

Role of Banks in Financial Inclusion of Women

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Abstract: *Women empowerment is a process in which women challenge the existing norms and culture, to effectively promote their well-being. Banks play a major role in women empowerment both in social and economic aspects, has created tremendous impact upon the life pattern and style of poor women and have empowered them at various levels not only as individuals but also as members of the family members of the community and the society as whole .They come together for the purpose of solving their common problems through self-help and mutual help. This study addresses role of banks in women empowerment. The results of the study revealed that the financial sectors have had greater impact on economic, social and political aspects of the beneficiaries.*

Keywords: *Empowerment, Women Empowerment, Banks, Financial sectors, Self Help Groups (SHGs), Micro credit, NABARD, NGO.*

Introduction

Women empowerment has been a vital issue that has come into the lime light in past few years. Despite numerous government schemes and policy decision, women in India still remain deprived of equal opportunities in terms of education, employment and skill development. Although, there have been significant improvement in this field especially in urban centres, women in rural areas are still underprivileged from any such advantages. Many social scientists have deprived that economic independence plays a vital role in ensuring that women get equal opportunities in the society and thereby enjoy and benefit from their other rights. This makes women empowerment as much of an economic issue as a social one.

Objectives of the Study

The present study is descriptive in nature, based on secondary data. It studies about the role of the banks in empowering the women economically. The secondary data required for the study has been collected from various books and publications related to the topic.

Women Empowerment

Empowerment of women signifies harnessing women power by concentrating on their tremendous potential and encouraging them to work towards attaining a dignified and satisfying way of life through confidence and competence as person with self-respect, rights and responsibilities. The core elements of empowerment have been defined as agency (the ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem, and self-confidence."In recent years women empowerment has become a subject of great concern for the nations all over the world especially in poor and developing countries. The impact of globalization is seen eventually on position of women in some form or other in most of the developing countries with the variation of degree. Women Empowerment refers to an increase in the strength of women such as spiritual, political, social or economic. The most common explanation of "Women's Empowerment" is the ability to exercise full control over one's actions.

Thus, women empowerment occurs in real sense when women achieve increased control and participation in decision making that leads to their better access to resources it often involves the empowered developing confidence in their own capacities.

Women are not helpless in face of existing challenges. Around the world they are decision-makers for themselves, their families, villages, businesses, and governments. For societies where this is not the case, people speak of the need for women's empowerment. But what does it really mean to empower women? Is it political empowerment? Economic empowerment? Social empowerment? In fact, these categories are not mutually exclusive. They are mutually reinforcing.

Political Empowerment

Women's political empowerment, usually envisioned as political participation in elections and government, is necessary to give women a voice in the policies that affect their lives. Political empowerment allows women to take control of the policies that will benefit their economic standing. In SHGs they can elect their own leader .They can participate in the management of SHGs.

Economic Empowerment

Women's economic empowerment, which entails that women have the authority to make their own decisions regarding use of their resources, leads to prosperity for families and communities. Economic empowerment can provide the clout for women to be empowered politically. With the help of SHGS they can earn money and can become economically and financially strong.

Social Empowerment

Social empowerment, often achieved through public policy and education, liberates women from the mistreatment, exploitation, and oppression that inhibit women from reaching their full potential. Social empowerment reinforces the ability to participate economically and politically, which in turn reinforces women's standing in society. This can be possible only with the help of SHGs. They can get a secure place in society if they are socially empower.

Banks and Women Empowerment

Banks are one of the primary pillars of Indian economy and, therefore, are an ideal agent to play a pivotal role as far as women empowerment is concerned. Public sector banks, which have their presence in the remote corner of the country, have traditionally been first and foremost support structure for women as far as their financial needs are concerned. Be it schemes related to educational financing at a very early age or financial assistance for setting up livelihood or stable source of income in youth; banks have always played a very important role in enhancing financial inclusion of women in the Indian economy. All major public sector banks have announced women centric and women only financing and loan schemes that offer financing opportunities at concessional interest rates and relaxed loan rules.

Drawbacks

Despite, all the best efforts from the government and PSU Banks, women still remained away from banks and its services due to social and cultural barriers that prevent women from access to banking services. If we look at the comparative statistics regarding women in the banking sector, it paints a rather gloomy picture. With women holding only 24% of total operational bank accounts in the country and 28% of total deposits; the participation of women in the banking sector is definitely not at an acceptable level. Especially when it comes to credit supplied, only

12% of individual bank loan accounts belonged to women, which clearly shows a disparity of access to banking services between the two genders.

Initiatives by banks to empower women economically:

Bharatiya Mahila Bank-A step in the right direction!

To spur interest of women (especially in rural India) in availing banking services, the government of India in November 2013 took a great step of setting up the first public sector bank solely for women. With setting up of the Bharatiya Mahila Bank (BMB); a new era has begun in the Banking service sector. BMB will provide financial services predominantly to women Self-Help-Groups (SHGs) and aims to enhance participation of women in economic activity. Led by Ms.Usha Ananthasubramanian, BMB has the unique motto of “Empowering Women, Empowering India”, which clearly showcases the intent behind this organization. The situation is surely improving, but not at a healthy rate, which is required to ensure equal participation and contribution of women in the Indian economy. The main reason behind low participation of women in the banking sector is due to lack of awareness and easy availability of banking services in remote areas. All major banks, especially public sector banks have started implementing targeted policies to handle these problems, including announcement of several important women centric and women only financial schemes and making banking services more accessible in rural areas.

