

## Effect Of Financial Inclusion On Women Empowerment: With Special Reference To Marginalized Working Women

R.L. Mangayarkarasi<sup>1\*</sup>, Dr. R. Vasumathi<sup>2</sup>

<sup>1\*</sup>Ph.D. Research Scholar, Department Of Business Administration, Annamalai University

<sup>2</sup>Assistant Professor, Department of Business Administration, Annamalai University

### ABSTRACT

Literatures had proved that economic development helps in the promotion of gender equity. Further, the easy access for resources provided to women paves the way to several developmental outcomes. The strategy of inclusive growth requires that economic development is essential providing equal chances to all in the society, in particular the women in the marginalized sector. It had been recognized by the World Bank that economic growth is boosted up through the gender equality. Keeping all these points in view, the present study is an effort to examine the impact of financial inclusion over the empowerment of women. The sample population comprised of the marginalized working women in Pondicherry who has been selected as respondents through simple random sampling. The sample size is 100 and data has been gathered with the help of a questionnaire. The analytical tool adopted for data analysis is Multiple Regression and the results reveal that there is positive relationship between financial inclusion and marginalized women empowerment.

**KEYWORDS:** Financial Inclusion, Women Empowerment, Marginalized Women

### INTRODUCTION

The empowerment of women is the process of promoting the identification of women regarding self-worth, ability of making choices for them and right of influencing social change for them (Meier, 2016; Malekan, 2015; Danquah, et. al., 2021 and Annan, et. al., 2021). Several definitions have been given for women empowerment. It had been defined as the acceptance of the opinions of women and enhancement of their status by way of education, awareness of literacy and training. Women can be given the right of redefining the gender roles, which can provide them the independence of pursuing the goals as desired (Makita, 2010; Hosseini, et. al., 2022 and Eisend, 2010).

Women empowerment can be achieved through one of the best ways of economic empowerment. The empowerment in economic ways helps the women to have a control and also get benefits from the income, assets and resources. The businesses and nations can avail benefits through the implementation of policies and programs which move the concept of female empowerment in upward direction.

#### Financial Inclusion

In the words of Sarma (2011), Financial inclusion is the way which allows the women to have easy access to all the components of financial system and also get benefits from them. Several literatures had been done proving that financial inclusion has got an optimistic effect over the welfare outcomes implemented for the poor and weaker sections, for the women empowerment and also for mitigation of risks. Though the women make a greater contribution for the development of the Indian economy, they are not given the option of getting credits and loans from financial institutions, so easily. In fact, women are not financial included to the extent men are being done. But, the financial inclusion of women improves the status of the society as a whole. Also, financial inclusion of women leads to improvement of their financial and social status, in other words better well-being.

#### Agenda for Financial Inclusion

As per the report published for the Global Findex by the World Bank, there is an upward rise in the agenda for financial inclusion. Though progress can be noticed, there still can be seen a gender gap in the context of having access to financial system. It had been reported that, in having an account, men have an access of 72%, whereas, this percentage is 65% for women. Financial system which is highly gender-inclusive is essential for a greater level of financial inclusion of the women community. It can also be stated that financial inclusion has got an effect over the economic empowerment of women.

Studies had shown that preventing gender gaps will have a positive impact over the smooth consumption of financial elements (Pattison 2020), reduced financial costs and risks (Perrin and Weill, 2022), provision of security, enhancements in rates of investment and savings and opening up new opportunities of business for women. It is also a fact to be noted that gender equality cannot be attained in an easy manner. In the words of Adegbite and Machethe (2020), the women community is marginalized, in the context of usage and possession of resources. The Financial Inclusion agenda continues to rise, as demonstrated by the much-awaited 2017 data set recently published by World Bank, Global Findex. Although significant progress has been achieved, there is a persistent gender gap in access to basic accounts in the financial system where 72% of men have access to an account while only 65% of women have

an account; this gender gap remain unchanged since 2011. Greater women's financial inclusion requires a more gender-inclusive financial system. It is also important to acknowledge broader social constraints related to intra-household power and the wider impact of financial inclusion on women's economic empowerment.

