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REVIEW OF SELECTIVE LITERATURE IN THE SUBJECT OF FINANCIAL LITERACY AND WOMEN EMPOWERMENT

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ABSTRACT

We all have grown up understanding different roles of males and females in the society. Today's so called modern era is not an exception to this. For any household requirements such as grocery, food and typical maid related issues, household ladies come forward by default and assume it as their primary responsibility. Males predominantly assume themselves responsible for any decisions with respect to family's financial needs, investments and related discussion. Most of the eminent researchers have done lot of research in terms of necessity of women empowerment and also recommended areas, which women and society as a whole to consider in order improving socio-economic inclusion of a woman in the society. Process of creating power in oneself to take advantage of available resources such as education, participation in socio-economic environment, deciding own priorities and finally deciding own way to life are the broad areas, which women were restricted to even think of for their betterment and exposure. Over the period there has been lot of consideration and society at large has also accepted role of women in the society and has been taking steps to march towards the betterment of the woman. Now it's time to review the observations made by experts and its impact on the society. This study aims to collate available data of the researchers in the area of women empowerment and importance of financial literacy as an integral part of empowerment.

Keywords: Financial literacy, financial inclusion, socio-cultural environment, Women

INTRODUCTION

This paper is an effort to selectively study the available literature on the Financial Literacy amongst women. Confluence of two of the most crucial subjects of our times, Women Empowerment and Financial Literacy, is an interesting study from the multidisciplinary perspective of such a confluence. Financial literacy is a crucial missing link in the collective mind of Indian psyche. Financial markets, economic environment and monetary crimes are severely affected by the degree of financial literacy amongst the masses. On the other hand, women empowerment has hitherto being seen essentially from cultural, social, legal perspective rather than a function of financial awareness. A woman, in control of her and aware of her family's money cannot be easily exploited. Moreover, a financially knowledgeable woman might enhance the awareness of her children & family about such matters, thereby making an invaluable contribution to the crusade of financial literacy. This is the perspective of choosing to undertake a selective literature review on the said topic.

OBJECTIVES

This literature Review has been undertaken with the objective of studying following dimensions of the subject...

1. To study the Awareness based on profile of women - location, age, education, income levels, investment preferences
2. To understand the role played by SHG
3. To enumerate the existing and recommended government intervention
4. To study the experiences of Empowerment
5. To observe the linkage of various reasons and socio-cultural background of a woman with her awareness levels.

CONCEPTUAL FRAMEWORK

1. Financial literacy: Literacy means having usable and reliable knowledge about particular subject, concept or object. Financial Literacy refers to the knowledge about financial products or services. Which means literacy about the areas involving finance or money. It can be either earnings, spending, savings, investments and so on.
2. Women Empowerment: Empowerment refers to encouragement leading to ability to perform fearlessly and becoming independent or self-reliant in terms of decision making. Women Empowerment refers to making all the resources available and imparting required skills and knowledge available to the women to make effective use of those resources and decide their own path, leading to achieving their goals of life. In short, making women independent and self-reliant to live respectable life in patriarchal society.

3. Self-help Group (SHG): SHG is a cluster of like-minded people, who come together for common cause of helping either the group members or to those, who are in need of finance and are unable to get the same due to lack of sufficient knowledge or skill. These groups are either registered or unregistered and typically consist of 10-20 local people, either men or women. Primary objective of SHG is to meet financial requirements of micro entrepreneurs. Since SHG is a local body, they are acquainted with the local needs and problems. Hence, hassle free and quick funding with minimum book keeping is possible from them. They also have tie up with banks or financial institutions. India has many such SHG working effectively and efficiently.
4. Government Intervention Schemes: Like society, it's important on the part of government to create healthy and strong infrastructure and atmosphere in terms of various government schemes, policies and resources to enable people in the country to live better and secured life.
5. Socio-Cultural environment: It refers to surrounding atmosphere, existing customs and traditions in the society and its impact on the life of the people living in that society. It's a continuous process, wherein one generation adopts certain processes, thoughts and beliefs and passes on the same to next generation. As a whole it makes a socio-cultural environment.