Bhartiya Mahila Bank

BMB Shringaar- Loan for setting up of Beauty Parlour /Saloon/Spa for women

BMB Annapurna Loan- Loan for setting up of food catering business to women entrepreneurs

BMB Kitchen Modernization Loan- Financing facilities for housewives / working women for kitchen renovation and purchase of kitchen electronic items, kitchen furniture & utensils etc

BMB Parvarish- Loan for setting up of Child day care centre, for purchase of utensils, equipment etc

BMB SME Easy- Offers loans at concessional rates to SME business units owned by women entrepreneurs

BMB Loan against Property- Provides loan against property for women entrepreneurs between the age of 21 and 70 years at a concessional rate of interest.

State Bank of Mysore

Stree Shakthi Package for Women Entrepreneurs- Under this scheme, financial assistance is provided to business units in which a woman holds majority (more than 50%) stake.

Annapurna Scheme for Financing Women for Establishing Food Catering Unit- Financial Assistance offered to targeted catering business units, owned and managed by women

State Bank of Hyderabad

Stree Shakthi Package for Women Entrepreneurs- Bank offers concessions and facilities to help train women entrepreneurs

Punjab National Bank

PNB Mahila Udyam Nidhi Scheme- Offers financial support to micro and small scale sector and industries owned and managed by women

PNB Mahila Samridhi Yojna- Finances infrastructural purchases for small business units like tailoring shops, boutiques, telecom agencies, beauty parlours, and Internet browsing centres

Scheme For Financing Crèches- Finances equipment purchase for crèche development; aids in purchase of stationery, refrigerators and water filters, etc

PNB Kalyani Card Scheme-Offers working capital credit for agricultural activities/ misc farm/non- farm activities to both literate and illiterate women dwelling in rural / semi-urban areas. Would include farmers, landless labourers, agricultural labourers, tenant

PNB Mahila Sashaktikaran Abhiyan- Offers low-interest rate of 0.25% in Non-Priority Sector Advances and 0.50% in Priority Sector advances & fee waiver of 50% for women

Punjab and Sind Bank

P&S Bank Udyogini Scheme-Offers loans to women entrepreneurs on liberal terms for direct agricultural activities, Tiny SSI industry units, business enterprises, retail traders, professional employment and self-employment training

Oriental Bank of Commerce

Scheme for Professional & Self-Employed Women- Provides financial assistance and long term loans for purchase of fixed assets to women

Scheme for Beauty Parlours / Boutiques / Saloons and Tailoring- Financial assistance is offered or small scale business units for the purchase of tools/equipment/furniture & fixture, shop etc.

Oriented Mahila Vikas Yojana- Need-based loans are provided to women entrepreneurs

Dena Bank

Dena Shakti Scheme for Women Entrepreneurs- Offers financing schemes to women entrepreneurs handling agricultural & allied businesses, small scale industries, retail trade, micro credit, education and housing

Bank of Baroda

Akshaya Mahila Arthik Sahay Yojna- Provides financial assistance to women entrepreneurs working in retail trade and agricultural sectors

Andhra Bank

Mutual Credit Guarantee Scheme for Women- Offers credit facilities to women entrepreneurs up to Rs 1 Lakh without collateral security with exception of retail sector

State Bank of India

Stree Shakti Package- Offers special concessions and privileges for financing facilities to business units in which women entrepreneurs hold more than 50% of share capital

SIDBI

Marketing Fund for Women- Offers financial assistance for marketing of products manufactured by women entrepreneurs in both domestic as well as international markets

Karur Vysya Bank

KVB Mahila Swarna Loan- Instalment loan to working women for the purchase of gold / diamond ornaments / silver wares. The loan is offered at concessional rates

Bank of India

Star Mahila Gold Loan Scheme- Offers loan facilities to working / non-working women for purchase of Gold ornaments, preferably hallmarked, from reputed Jewellers and/or Gold coins of Bank of India

Conclusion

The study has found that banks have empowered many small scale women entrepreneurs through giving loans, majority of the women entrepreneurs run small businesses with sole proprietorship leading and operating businesses in industries. The survey established that the banks have funded +1000 women so far. India today is looking at a paradigm change in its growth and its position in the world. We need to think big and scale up rapidly in each and every area, be it education, infrastructure, industry, financial services or equality of both genders. A greater role is played by the banks in increasing empowerment of women, by making them financially strong, as well as it helped them to save amount of money and invest in further development. It is also found that banks created confidence for social, economic self-reliance among the woman. It provides confidence and decision making power to woman. It develops the awareness programs and schemes, loan policies etc. However there is a positive impact of banks on women empowerment.

But the real empowerment is possible only when a woman has increased access to economic resources, more confidence and self motivation, more strength, more recognition and say in the family matters and more involvement through participation. Although it is a gradual and consistent process, but women should build their mindset for taking additional effort willingly for their overall development. Thus banks have been showing the way ahead to alleviate the poverty of India along with women empowerment.

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