

Empowerment and Gender Equality through Financial Inclusion: a review of Literature

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Abstract: Financial Inclusion is an indicator for development and well-being of the society globally. Financial services that are inclusive are usually services that are affordable for all, this has become a basic priority in countries including India. Most Nations have prioritize financial inclusion as a facilitator of gender equality and other sustainable development goals. Women empowerment is an approach concerned with transforming power relations in favour of female gender and considered important for global progress. Nations working on Financial inclusion can achieve equitable and inclusive growth. Financial inclusion deliver appropriate financial services at an affordable cost, on timely basis to vulnerable low income groups and weaker section who lack access to most basic banking services is achieved. Through this paper, the researchers attempt to create an understanding of financial inclusion and its importance for overall development of society and Nation's economy. This study seeks to provide an understanding of financial inclusion and gender gaps in financial inclusion as stated by various literatures and the condition of financial inclusion in India. This archival research is done by reviewing various Research journals, Articles, reports of AFI, reports of RBI, Annual reports of Bank of India and online resources.

Keywords: Financial inclusion, Financial Exclusion, Business correspondents, Empowerment, AFI

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I. Background

- Financial Inclusion is globally seen as an indicator for development and well-being of the society. Financial services that are inclusive are usually services that are affordable for all (Hendriks, 2019).
- Many nations across the world have also prioritized financial inclusion as a facilitator of gender equality and other sustainable development goals (Holloway, Niazi, & Rouse, 2017)
- Similarly, Women empowerment is an approach that is concerned with transforming power relations in favor of female gender and considered important for global progress (Batliwala,1993). Financial inclusion delivers appropriate financial services at an affordable cost, on timely basis to vulnerable low-income groups and weaker section that lack access to most basic banking services (The Reserve bank of India, 2015)
- While, financial inclusion boosts availability of economic resources it also creates the concept of savings among the poor. Therefore, it is a significant inclusive step towards growth (Business Standard 2021)

□ Research Questions

1. What gender gap exist with respect to financial inclusion policies in India?
2. What key Government strategies are in place to close this observed gender gap?
3. How are women empowered through financial inclusion in rural India?

Research Objectives

- To provide an understanding of the nature and extent of financial inclusion in rural Indian to guide more equitable gender-based policies & designs.
- To understand the approaches adopted by banks, steps taken by the regulatory bodies and government initiatives to achieve financial inclusion among rural women in India.
- To provide an understanding of women empowerment through financial inclusion in rural India.

II. Methodology

The methodology for this study involved review of relevant literature on financial inclusion. This research is done by reviewing various Research journals, Articles, reports of AFI, reports of RBI, Annual reports of Bank of India and online resources to provide an understanding of the empowerment and gender equality in Indian rural communities through financial inclusion.-

- ATM based banking: - Government's initiatives to provide all time available kiosk type information dispensers similar to that of ATMs to help people access financial services has been great initiative in some states in India (Garg et. al, 2014).
- Setting up of Ultra Small Branches (USBs): Ultra Small Branches (USBs) are being set up in all villages covered through Business Correspondent Agents (BCAs) under Financial Inclusion (Garg et. al,2014).
- Initiatives for improving credit delivery and expanding the reach of financial inclusion during the year 2019/2020 were catalyzed by the release of the National Strategy for Financial Inclusion (NSFI) document for the period 2019-24 by the Reserve Bank of India (RBI), envisaging convergence of efforts of all stakeholders towards achieving the goals of financial inclusion (RBI, 2020) .

III. Results/Findings

- Global Findex database 2017 indicates that, 56% Adult Indian Women are Unbanked compared to men.
- **Self Help Group(SHG)** – Bank Linkage Programmes innovation in India is enabling access and covering the gap of reaching financially excluded. The banks involve themselves by encouraging saving among women and simultaneously provide credit facility to group of local women in rural communities (RBI, 2020).
- **Product Based Approach:** Reserve bank of India (RBI) has been proactive with innovative products for enabling a common woman to get the benefit of the financial inclusion plan; **No- Frills Account** (NFAs): Banks open accounts with zero balance or very minimum balance requirement are set; **General Purpose Credit Card** (GCC) which facilitate credit up to Rs.25000(\$350) without any collateral requirement for rural people based on assessment of household cash flows (Garg et. al,2014).

Future Work

We recommend future research in this thematic area can explore current challenges faced by Self Help Groups (SHG) from accessing credit amongst others, since SHG constitute a key driver of women empowerment through financial inclusion in rural communities of India.

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