

Impact of Financial Inclusion on Women Empowerment in Rural Area through Banking Services

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EDITORIAL BOARD EXCERPT

At the time of Initial Submission (ToS) submitted paper had 19% plagiarism which is an accepted percentage for publication. The editorial viewpoint is of an observation that article had a successive close watch by the blind reviewers which at later stages had been rectified and amended by authors (Rakesh Yadav & Ashish Saxena) in various phases as and when requisite to do consequently. The reviewers had in a beginning stages mention with minor revision with a following stamen which at a small duration streamlined by authors. The comments related to this manuscript clearly mentions the clarity and methodology of the manuscript both subject wise and research wise by the reviewers during evaluation and further at blind review process too. The authors be commendable of appreciation for writing this paper as it focusses on Women empowerment through Financial Inclusion. The objective of the paper is clear as it analyses the relationship of banking services with the income, occupational status and educational level of women in rural areas through various statistical tools. All the comments had been shared as a mixtures of dates by the authors in due course of time and same had been incorporated by the author in computation. By and large all the editorial and reviewer's comments had been incorporated in a paper at the end and further the manuscript had been earmarked and decided under “**Empirical Research Paper**” category as its highlights and emphasize the work in relation to impact of financial inclusion on women empowerment in rural area through banking services

ABSTRACT

Purpose: As the rural women play an important role in the agriculture and other household works which indirectly uplift the family lifestyle in villages and contribute in the development of Indian economy. The purpose of this paper is to find out the impact of financial inclusion on Indian rural women and to assess whether the financial inclusion has contributed significantly in the upliftment of women empowerment or not.

Design/Methodology/Approach: This study has been conducted on the women of the Lodhipur village. Lodhipur Rajput is a village situated in Moradabad Block of Moradabad District of UP. It is situated 15 Kilometers away from district headquarter on NH-24. It analyses the secondary data collected and therefore Empirical research paper

Findings: shows that women are aware about most of these services but they are not using all these services.

Originality/Value: The study endeavours to investigate and critically review role of financial inclusion in women empowerment through factors like income, education and occupation of rural women.

KEYWORDS Financial Inclusion | Women empowerment and Rural India | Reasons for Growth of Entrepreneurship

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Introduction

India is the largest democratic country. It is the fastest growing economy in the world. As per the recent reports of RBI, Indian economy is the world's 6th largest economy leaving France behind. But on the other hand India is still facing gender equality and disparity. As per the Census 2011, the sex ratio of India is 943 females for 1000 males.

The Government of India has taken number of initiatives for the upliftment of Indian women. A few of them are, Beti Bachao, Beti Padhao, for the upliftment of women education; Sukanya Samridhi Account, for the upliftment of savings for daughters; Pradhan Mantri Ujjwala Yojana for free LPG connections to women living below poverty line and Mahila Haat to support women entrepreneurs and women self help groups. Government has started schemes for financial inclusion too like Pradhanmantri Jan Dhan Yojna and Pradhanmantri Suraksha Bima etc.

As the rural women play an important role in the agriculture and other household works which indirectly uplift the family lifestyle in villages and contribute in the development of Indian economy. The purpose of this paper is to find out the impact of financial inclusion on Indian rural women and to assess whether the financial inclusion has contributed significantly in the upliftment of women empowerment or not.

Financial Inclusion:

Financial Inclusion is not a new term now-a-days but it has become a buzz word. Financial services are very much required for the development of human beings and economy. They lead towards a safety cover and protect the human beings and economy from the shocks. Therefore, each and every individual must have the access towards these services. They must have affordable and institutional financial aids for them. This affordable and institutional access of financial services is known as financial inclusion.

In other words, 'Financial Inclusion' may be defined as the process of ensuring access to financial services and timely and adequate credit whenever needed by the weaker sections and low income groups in the society. Financial services are the basic banking services like opening deposit accounts, loan accounts or insurance services etc. In India, to address the issue of financial inclusion, the Government has constituted a committee on financial inclusion under the chairmanship of Dr. C. Rangrajan, to propose the measures to develop equality in economies etc.

Benefits of Financial Inclusion

- Financial inclusion paves the way for establishment of an account relationship which helps a poor to avail a variety of savings.
- An inclusive financial system facilitates efficient allocation of productive resources.
- It also helps the customers to remit funds at low cost.
- Transfer of money can be done more safely and easily by cheque or demand draft etc.

Extent of Financial Inclusion to Rural India:

According to C.Rangrajan, there are six approaches in the system of financial inclusion to rural India.

