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STATUS OF WOMEN FINANCIAL INCLUSION

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ABSTRACT

Financial inclusion entails not just the availability of financial products - credit, deposit, insurance, etc. but also the ability to transfer money around in an affordable manner. As a result of the bank nationalization programme and the government's efforts to increase bank branches in rural and remote

areas, the national distribution of financial has increased. Innovative approaches in financial inclusion like using conventional branches (banks or microfinance institutions), information and communication technologies, non-bank retail agents (post-offices) has helped in the deepening of the financial sector. The nationalization of banks, Lead Bank Scheme, Regional Rural Banks, formation of SHG's has helped to expand the financial sector across the length and breadth of the country. According to RBI, deepening of the financial sector is essential for a developed and mature economy. Financial deepening is only possible when individuals and households are financially literate to make informed choices about how they should save, borrow, and invest. With this background the present study



attempts to study the status of financial inclusion of women in India.

KEYWORDS :Small Borrowal Accounts, Credit Limit, Gender, Bank Group.

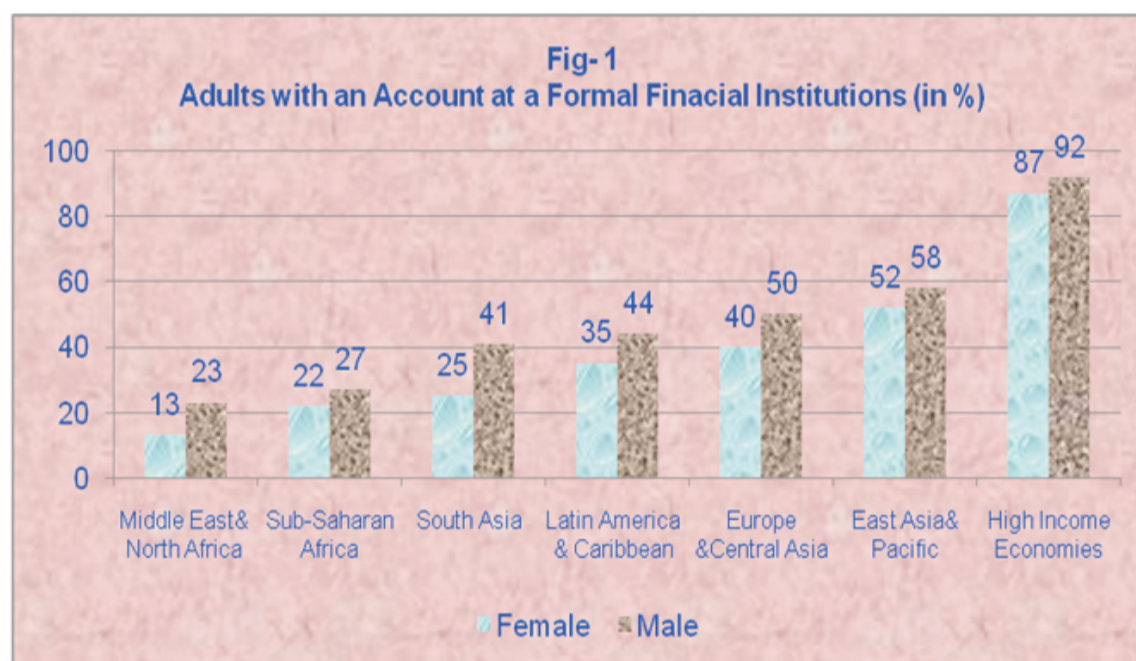
INTRODUCTION :

The women's movement in a number of countries has identified credit as a major constraint on women's ability to earn an income. Lack of credit constraints, economic opportunities available to women- personally and to their households-resulting in their economic and social deprivation.

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Women’s financial inclusion helps them expand their economic assets, get access to financial services, knowledge, better access to financial markets and increases their participation. When women are given the financial tools to set up business, build assets and protect themselves against catastrophic losses, she is empowered to change her life and that of her family. Empowering women have a multiplier effect on the economy (World Bank). A strong network of financial institutions is needed to focus on women as clients, innovators and leaders. Rural financial programs have been largely designed, crafted and implemented by the male head of households as the intended client and fail to recognize that women are active, productive and engaged economic agents with their own financial needs and constraints. Even though millions of women throughout the world contribute to national agricultural output and family food security, detailed studies from Latin America, South Asia and Sub-Saharan Africa consistently indicates that rural women are more likely to be credit constrained than men of equivalent socio – economic conditions.