A well developed body of literature shows that closing the gender gap in financial inclusion could have positive effects in smoothing consumption (Pattison 2020); lowering financial risks and costs, women tend to be lower risk taker than men (Perrin and Weill 2022); providing security; and increasing saving and investment rates and facilitating new business opportunities. However, paying special attention and ensuring that gender equality can be realized is not easy. Women are more marginalized than sold – men, especially in the possession and use of resources (Adegbite and Machethe 2020)

## STATEMENT OF PROBLEM

Women (including marginalized sector of women) are the roots for a developing society and also for sustainable development. They contribute equally as of men, for the economic development of the nation. Even in the midst of all these, the marginalized women are not given the access to use the financial resources in certain areas. This should be avoided and equal opportunities have to be given to both the genders.

## OBJECTIVES

The purpose of undertaking the present research study is to undergo an analysis of the way in which financial inclusion of women paves the way of influences the empowerment of women.

## NEED FOR THE STUDY

As human resources, women are crucial resources and possess more strength, however, are not used in right direction. A system which supports and empowers women is the need of the hour. Hence, plans have been initiated by the governments to uplift women in all the fields. One such plan is the financial inclusion of women. This financial inclusion of women has got a great level of positive impact over the women empowerment.

## REVIEW OF LITERATURE

Kumari (2022) performed a case study in India regarding the relationship of financial inclusion with the women empowerment. Though huge developments have been made with respect to financial inclusion throughout the world, the concept of gender gap still continues to exist. The study presented here is an attempt to explore the effect of this financial inclusion over the empowerment of women. The author had adopted qualitative techniques in the study. Analysis of secondary data has been done through content analysis. Information needed for the study had been collected through the reports published time to time by RBI and other financial organizations. It had been explored that for reducing the gender gaps in having access to the financial services, a few strategies had been implemented. Some of such strategies include no-frill accounts, norms of KYC, providing small credits to women for becoming self-dependent and so on.

Jamuna(2023) explored the relationship between financial inclusion and women empowerment. The need for empowering women has been recognized to some extent all-round the globe. Several programs for awareness and seminars are being arranged for creating awareness among women regarding their empowerment. The women, at present times, are coming forwards for lodging a complaint against anyone getting into violence against them. Even the life partner of women, in recent times, are supportive to the women to be bold for fighting for their basic rights. However, all these occurrences can be witnessed in present times, question still continues to prevail, whether women are empowered in reality. There are still certain percentages of women who do not have the awareness regarding empowerment and its benefits. Empowerment can be made possible in a quick manner through financial aspects. The present study examined the access of women to financial services. The study was done with reference to the women community in the city of KebriDehar in Somali Region, Ethiopia. Data required was gathered from women who were selected on a random basis as respondents. Sample size was 400. Analysis was carried out through Garret ranking, ANOVA and t-test. It was explored from the study that financial inclusion of women was obstructed through many religious, cultural and social norms. The author had thus proved that financial inclusion is a must to have women empowerment.

Kumar (2024) said that women can be empowered through financial inclusion. The study was done with respect to the Indian banking sector. Many economists had the notion that an active fostering of the process of development can alone pave the way to real development. It is a general observation that the skills of financial management are better possessed by women. Hence, the overall empowerment of women is possible through the strategies initiated for their economic empowerment. Improvement of the women empowerment in many nations highly depends on education, development of skills, employment and nurturing their entrepreneurship. The economic empowerment of the women folks can be achieved through a crucial instrument named bank financing. The present study examined the role played by banks to promote the women's economic empowerment in India. Secondary data had been collected for the purpose of the study from daily magazines and newspapers, research studies and yearly reports of banks of India. The author had examined

the initiatives and strategies framed and initiated by the banks like Bharatiya Mahila Bank (having women in all positions) and SIDBI. The results obtained revealed that many banks are actively participating to empower women through the provision of several financial services.

Vishwakarma(2024) examined the effect of financial inclusion of women and also financial attitude over their financial betterment. The respondents were selected through convenient sampling. The author has utilized quantitative and causal research techniques and had collected the data through survey and questionnaire. Sample size was 227. For analysis of data, SEM, confirmatory factor analysis and exploratory factor analysis were performed. The results of analysis proved that financial inclusion of women and also the financial attitude had a positive effect over the financial betterment of women.