1. Credit to the farmer households is one of the important elements of financial inclusion among them providing credit to the marginal and sub marginal farmers.
2. Rural branches must go beyond providing credits and extend a helping hand.
3. Commercial banks may be encouraged to open the branches.
4. There must be need for the simplification of the procedure of different banking services and facilities like borrowing loans.

5. Strengthening the Self help groups (SHG) and link them with Bank is an efficient way of providing credit to small borrowers.
6. The business facilitator and correspondent must be appointed.

Literature Review:

Shankar Kumar, SJ, Aftab Ahamad, S & Shekhar, M (2017) have addressed the influencing factors of financial literacy. They explained the financial inclusion through financial literacy. They said that the financial literacy status is not satisfactory in rural areas and the people are not aware of the financial services offered. **Trevedi, Pratima & Trevedi Saumya (2016)** in their research paper tried to find out level of financial literacy in our country and what steps can be initiated to make people financial literate. **Nigam, A.(2016)** focused on the access to credit and savings facilities, financial security and explained that when standard of living improves then poverty falls. **Veeramani, S. (2015)** focused on financial inclusion and the progress of Pradhanmantri Jan Dhan Yojna and its issues. The author then suggested that the Government should focus on rural areas to increase financial literacy and procedural easiness. **Kumar, V. (2014)** emphasized to connect people to financial markets and financial institutions like banks etc to promote the inclusive growth. **G. Srinivasa Rao, & G. Ramesh (2014)** traced the different trends in poverty in India. They found that poor were provided financial facility like credit etc as per their paying capacity to begin a small business, for example, weaving of baskets, poultry, cultivating, and attempting wholesale products to deal in the small or rural market to escape from poverty and enhancing their financial position among deprived section of villages. **Mintu Gogai & Pingki Sharma (2013)** portrayed the actual picture of SHGs formed during the period 2001-2003 in Bajiagaon block of Nagaon district of Assam. The difference in family unit pay of individuals has increased in the wake of joining Self Help Groups (SHGs) is unfurnished. Employment opportunities have increased and as a result, many family members

also get a hold employment opportunity. The study further states that the performance of Self Help Groups (SHGs) relating to female is better than males in almost all programs. **Priya Sharma (2013)** discussed the significance of microfinance in rural development. According to her, microfinance is considered to be a strong poverty alleviation tool and this is quite effective promote rural development

On the basis of literature review, it is observed that the financial literacy, occupation and banking services play important role in the financial inclusion. Most of the studies have been done on financial inclusion and its impact on rural people. Some studies are related to micro finance and its role in financial inclusion. Some studies are found related to Self help groups and their role in making women empowerment but there is a gap found between financial inclusion and women empowerment. Therefore, our main objective of this study is to find out the impact of financial inclusion on women empowerment in rural area. Other objectives are as follows:

1. To analyse the association between banking services with the level of income, occupation and level of education.
2. To examine the awareness regarding the banking services.

Research Methodology:

This is an exploratory cum descriptive study. The researcher has studied secondary data from various journals, magazines and newspapers and reports of RBI etc to get deep knowledge of the topic and to get insights about the problem in hand. On the basis of secondary data analysis, many factors have been observed which influence financial inclusion like literacy level, occupation and educational level etc. To evaluate these variables, a well structured schedule was prepared. For the attainment of the main objective, following hypotheses were framed:

The hypotheses of the study are as follows:



H₀₁: There is no direct relationship between banking services and income level.

H₀₂: There is no direct relationship between banking services and education level.

H₀₃: There is no direct relationship between banking services and occupational status

Further, the reliability of schedule (questionnaire) was checked by **Cronbach’s Alpha** test. The value of Cronbach’s Alpha was found to be 0.853 which confirmed the reliability of the schedule.

The ‘Judgmental sampling technique was used to select the sample units The sample units taken for the study were the women of the Lodhipur The total population of the women of Lodhipur is 1365 and its 20% women had been included in the sample. Thus the sample size was 273. Lodhipur Rajput is a village situated in Moradabad Block of Moradabad District of UP. It is situated 15 Kilometers away from district headquarter on NH-24. The demographic characteristics of Lodhipur Village are as follows:

Table: 01-Demographic Characteristics of Lodhipur Village

Census Parameter	Census Data
Total Population	3110
Total no. of Houses	472
Female Population	1365 (43% of total population)
Total Literacy rate	72.3 % (2250 in number)
Female Literacy rate	26.8 % (834 in number)
Working Population	22.5 %