Research findings have led to women-specific modifications in banking such as simplified paper work, changes in the design of MFI’s for accommodating women with small children, and easy availability of finance for housing loans.⁹ One common measure of financial inclusion and use of financial products and services by women, accepted universally, is the percentage of women population having bank accounts with a formal financial institution. Women across different economies and income groups have significantly lower levels of account penetration, according to the Global Financial Inclusion Database. Women from south Asia enjoy higher account penetration (25%) than women from Africa. (Figure 1)



Source: Demirguc-Kunt and Klapper 2012.

Table 1 gives percentage distribution of small borrowal accounts according to broad category of borrowers into ‘individuals’ and ‘others’ and gender-wise classification of individual borrowers.

Gender Wise Individual Accounts

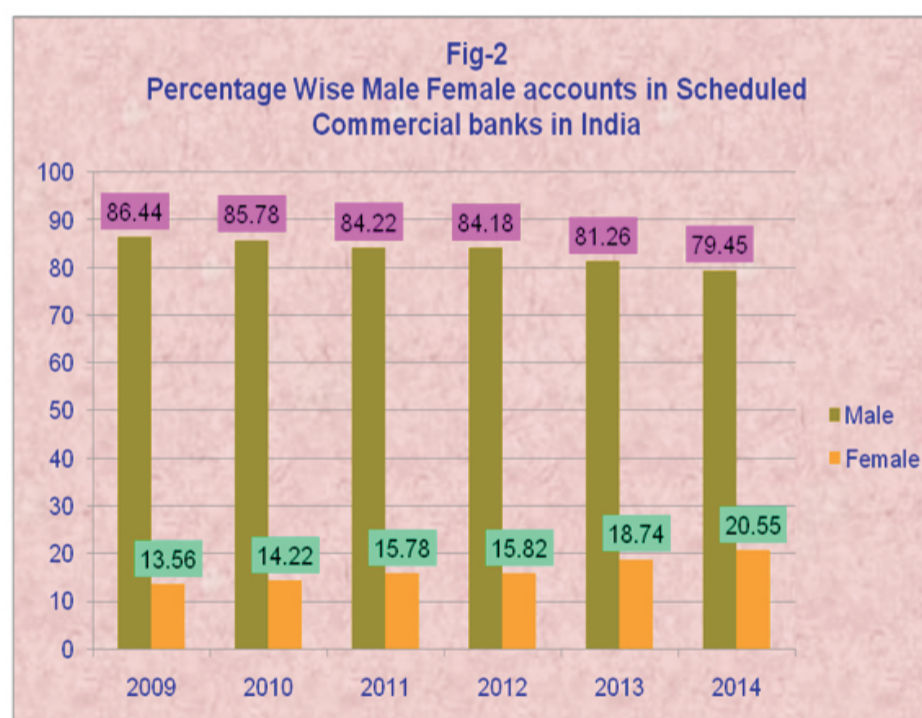
The gender wise individual accounts in scheduled commercial banks are presented in table 1.

Table-1
Gender Wise Individual Accounts

S. No	Year	Male	% of Growth Rate	Female	% of Growth Rate	Total	% of Growth Rate
1	2009	10359100 (86.44)	-	1625088 (13.56)	-	11984188 (100.00)	-
2	2010	11679193 (85.78)	12.74	1936442 (14.22)	19.16	13615635 (100.00)	13.61
3	2011	13,661,603 (84.22)	16.97	2,559,644 (15.78)	32.18	16221247 (100.00)	19.14
4	2012	15,857,270 (84.18)	16.07	2,980,572 (15.82)	16.44	18837842 (100.00)	16.13
5	2013	99,462,091 (81.26)	527.23	22,937,621 (18.74)	669.57	122399712 (100.00)	549.75
6	2014	105,126,918 (79.45)	5.70	27,188,628 (20.55)	18.53	132315546 (100.00)	8.10

Source: Basic Statistical Returns of Scheduled Commercial Banks in India, 2009-2014, Reserve Bank of India.

It is evident from table 1 that the growth per cent in number of individual accounts is showing positive trends in case of males as well as females. But, the growth per cent of female individual accounts is higher than the males during first 5 years of study. The growth per cent in male and female accounts are higher in the year 2013. The actual number of female accounts increased nearly 16 times during the 6 years of study. On the other hand the number of female accounts increased nearly 10 times during the same period. It is welcome move to note that the share of female accounts to the total accounts is gradually increasing over the years.



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Outstanding Amount

Data on gender-wise classification of outstanding amount of small borrowal accounts is presented in table 2.

