

Empowering Women Through Financial Literacy in Rajasthan

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Abstract— The paper unfolds the dearth and bottlenecks of microfinance/micro credit facilities to women in Rajasthan. The study focuses on the financial literacy among women in rural area as compared to urban women. The contribution in GDP of rural women is exorbitant which indicates potential growth but literature shows lack of proper financial support to women has affected their contribution in GDP and has led to lower contribution in the economic growth of rural population in Rajasthan. The Paper focuses on the level of financial literacy among the rural woman of Rajasthan.

Keywords— Financial literacy, financial inclusion, Women empowerment

I. INTRODUCTION

Finance is necessary to transfigure ideas into business since finance is oxygen for business [Yallapragada,2011]. In order to make optimal utilization of finance, financial literacy is crucial. Financial literacy refers to comprehend the application of money and take proper judgment regarding better utilization of money. Government policies will not be fruitful for the people if they don't have the knowledge about the policies and how Introduction should lead the reader to the importance of the study; tie-up published literature with the aims of the study and clearly states the rationale behind the investigation. It should state the purpose and summarize the rationale for the study and gives a concise background[1]. Use references to provide the most salient background rather than an exhaustive review. The last sentence should concisely state your purpose for carrying out the study or a summary of the results[2].

II. OBJECTIVE OF THE STUDY

- 1] To study the current status of financial literacy among Women in Rajasthan.
- 2] To identify various Government policies aiming at financial inclusivity of rural women in India (especially Rajasthan).
- 3] To suggest some measures for promoting financial inclusivity among Women in Rajasthan.

III. RESEARCH METHODOLOGY

The study is based on secondary data collection from the RBI website on state-wise statistics published related to financial inclusion and practice and other government website and other net based resources.

To take benefits from it. Illiteracy, lack of infrastructure and dearth of awareness are the roadblocks in the path of financial inclusion(Sibi,M. S.&Ananth,2017). Though literacy rate among urban women is 79.01 per cent and among rural women is 57.39 per cent still India stood at 23rd place in respect of financial literacy, having only 35 per cent of Indians as financially literate (Visa, Financial Literacy Survey,2014).

IV. FINANCIAL LITERACY IN RAJASTHAN

Rajasthan holds one of the lowest financial literacy rates among Indian states. It is characterized by a male dominating society where female literacy is 52.12 percent, out of which only 12 per cent are financially literate (national centre for financial education,2015), opportunities for women are in paucity.

According to Mandell (2007) financial literacy is "The ability to evaluate the new and complex financial instruments and make informed judgments in both choice of instruments and extent of use that would be in their own best long-run interests".

According to S&P survey, 2015 only 20 percent of Indian women are financially literate. This is an alarming situation for Rajasthan. There are total 44,795 villages (Directorate of Census Operations Rajasthan), among them only 1,778 skill centres are still incapable of sufficiently training and providing employment to all the rural youth of Rajasthan.

In order to cope up with the situation, Rajasthan Government should encourage entrepreneurs. Entrepreneur is a French word coined by the economist Jean-Baptiste Say, and usually is translated as, "adventurer". When a person starts a venture, one is considered Entrepreneur(Williams, Colin,2011), but to start a venture one needs a lot of effort and support from

government as well as family. Entrepreneurship means risk and risk indicate uncertainty. This element of uncertainty, along with dearth of resources, works as a hindrance in opening up of new business. An entrepreneur not only creates job for himself but for others too. (Adegoke,2003).Therefore, entrepreneurship should be encouraged.

To start a business initially one should be catered with basic needs like Financial Education, right to equality and support from society. Global peace foundation states that "Educate a Woman and You Educate a Family; Educate a Girl and You Educate the Future" with the same approach provide finance to women and a family will be prosperous and provide finance to women entrepreneur whole economy will be prosperous. Therefore, Government should focus more on encouraging Women entrepreneurs. Indian women contributed just 17 per cent of national GDP, which is less than half the global average of 37 per cent, according to a McKinsey study. This shows the scope of work to be done for the participation of women in GDP. This can be achieved with the help of financial inclusion[6].

V. FINANCIAL INCLUSION IN INDIA

The term 'financial inclusion' was used for the first time in April 2005 in the Annual Policy Statement presented by Venugopal Reddy the then Governor of India. The main focus of this concept is to provide banking services to rural area and transform them from financially excluded to financially included. Financial literacy is the foundation of financial inclusion[7]. Financial inclusion (FI) may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost[8].