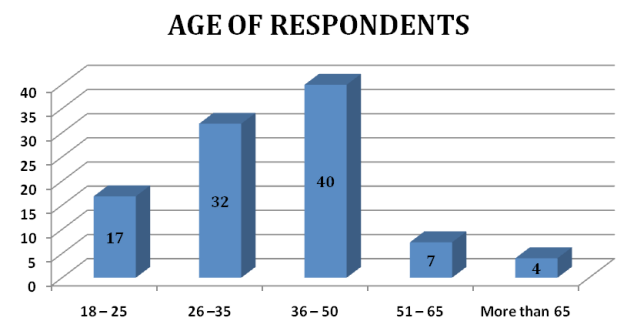
Source: Census data 2011

The analysis has been done by various charts, tables and diagrams and chi-square test has been used to test the hypothesis.

Analysis of Data:

Age	No. of Respondents	Percentage
18 – 25	46	17
26 –35	87	32
36 – 50	109	40
51 – 65	20	7
More than 65	11	4
Total	273	100

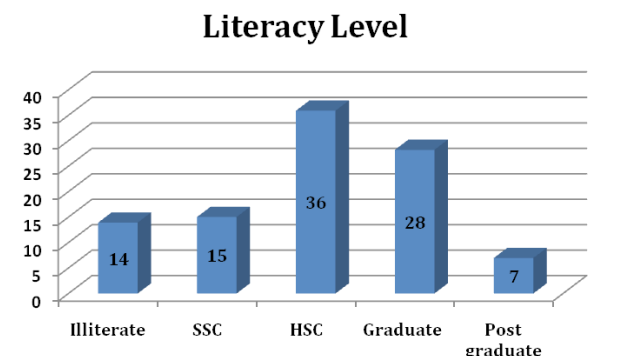
Age of Respondents



72% respondents are from the age group of 26 years to 50 years and only 4% respondents are from age group of more than 65 years.

Literacy Level

Education	No. of Respondents	Percentage
Illiterate	38	14
SSC	41	15
HSC	98	36
Graduate	77	28
Post graduate	19	7
Total	273	100

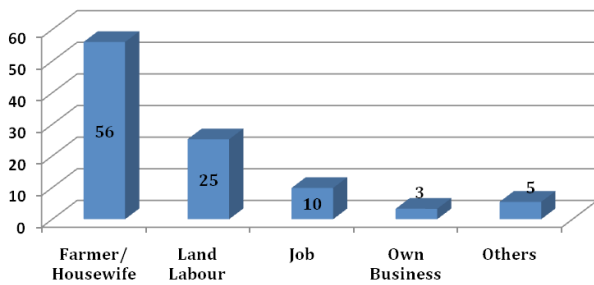


As concerned with the education level in the study area, we found that only 7% respondents are post graduate and 28% respondents are graduate. Only 14% are found illiterate in the study. The reason we found that there is availability of two private universities (TMU and IFTMU) and two management institutes in the vicinity of study area.

Occupational Status

	No. of Respondents	Percentage
Farmer/ Housewife	153	56
Land Labour	69	25
Job	27	10
Own Business	9	3
Others	15	5
Total	273	100

Occupational Status

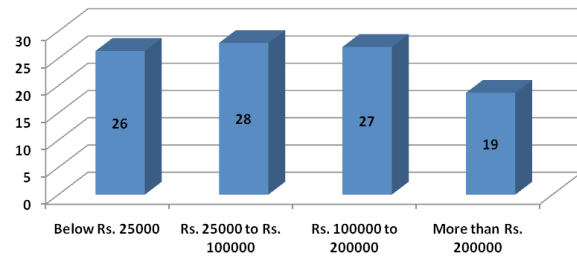


56% respondents are farmers and housewife, 25% respondents are land labour; only 10% are doing any job.

Level of Income

	No. of Respondents	Percentage
Below Rs. 25000	72	26
Rs. 25000 to Rs. 100000	76	28
Rs. 100000 to 200000	74	27
More than Rs. 200000	51	19
Total	273	100

Level of Income

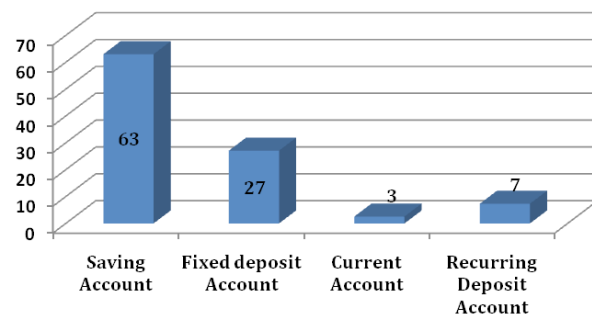


On the basis of above table, status of level of income is not very good. Only 19% respondents having their income more than Rs 200000 while around 55% respondents having their income from Rs. 25000 to Rs. 200000. It shows that the level of Income is not very good in the study area.

