left behind without being aware of investment opportunities available. So, household saving is important for several reasons. Hence this research is undertaken to assess the awareness of the weaker sections of the society, especially rural women.

OBJECTIVE OF THE STUDY

To analyse the association between the social economic status and level of awareness towards financial inclusion.

METHODOLOGY

By adopting simple random sampling 300 rural women belonging to weaker sections of the society were selected from five villages in Sulur taluk of Coimbatore district. The primary data were collected through a well structured interview schedule.

TOOLS FOR ANALYSIS

The data were analysed through Percentage, Mean and F ratio.

RESULTS AND DISCUSSION

DISTRIBUTION OF RESPONDENTS

To understand the socio-economic profile of the respondents the variable taken age, marital status, educational qualification, occupation, family status and financial decision making.

Table 1: Socio-economic Profile of the Respondents

Variables	Number of Respondents (N=300)	Percentage	
Age	Below 25 years	38	12.67
	26-30 years	37	12.33
	31-35 years	51	17.00
	36-40 years	55	18.33
	Above 40 years	119	39.67
Marital Status	Married	250	83.33
	Unmarried	35	11.67
	Separated / Widowed	15	5.00
Educational qualification	Up to 5th standard	42	14.00
	Up to SSLC	158	52.67
	Up to higher secondary	24	8.00
	Undergraduate	29	9.67
	Post graduate	1	0.33
	Vocational training	3	1.00
	Illiterate	43	14.33
Occupation	Agriculture	98	32.67
	Business	25	8.33
	Employed	28	9.33
	Professional	29	9.67
	Others-Retired	120	40.00
Monthly Household Income (₹)	Upto 5,000	172	57.33
	5,000to 10,000	116	38.67
	10,000to15,000	2	0.67
	15,000to 20,000	10	3.33
Family status	Head	76	25.30
	Member	224	74.70
Financial decision making	Respondents	40	13.30
	Spouse	110	36.70
	Both	150	50.00

Source: Primary Data

The age-wise classification of the respondent showed that, about 58 percent of the respondents were in the age group of above 36 years. Majority (83.33%) of them were married. The educational qualification shows that, majority of the rural respondents, 52.67 percent qualified upto SSLC, 14 percent qualified with primary education, 9.67 percent were under graduates, eight percent were qualified up to higher secondary, three percent were vocational trainees. The illiterate rate was 14.33 percent. The classification based occupation shows that, majority (32.67 percent) were coolies, 32.67 were in agriculturist, 9.67 percent were professional, 9.33 percent were employed and remaining 8.33 percent were doing business. Majority of the respondents (57.33%) household income was below Rs.5,000; 116 respondents earned between Rs.5,001 and Rs.10,000, 10 respondents earned between Rs.15,001 and Rs.20,000 and two respondents earned between Rs.10,001 and Rs.15,000. It was significant to find that 77 out of 300 (25%) families were headed by women. Decision making regarding savings had taken jointly by 40% of the respondents only by husbands in the case of 36.70 per cent of the respondents families. About thirteen per cent of the respondents had taken decision by themselves.

AWARENESS ON FINANCIAL INCLUSION AMONG RURAL WOMEN

In November 2005, banks were advised to make available a basic banking 'no frill' account with low or nil minimum stipulated balances as well as charges to expand the outreach of such accounts to vast section of the population. To indicates the level of awareness about No frill account scheme.

Table 2: No Frill Account Scheme

Features	Level of Awareness			Total Sum	Mean
	High	Moderate	Low		
Opened with nil or very low balance	47(15.67)	122(40.67)	131(43.67)	516	1.72
Overdraft facilities	40(13.33)	130(43.33)	130(43.33)	510	1.70
No penalty for non-maintenance of minimum balance	43(14.33)	125(41.67)	132(44.00)	511	1.71
No cheque book facility	45(15.00)	156(52.00)	99(33.00)	546	1.82
Issue debit card	45(15.00)	123(41.00)	132(44.00)	513	1.71
Credit Limit. ₹100000	50(16.67)	158(52.67)	92(30.67)	558	1.86

Source: Primary Data/ Figures in Parentheses represent percentages to the total.

The level of awareness for all the features of No frill account scheme were found to be low or medium. The women respondents were much aware of the credit limit of ₹1.00 followed by no cheque book facility and account opened with even nil balance.