VI. POLICY IMPLEMENTATION

National mission for financial inclusion was commenced in the form of Pradhan Mantri Jan dhan yojana by Narendra Modi in the year 2014. Under this yojana each account holder was provided with RuPay debit card to link them with the other financial services of banks. An accident insurance cover of Rs. 100,000 was also provided to each account holder and life insurance coverage of Rs. 30,000 and an overdraft facility of Rs. 5,000 was given for those opening their accounts before January 26. To make sure that the yojana was implemented efficiently, RBI took the help of National Payments Corporation of India (NPCI). Because of the steps taken and rebates provided by the government, more than 15 lakhs accounts were opened on the very first day. In fact, India holds a place in Guinness book of world record in opening 18,096,130 accounts in one week as a part of financial inclusion campaign. Although later it was found

that over 92,52,609 were frozen on March 24, 2017 due to lack of transactions since last one year. Around 77 per cent people were baffled by the complicated procedure of debit card and complex transaction procedure. [9]

In Rajasthan Recently, various measures are taken in Rajasthan to help women and make them financially inclusive. Vasundhara Government catered rural women with Bhamasha card. The Scheme was initiated in 2008. After opening over 29 lakh bank accounts for women approximately 160 crores were transferred. This was a constructive step towards financial inclusion of women in Rajasthan.

Due to the growing demand of entrepreneurs in India, the government started Entrepreneurship and Management Development Institutes in Jaipur, This Institute offers a variety of EDP courses directly or with the help of NGOs working in this sector.

To encourage women participation in this scheme, there were special measures taken by the government-

- 1) The three-pronged strategy envisaged was introduced to focus on enhancing the entrepreneurial skills of women and removing their credit related bottlenecks and to help them increase their employment opportunities.
- 2) Schemes were also introduced for special rebate of 10% on industrial lands and an equity type assistance under the Mahila Udyam Nidhi Scheme.
- 3) A shelf of projects was prepared and updated periodically for women.
- 4) Flatted factories were also allotted to women entrepreneurs on deferred payment basis on the condition that they have to undergo some training courses.
- 5) 30% seats were reserved for women in the courses which will help women Entrepreneurs to develop their potential.

Issues relating to financial literacy and financial inclusion of women in rural area Education makes an individual skilled and more productive (Ernst and young,2014). Lack of literacy among women works as a hindrance in understanding the fundamental banking services.

Lack of trust on government also creates an obstacle in the success of government policies in rural area. They don't have the confidence on the financial system. Till date people prefer to save at home rather than saving in bank which result in enormous amount of idle money which results in withdrawal of currency from the economy and break the flow of money. Orthodox mentality of rural people makes it challenging for the Government.

Problem of inequality is also a concern. Today when urban women are achieving heights in every field, woman residing in rural still fighting for their basic rights

VII. CONCLUSIONS AND SUGGESTIONS

Rural women working on agriculture land contributing to the country's GDP is commendable. But still they are dependent on others. Financial literacy will pave the path for women to elevate their confidence and to achieve the place which they deserve. For an economy to flourish and establish internationally women play a vital role. Blaming the Government will not provide the solution of the problem. Instead, cooperation with the government is required.

Financial literacy will not only help them to take decision regarding better utilisation of funds but it will also build trust on banking sector which is one of the utmost priorities.

Financial inclusion will be triumph if both government and banks take equal initiative in educating women about opening and increasing their business with the access of banking services.

As catering weaker section of the society with finance will not resolve their issues, in the same manner just connecting people with financial services is not sufficient. We first need to educate them on how to use their financial resources in productive way and make them aware about the measures available for investment and use their resources with full efficacy, so that they could be able to get maximum return on their investment.

Providing resources to unskilled person never give favourable results [10]. More over being financial literate is not sufficient, but they should be financially educated. Just opening the bank accounts will not serve the purpose until they don't know the use of it.

Proper channelizing of income generated from rural women and making them acquainted with banking services will give some constructive results. The old school psychology of people to save at home and not to deposit in bank is a big hurdle for financial inclusion. To make financial inclusion in Rajasthan a success, focus on women entrepreneur will be a turning point. Making policies to educate them how to avail the banking services will not only make them financially literate but also construct a roadmap for future women entrepreneur.

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