Type of Bank Account

	No. of Respondents	Percentage
Saving Account	172	63
Fixed deposit Account	74	27
Current Account	7	3
Recurring Deposit Account	20	7
Total	273	100

Type of Bank Account



There are three public sector banks namely Allahabad Bank, Punjab National Bank & Andhra Bank and one regional rural bank (Prathma Bank) are available in the surroundings of study area. The above table shows that 63% respondents are having saving bank account and 27% having fixed deposit account. Only 3% respondents having their current account in banks.



Testing of Hypothesis

Hypothesis 1

H_{01} : There is no direct relationship between banking services and income level.

Level of Significance = 5%, Degree of Freedom = 9, Calculated value of Chi-Square = 70.0727

The chi-square statistic is 70.0727. The p-value is < 0.00001. The result is significant at $p < 0.05$.

Results

	Below Rs. 25000	Rs. 25000 to Rs. 100000	Rs. 100000 to Rs. 200000	More than Rs. 200000	Row Totals
Saving Account	62 (45.36) [6.10]	60 (47.88) [3.07]	33 (46.62) [3.98]	17 (32.13) [7.13]	172
Fixed deposit Account	8 (19.52) [6.80]	12 (20.60) [3.59]	35 (20.06) [11.13]	19 (13.82) [1.94]	74
Current Account	1 (1.85) [0.39]	1 (1.95) [0.46]	2 (1.90) [0.01]	3 (1.31) [2.19]	7
Recurring Deposit Account	1 (5.27) [3.46]	3 (5.57) [1.18]	4 (5.42) [0.37]	12 (3.74) [18.28]	20
Column Totals	72	76	74	51	273

Source: Primary Data

The contingency table below provides the following information: the observed cell totals, (the expected cell totals) and [the chi-square statistic for each cell].

On that basis we can say that the null hypothesis is rejected and concluded that there is relationship between level of income and type of bank account. It means level of income effect the preference of respondents to open different types of bank account.

Hypothesis 2

H_{02} : There is no direct relationship between banking services and education level.

Source: Primary Data

	Illiterate	SSC	HSC	Graduate	Post graduate	Row Totals
Saving Account	19 (24.57) [1.26]	27 (24.57) [0.24]	67 (61.74) [0.45]	47 (47.88) [0.02]	12 (13.23) [0.11]	172
Fixed deposit Account	18 (10.57) [5.22]	10 (10.57) [0.03]	17 (26.56) [3.44]	22 (20.60) [0.10]	7 (5.69) [0.30]	74
Current Account	1 (1.00) [0.00]	1 (1.00) [0.00]	2 (2.51) [0.10]	2 (1.95) [0.00]	1 (0.54) [0.40]	7
Recurring Deposit Account	1 (2.86) [1.21]	1 (2.86) [1.21]	12 (7.18) [3.24]	5 (5.57) [0.06]	1 (1.54) [0.19]	20
Column Totals	39	39	98	76	21	273

Chi-Square Test

The contingency table above provides the following information: the observed cell totals, (the expected cell totals) and [the chi-square statistic for each cell]. Level of Significance = 5%, Degree of Freedom = 12, Calculated value of Chi-Square = 17.57

The chi-square statistic is 17.5703. The p -value is .129373. The result is *not* significant at $p < .05$. On that basis we can say that the null hypothesis is rejected and concluded that there is relationship between level of education and type of banking services. It means level of education directly affect the preference of respondents to avail banking services like different types of bank account.

Hypothesis 3

H_{03} : There is no direct relationship between banking services and occupational status

The chi-square statistic is 66.6035. The p -value is < 0.00001 . The result is significant at $p < 0.05$. Null hypothesis is not rejected on the basis of above calculation; it means it requires further investigation to be rejected. It means occupational status is not affect the preference in availing banking services.