GENERAL PURPOSE CREDIT CARD

With view of helping the poor and disadvantaged with access to easy credit, Banks have asked to consider introduction of a general purpose credit card facility up to ₹.25000 at the rural and semi urban branches. The objective of the scheme is to provide hassle-free credit to customers based on the assessment of cash to flow without insistence on security purpose for use of the credit. This is in the nature of revolving credit entitling the holders to withdraw up to the limit sanctioned (K.C. Chankrabarty, Deputy Governor, RBI Report)

Table 3: General Purpose Credit Card Scheme

Features	Level of Awareness			Total Sum	Mean
	High	Moderate	Low		
Issued to rural, semi-urban & SHG members	41(13.67)	131(43.67)	128(42.67)	513	1.72
Issued for genuine purpose	36(12.00)	175(58.33)	89(29.67)	547	1.82
Credit limit ₹25000	41(13.67)	136(45.33)	123(41.00)	518	1.73
No security	38(12.67)	172(57.33)	90(30.00)	548	1.83
No cheque book	38(12.67)	135(45.00)	127(42.33)	511	1.70

Source: Primary Data/ Figures in Parentheses represent percentages to the total.

The level of awareness for all the features of General Purpose Credit Card Scheme was to be either low or medium. The mean score on awareness shows that the rural women were aware of the features namely, no security, issued for genuine purpose and Credit limit up to ₹25,000.

KISAN CREDIT CARD SCHEME

Kisan Credit Card have been issued by banks to farmers

Table 4: Kisan Credit Card Scheme

Features	Level of Awareness			Total Sum	Mean
	High	Moderate	Low		
For farmers to meet cultivation expenses	40(13.33)	165(55.00)	95(31.67)	545	1.82
Pass book facilities	41(13.67)	135(45.00)	124(41.33)	517	1.72
Revolving credit	47(15.67)	163(54.33)	90(30.00)	557	1.86
Validity up to 3 years	46(15.33)	124(41.33)	130(43.33)	516	1.72
Need based credit enhancements	49(16.33)	163(54.33)	88(29.33)	561	1.87
Personal accident insurance upto ₹50000	54(18.00)	126(42.00)	120(40.00)	534	1.78
Rescheduling of loan	59(19.67)	153(51.00)	88(29.33)	571	1.90

Source: Primary Data/ Figures in Parentheses represent percentage to the total.

The awareness on the Kisan credit card scheme shows that, rescheduling of loan, need based credit enhancement, revolving credit and for farmers to meet cultivation expenses have secured the first four ranks.

SHG-BANK LINKAGE PROGRAMME

Table 5: SHG-Bank Linkage Programme

Features	Level of Awareness			Total Sum	Mean	Rank
	High	Moderate	Low			
Formation of SHG	57(19.00)	120(40.00)	123(41.00)	534	1.78	4
Microfinance to SHG only	51(17.00)	163(54.33)	86(28.67)	565	1.88	1
Encouraging saving SHG by bank	46(15.33)	128(42.67)	126(42.00)	520	1.73	6
Microfinance without collateral security	47(15.67)	163(54.33)	90(30.00)	557	1.86	2
Microfinance provided by NGO also	52(17.33)	129(43.00)	119(39.67)	533	1.78	4
Microfinance reduce dependence on money lenders	43(14.33)	162(54.00)	95(31.67)	548	1.83	3

Source: Primary Data/ Figures in Parentheses represent percentages in the total.

When analyzing the level of awareness SHG-Bank linkage Programme, it was found that the respondents aware of its features in the order of micro finance to SHG only, microfinance is given without collateral security and microfinance reduce dependence on money lenders.

H_0 : Awareness towards financial inclusion schemes independent of socio-economic factors of rural women

Table 6: Socio-Economic Factors and Level of Awareness towards Financial Inclusion

Variables	R	R ₂	Adjusted R ₂	SE	F Value	Sig
Age	.225	.051	-.032	1.453	.611	.925
Marital status	.166	.028	-.057	.668	.327	.999
Family System	.307	.094	.015	.428	1.192	.248
Family Status	.300	.090	.010	.433	1.131	.309
Financial Decision	.289	.083	.003	1.044	1.041	.414
Educational Qualification	.205	.042	-.041	1.191	.504	.976
Occupation	.324	.105	.027	1.728	1.346	.134

Level of Significance: 5 per cent

It has been revealed from the above analysis that F ratio computed were not statistically significant at 5 per cent level. The null hypothesis stands accepted. Thus it has inferred that the level of awareness towards financial inclusion initiated for the weaker section did not depend on the socio-economic condition of the rural women.

CONCLUSION

Financial inclusion is an essential part which can be achieved through creating awareness among rural women. In order to achieve high rate of economic development, prosperity and improving quality of work among rural women, financial inclusion programs must emphasize the active participation of women to maximize impact. Specifically targeting women’s training coupled with financial education to increase women’s access to simple and affordable savings services should be an integral part of any financial inclusion strategy.

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