ANALYSIS OF THE BODY OF LITERATURE

1. While studying the awareness amongst women, various profile attributes have made significant impact. To begin with, the location of survey has influenced its outcome considerably. Surveys conducted across various districts such as Nashik (Paluri, et al, 2016), wherein the women respondents were distributed in four classes, judicious consumers, conservative consumers, acquisitive consumers and unsure consumers. Collected data showed that the women were most interested in basic financial products like fixed deposits and insurance policies due to limited knowledge and exposure. The same result has been supported by the survey conducted in Raipur (Saha, 2016) wherein survey was conducted for working women with available working financial knowledge and exposure. In Virudhunagar district (Suganya , et al, 2017) women of SHG were examined in terms of certain parameters such as financial knowledge, saving, borrowing and investment skills. The survey showed that most of the women were educated till secondary level and were having interest in savings and investments. It has also established the fact that there is strong relation between financial literacy and women empowerment. Survey conducted for married women in Mumbai city (CA Purva Shah, 2018) displayed picture of comparatively smart woman but due to city's own challenges such as late sitting in offices, traffic situation, competition, peer pressure, inflation and equal household responsibilities, women preferred to take a back seat in career and in terms of upgrading their financial knowledge after certain age and with increased household responsibilities. In another survey conducted for rural women in Tirunelveli district (Muthulakhmi M, et al, 2014) showed lot of difference in rural and urban in terms of understanding level about available avenues for savings and investments. They prefer more of traditional savings methods like gold etc. In Kalaburagi district, (Kheni, 2016) the survey showed the requirement of training in terms of various financial products and services to be given to women to help them get knowledge about available financial products and services. Another study of women in Visakhapatnam District of Andhra Pradesh (Kusuma, et al, 2013) also established the fact of women suffering from lack of or limited financial knowledge. One more survey of women in Chennai city (Remigius Mary S, 2016) displayed good understanding of financial knowledge and also showed the direct relationship between higher education vis-à-vis financial decision making and confidence level. The facts have established that women were found to be more aware in economically advanced cities as opposed to relatively not advanced. Thus the women in other than metro cities have shown lesser awareness as opposed to those in metro cities like Chennai and Mumbai.
2. Education, qualification has direct relationship with financial literacy and thus, empowerment. Considering this as an important factor in women empowerment various surveys were made by many researchers. To name a few, in the survey of working women having graduate, post graduate or professional qualification (Arora, 2016), showed inclination towards financial planning and their level of understanding of financial products and services was higher as compared to other women. This research has also been supported by the survey results of women in SGH in VIRUDHUNAGAR (Suganya, 2017). Similarly, after studying behaviour of rural woman in tirunelveli district (Muthulakhmi M, et al, 2014), it's observed that though women were found interested in savings or investment schemes, due to lower basic qualification, they were finding it difficult to understand the financial products or schemes. The study of women entrepreneurs in agriculture and education sectors in India, (Srinivasan Hema, et al, 2018) and their understanding towards microfinance opportunities has underlined importance of education at school level in order to progress in

life. Another study in Kalaburagi district of Karnataka (Kheni, 2016) also boosted the fact of necessity of educational background to achieve desired level of contribution of woman in financial decision making. During this survey, it was observed that 39% of the respondents were educated only till high school level, which was restricting their understanding level of financial products and services. Survey made in case of working women in Chennai city (Remigius Mary S, 2016) confirmed the fact of direct relation between education and understanding and managing finances by women. Most of the women were graduates and post-graduates and were able to manage their financial planning and check risk and return pattern of their investments.