George and Thomachan (2018) Studied about the financial inclusion and the women empowerment from the gender point of view. The authors had examined the relationship between the above-stated factors. Financial inclusion refers to provision of the banking-related services at reasonable costs to all the people in the low-income and marginalized groups. Such services include having an access to have a bank account, insurance, credit, savings etc. The economic and social development of women is possible through having an access to the financial services. The study explored that financial inclusion of women had an optimistic effect over the financial and social empowerment of women, ultimately leading to total women empowerment.

## RESEARCH METHODOLOGY

The study has been done among the marginalized working women community in Pondicherry. The study respondents have been selected through simple random sampling and the sample size is 100. The respondents have been requested to fill-up questionnaire for the purpose of data collection and analysis of the collected data has been done with the help of the statistical tool of Regression. Financial inclusion scale adopted from Madan and Krishna (2019). Financial inclusion has two dimensions namely economic condition and social condition.

## ANALYSIS AND INTERPRETATION

### Influence of dimensions of financial inclusion on marginalized women empowerment Economic condition on women empowerment

R	R Square	Adjusted R Square	F	Sig.
0.825(a)	0.681	0.673	84.962	0.000(a)

#### a Predictors: (Constant), Economic Condition

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.096	.147		7.444	.000
Do you think financial inclusion affects your technology usage?	.062	.015	.166	4.067	.000
Do you think that financial inclusion affects your employment or occupation?	.096	.019	.215	4.959	.000
Do you think that your income is affected by financial inclusion?	.017	.016	.042	1.049	.295
Do you think your savings habit is affected by financial inclusion?	.478	.038	.582	12.668	.000
Do you think your investment capacity is influenced by the financial inclusion?	.099	.016	.269	6.240	.000

#### Dependent Variable: Marginalised women empowerment

Findings show that all statement of Economic condition on Marginalised women empowerment was significant. There was a relation found between the Marginalised women empowerment and the Economic condition. The analysis done through regression show signs of that among five indicators, four indicators was highly influence over the Marginalised women empowerment. The F value so got was 84.962 which means  $p < 0.000$ . It was also reported that Economic condition was seen to predict Marginalised women empowerment. Findings show that the Marginalised women empowerment is positively affected by Economic condition.

## FINDINGS

It has been explored from the analysis of the study that the Economic Condition of the Marginalized Women about various facets regarding the economic addition affects their Marginalized Women Empowerment.

### Social Condition on Women Empowerment

R	R Square	Adjusted R Square	F	Sig.
0.891(a)	0.794	0.789	153.548	0.000(a)

#### a Predictors: (Constant), Social Condition

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.766	.120		6.364	.000
Do you think financial inclusion gives you the access to fundamental facilities of sanitation?	.063	.014	.166	4.596	.000
Do you think financial inclusion gives you the access for purified drinking water?	.030	.022	.054	1.402	.162
Do you think financial inclusion gives you the access to electricity connection?	.546	.046	.561	11.828	.000
Do you think financial inclusion gives you the access to have insurance facilities?	.152	.024	.243	6.246	.000
Do you think financial inclusion gives you the access to have personal care facilities?	.055	.016	.123	3.506	.001

#### Dependent Variable: Marginalised women empowerment

Findings show that all statement of Social condition on Marginalised women empowerment was significant. There was a relation found between the Marginalised women empowerment and the Social condition. The analysis done through regression show signs of that among five indicators, four indicators was highly influence over the Marginalised women empowerment. The F value so got was 153.548 which means  $p < 0.000$ . It was also reported that Social condition was seen to predict Marginalised women empowerment. Findings show that the Marginalised women empowerment is positively affected by Social condition.

## FINDINGS

It has been explored from the analysis of the study that the Social Condition of the Marginalized Women about various facets regarding the Social addition affects their Marginalized Women Empowerment.

## CONCLUSION

It has been explored through the study that enhancing the level of women participation in economic and social activities was another ways to implement their financial inclusion. The institutions offering finance had recognized the fact that the financial decisions which are influenced by the social norms related with gender have started to vanish. Both the genders have got an equal role in making decisions-related with finance and having access to the usage of financial resources. Social norms have also started to change, which can be witnessed by several women starting new business ventures. This also changes the behaviour of women regarding the convenience in having access to finance needed for business. Hence, it had been proved that financial inclusion of women is a powerful tool for the empowerment of women.

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