Table 2
Gender Wise Outstanding Amount

S. No	Year	Male	% of Growth Rate	Female	% of Growth Rate	Total	% of Growth Rate
1	2009	4331022.2 (86.39)	-	682566.3 (13.61)	-	5013588.5 (100.00)	-
2	2010	5201689.3 (85.70)	20.10	867870.4 (14.30)	27.15	6069559.7 (100.00)	21.06
3	2011	8218686.5 (85.32)	58.00	1414248.1 (14.68)	62.96	9632934.6 (100.00)	58.71
4	2012	9637077.5 (82.43)	17.26	2054486.3 (17.57)	45.27	11691563.8 (100.00)	21.37
5	2013	16405031.7 (83.10)	70.23	3335596.3 (16.90)	62.36	19740628 (100.00)	68.85
6	2014	16902048.3 (80.58)	3.03	4073671.3 (19.42)	22.13	20975719.6 (100.00)	6.26

Source: Basic Statistical Returns of Scheduled Commercial Banks in India, 2009-2014, Reserve Bank of India.

The data in table 2 shows that the share of females in the outstanding credit amount is showing upward trends except in 2013. The year 2011 registered highest growth per cent in case of female outstanding credit amount. On the other hand highest growth per cent in case of females is registered in the year 2013. During the 6 years of time the male outstanding credit amount increased more than 3.5 times. During the same period the female outstanding amount increased nearly 6 times. There are wider variations in growth rate of males and females in the outstanding credit amount in the year 2014. In that year the growth per cent of female outstanding credit amount is more than 7 times of male outstanding credit amount.

Credit Limit

Gender wise credit extended by Commercial banks in India is presented in table 3.

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Table-3
Gender Wise Credit Extended

S. No	Year	Male	% of Growth Rate	Female	% of Growth Rate	Total	% of Growth Rate
1	2009	5608682.2 (86.45)	-	879263.3 (13.55)	-	6487945.5 (100.00)	-
2	2010	7033292.3 (86.20)	25.40	1126319.6 (13.80)	28.10	8159611.9 (100.00)	25.77
3	2011	13109986.1 (86.97)	86.40	1963871.1 (13.03)	74.36	15073857.2 (100.00)	84.74
4	2012	14576152.5 (83.10)	11.18	2965188.5 (16.90)	50.99	17541341 (100.00)	16.37
5	2013	23207654.2 (84.30)	59.22	4321337.4 (15.70)	45.74	27528991.6 (100.00)	56.94
6	2014	23113947 (81.25)	-0.40	5333081.9 (18.75)	23.41	28447028.9 (100.00)	3.33

Source: Basic Statistical Returns of Scheduled Commercial Banks in India, 2009-2014, Reserve Bank of India.

A glance at table 3 shows that the actual credit extended to female account holders is gradually increasing over the years. On the other hand the credit extended to male account holders showing positive trends during first five years of study and in the last year of study negative growth rate is visible. In the year 2011 the growth per cent is high in case of males (86.40 per cent) as well as females (74.36 per cent). In 2014 lowest growth per cent is registered in case of females and negative growth rate in case of males is registered.

Percentage and Gender Wise Distribution of Small Borrowal Accounts

Table 4 gives the particulars of percentage wise distribution of small borrowal accounts of Scheduled Commercial Banks according to broad category of borrowers

Table-4
Percentage Wise Distribution of Small Borrowal Accounts of Scheduled Commercial Banks According to Broad Category of Borrowers

Population Group	2009			2010			2011			2012			2013			2014		
	No. of Accounts			No. of Accounts			No. of Accounts			No. of Accounts			No. of Accounts			No. of Accounts		
	Male	Female	Others	Male	Female	Others	Male	Female	Others	Male	Female	Others	Male	Female	Others	Male	Female	Others
Rural	79.1	18.4	2.5	79.6	18.1	2.3	76.8	19.2	4	73.6	17.7	8.7	79.8	16.8	3.4	77.9	19.2	2.8
Semi-Urban	76.9	20.3	2.8	77	20.5	2.5	72.9	22.3	4.7	73	20.5	6.5	75.3	21.9	2.8	72.1	25.0	2.9
Urban	78.1	18.2	3.7	80.3	17.2	2.5	69.2	17.9	12.9	74.2	16.7	9.1	76.6	20.1	3.4	72.5	23.7	3.8
Metropolitan	86.8	11.8	1.4	77.6	21.8	0.6	73.6	19.7	6.7	72.6	17.8	9.7	81.6	17.0	1.4	81.8	16.8	1.4
All-India	81.3	16.4	2.3	78.4	19.8	1.8	74	20.0	6.1	73.2	18.3	8.6	78.6	18.6	2.8	76.5	20.9	2.7