3. Age and marriage are another important factors in woman's life as pre-marital and post-marital phases change her priorities and decision making power. In the survey of married women in Mumbai city (CA Purva Shah, 2018) supports aforesaid observation. The survey showed that post marriage, women having children get busy in household activities and they lack to upgrade their knowledge in terms of financial products or services or even the current affairs. In case of tirunelveli district (Muthulakhmi M, et al, 2014), wherein respondents were rural women were housewives and between the age group of 36-45 years. Around 86% respondents reported economic independence and most of them were self-employed and were engaged in petty business. Women respondents of age group 30-39 years (Kusuma, et al, 2013) reported willingness to understand and gain knowledge about available savings and investment options. In another interesting survey made in Chennai city (Remigius Mary S, 2016) for women of age group between 31-40 years with 80.5% of them were married. They preferred Mutual Funds, NSCs, Equity and Debt instruments giving fixed returns and involving less risk. Strong relation between age and investment pattern was found in this survey.
4. Income level is another attribute that contributes to financial independence of a woman to large extent. It has been observed that average income of women in rural area is in the range of Rs. 1 – 2 lacs in rural areas (Kheni, 2016), wherein women are engaged in small scale occupation or agricultural activities. Whereas income level of women in cities is higher in the range of Rs. 2.5 – 5 lacs (Saha (2016) and in metro cities it is upto Rs. 5-10 lacs (Remigius Mary S 2016). General observation of the researcher is women with higher income are aware about tax saving investment schemes and also plan their finances effectively as compared to lower income group.
5. It has been observed that Self-Help Groups (SHG) plays major role at local level as they consist of local people, who understand their needs and issues better. Few researchers have studied role of SHG in terms of educating women and empowering them by providing small capital to start business and become independent. The former Governor of the Reserve Bank of India in his speech, The former Governor of the Reserve Bank of India in his speech, (D. Subbarao , 2009) had mentioned role of SHG in enhancing financial literacy among local women. In the survey, wherein the respondents were women entrepreneurs in agriculture and education sectors in India (Srinivasan Hema, et al, 2018), the results revealed how micro finance innovations had helped them to excel. Similarly as per Asian Business Review by (Dhanonjoy Kumar, et al) Grameen bank and micro finance institutions in Bangladesh, started lending micro finance and small credits without collateral and with least formalities, which have helped the local people to progress in their small ventures.
6. Supportive government policies and schemes play major role in country's business growth. After studying positive steps taken by RBI, SEBI, IRDA and various banks in the research (Singh and Kumar, 2017) mentioned necessity of spreading this crucial information to the women entrepreneurs in the society to enable them to take benefit of these schemes and use them in the business. Another research (Baluja, 2016) has elaborated several government initiatives such as Financial Literacy and Credit Counselling Centres, PM Jan Dhan Yojana, Establishment of National Centre for Financial Education, etc. One more study (Sesaiah, 2016) recommends that the government should include financial literacy as part of the curriculum, to reach banks and financial services to the unbanked areas, no frills accounts should be offered, adequate infrastructure such as digital and physical connectivity. The most important recommendation is for all the concerned stakeholders to work together at the national and state level, meaningful collaborations should be forged to achieve the necessary impact and sustainability. Further, the government should strictly route all social security payments through banks as this would make it compulsory for people to have bank accounts. Respondents to the survey (Kusuma, et al, 2013) described the need of taking initiative by NGOs and Government to impart necessary training in terms of financial education or skill building workshops for women.

CONCLUSION

From the entire aforesaid analysis of literature review, it can be ascertained that the relatively younger women from the age group of 25 to 35, having income range of Rs. 2.5–5 lacs and especially in the cities, have better financial understanding. As we move towards higher age group, women tend to priorities their family needs and get occupied in looking after their children. Thus, it has been observed that both working and non-working women leave the financial decision making in terms of determining investment alternatives, retirement planning, provision of funds for child's higher education etc. to their male counter parts. Their socio-cultural background also supports their such attitude. As a result, women lag behind in keeping herself competitive and updated with financial knowledge, favourable government schemes, policies etc. Women constitute 50% of world's total population and hence, many organisations such as SHG, NGOs, and Government are making lot of efforts to empower women by imparting education, skill based vocational courses, micro finance for small businesses, creating employment opportunities in order to make them financially independent. Women should also respond to these initiatives positively, to make it a great success.

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