Awareness Level of Banking Services

Services	Not Aware		Aware and Availing		Aware but Not Availing	
	No.	%	No.	%	No.	%
Loans	53	19	159	58	61	22
Internet Banking	102	37	58	21	113	41
Mobile Banking	109	40	57	21	107	39
General Credit Cards	75	27	79	29	119	44
Debit Cards/ ATMs	79	29	114	42	80	29
Depositing/ Withdrawing Cash	14	5	203	74	56	21
Cheque Book	59	22	127	47	87	32
Insurance	143	52	41	15	89	33
SMS Alert	97	36	89	33	87	32

Source: Primary Data

Results

	Farmer/ Housewife	Land Labour	Job	Own Business	Others	Row Totals
Saving Account	106 (96.40) [0.96]	45 (43.47) [0.05]	12 (17.01) [1.48]	1 (5.67) [3.85]	8 (9.45) [0.22]	172
Fixed deposit Account	38 (41.47) [0.29]	20 (18.70) [0.09]	10 (7.32) [0.98]	1 (2.44) [0.85]	5 (4.07) [0.21]	74
Current Account	1 (3.92) [2.18]	1 (1.77) [0.33]	1 (0.69) [0.14]	3 (0.23) [33.23]	1 (0.38) [0.98]	7
Recurring Deposit Account	8 (11.21) [0.92]	3 (5.05) [0.84]	4 (1.98) [2.07]	4 (0.66) [16.93]	1 (1.10) [0.01]	20
Column Totals	153	69	27	9	15	273

Source: Primary Data

Chi-Square Test

The contingency table below provides the following information: the observed cell totals, (the expected cell totals) and [the chi-square statistic for each cell].

Level of Significance = 5%, Degree of Freedom = 12, Calculated value of Chi-Square = 17.57

The table shows that loan facility is availed by 58% women which is a good sign of financial inclusion but it is not clear from the respondents that this loan is used by them or by their family and even loan is mostly related to education. Internet banking and mobile banking are not much popular among the rural women only 21% women are using both these facilities. Most of them are young and college going women. Credit cards are used by 29% women



while Debit cards are used by 42 % because there are four ATMs available in the village and a few in nearby locality. 74% women concentrate on cash withdrawing and depositing from the bank as it is more reliable to them and there is no involvement of technology and even the cashier helps them in case of any confusion or problem which is not possible in case of debit cards. Cheque books are used by only 47% women. 52% women are not aware about insurance and only 15 % are aware and availing insurance. This shows that even 'Pradhanmantri Suraksha Bima' could not create any reach to the rural women. Only 33% women use SMS alert service although other 32% women are also aware about this service but they do not use it. This all shows that women are aware about most of these services but they are not using all these services.

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Blind Reviewers Comment

The topic of the paper is catering towards a social issue of women empowerment. The author had tried to establish a relationship between use of banking services by womens living in the rural area and their income, education and occupational status. The objective of the study is achieved through analysis of secondary data by applying statistical tools. Overall the manuscript is well written and analysed.

GJEIS Prevent Plagiarism in Publication

The Editorial Board had used the turnitin plagiarism [<http://www.turnitin.com>] tool to check the originality and further affixed the similarity index which is 19% in this case (See Annexure-I). Thus the reviewers and editors are of view to find it suitable to publish in this Volume-11, Issue-1, Jan-Mar, 2019

Annexure 1

ORIGINALITY REPORT			
19%	18%	3%	12%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS
PRIMARY SOURCES			
1	ijbarr.com Internet Source	2%	
2	dro.deakin.edu.au Internet Source	1%	
3	Submitted to Trident University International Student Paper	1%	
4	ssijmar.in Internet Source	1%	
5	indianresearchjournals.com Internet Source	1%	
6	jimsindia.org Internet Source	1%	
7	article.sciencepublishinggroup.com Internet Source	1%	
8	rvsim.ac.in Internet Source	1%	
9	Submitted to Otago Polytechnic Student Paper	1%	
10	www.upuea.com Internet Source		1%
11	Sonia Afrin, Mohammed Ziaul Haider, Md. Sariful Islam. "Impact of financial inclusion on technical efficiency of paddy farmers in Bangladesh", Agricultural Finance Review, 2017 Publication		1%
12	www.womensweb.in Internet Source		1%
13	iasscore.in Internet Source		1%
14	www.internationalseminar.org Internet Source		1%
15	Submitted to Indian Institute of Management, Bangalore Student Paper		1%
16	www.aacsjournals.com Internet Source		1%
17	baadalsg.inflibnet.ac.in Internet Source		1%
18	Submitted to Midlands State University Student Paper		<1%
19	anandmahal.com Internet Source		<1%

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Conflict of Interest: Author of a Paper had no conflict neither financially nor academically.



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