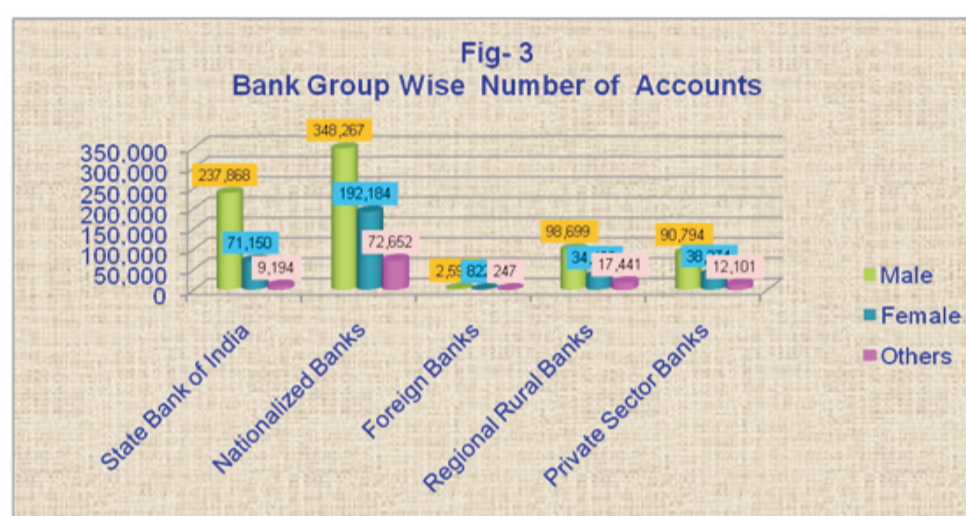
Source: Basic Statistical Returns of Scheduled Commercial Banks in India, 2009-2014, Reserve Bank of India.

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It is clear from table 4 that the percentage of accounts of both males and females in different population groups is erratically distributed. In semi-urban areas the share of female accounts is better than other three areas. The share of female accounts ranges between 25 to 20.3 per cent in semi-urban areas. The share of female accounts in rural areas ranges between 16.8 per cent to 19.2 per cent. Highest growth in female accounts is visible in case of accounts in metropolitan areas. In metropolitan areas the per cent of female accounts in 2009 is 11.8 per cent and they reached to 19.7 per cent by 2011. Thereafter the share of female accounts is decreasing. In urban areas the share of female accounts registered negative growth during 2009 to 2012. At all India level the share of female accounts were showing positive trends except in 2012.

Bank Group Wise and Gender Wise Accounts

Figure 3 gives the particulars of bank group wise and gender wise accounts in India during 2009 to 2014.



Source: Basic Statistical Returns of Scheduled Commercial Banks in India, 2009-2014, Reserve Bank of India.

The share of female accounts in State Bank of India and Its Associates is gradually increasing except in 2014. The actual number of female accounts in State Bank of India and Its Associates increased more than three times during 6 years of study. On the other hand the male accounts in State Bank of India and Its Associates increased only two times. The share of female accounts is gradually increasing from 2010 onwards. The share of female accounts in nationalized banks is gradually increasing from 2010 onwards. The actual number of female accounts is also high in nationalized banks compared to other category of banks. The actual number of female accounts in Regional Rural Banks is higher than private sector banks up to 2012. But, from 2013 the actual number of female accounts in private sector banks is higher Regional Rural Banks. The share of female accounts in Regional Rural Banks is unevenly distributed. It ranges between 22.90 per cent (2014) to 30.40 per cent (2012). The actual number of female accounts in private sector banks is gradually increasing over the years. During six years of study the actual number of female accounts in private sector banks increased more than two times. At all India level the share of female accounts slowly increasing from 2010 onward. They ranges between 20.80 per cent to 27.50 per cent.

CONCLUSION

Addressing the extent of financial inclusion for women remains a complex area for intervention and research. Financial inclusion as a newer discipline of study involves new concepts and there remains considerable scope for development of better products, technologies and models. More research is needed to broaden the study of financial inclusion of women in India. There is a dearth of accurate ground level data about the quality and quality of financial access, and also regarding their use. There are unlimited opportunities to tap the potential of women as direct contributors of economic growth and are still the financially excluded lots.

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