

## **Empowering Women through Banking Innovations and Excellence**

As banks are playing a major role in scripting India's growth story, bringing the much-needed change across the country, they are also playing a vital role in women empowerment, **Rashi Aditi Ghosh** of **Elets News Network (ENN)** explores.

The banking sector in India is growing by leaps and bounds. Schemes like Pradhan Mantri Jan Dhan Yojna, introduced by Prime Minister Narendra Modi-led government in 2014, have helped doubling country's adult population with a bank account, as compared to 2011.

### **Banks Empowering Women**

Being the primary pillars of the Indian economy, banks have a pivotal role to play as far as women empowerment is concerned. Be it the schemes pertaining to educational financing at early age or financial assistance for setting up a source of livelihood; banks are important in enhancing financial inclusion of women in the Indian economy.

Indicating a positive trend, participation of women in the banking sector has inflated over the years.

According to a World Bank report, women account ownership has inflated by 30 per cent between 2014 and 2017. Further, 29 per cent of women in India use digital payments. This rise is accredited to the Pradhan Mantri Jan Dhan Yojana (PMJDY).

The World Bank report also suggests about gender gap of 6 per cent in 2017, which is an improvement due to being a decline from 20 percent in 2014.

### **Gender Disparity**

Women empowerment is an important component of India's socio-economic growth. The government and many other agencies are undertaking measures to further improve the situation through various policies focussed on social reforms and generating employment opportunities.

"One of the important factors that would lead to women empowerment in India is their financial independence. Women need to be empowered economically. This will make women self-reliant and give them the freedom to choose. This will enable them to benefit from the different options available at their free will. This will make women's lives enriching and joyful. Once a woman becomes financially independent and can exercise her choices, she can also help her mother, sister, daughter, and other women in the society to become empowered. This will elevate women's position in the society and will bring in equality," said Dr Manisha Ketkar, Director, Symbiosis School of Banking and Finance (SSBF).

## **Banking is empowering women in India in multiple ways:**

### **Bank Accounts:**

According to World Bank's Empowering women through financial report "women are more likely to save, allocate, and invest money in order to be protected against unexpected expenses, and in their children's education; giving an opportunity for a better livelihood to the next generation" Once women get access to a bank account, their natural tendencies to save are channelised in a productive financial discipline that earns them interest and gives financial security. They get the decisionmaking power on that money which increases the possibility that it is used for productive purposes.

### **Educational Loans:**

An educated woman is a possibly the best way to ensure that the next generation is also educated. Education helps women to practice the trade of their choice. Many banks offer educational assistance schemes for women at concessional terms and lower interest rates. Education helps in a big way in women empowerment.

Dr Preeti Goyal, Professor, Finance and Accounting, Great Lakes Institute of Management, Gurgaon, "It has been well accepted that women with access to financial services (bank accounts, loans, etc.), have a greater bargaining power in society. According to the World Bank's global Findex database, globally overall financial inclusion has been rising, yet in developing economies women are 9 percent less likely to have a bank account. The participation of women as compared to men in formal banking is significantly lower. Many initiatives being taken by the government and various NGOs is slowly bringing about a change, yet a lot still remains to be done."

"While special schemes for women entrepreneurs such Annapurna Scheme, Stree Shakti Package For Women Entrepreneurs & Bharatiya Mahila Bank Business Loan are a step in the right direction, we still have a long way to go before we can reach a desirable level of holistic financial inclusion for women. In an effort to improve this, the government needs to start thinking of additional steps to tackle low informal sector wages and women illiteracy," she added.

### **Financial Assistance:**

Due to their entrepreneurial skills, a number of women today are successfully managing small and big businesses . Banks offer credits and loans to such businesses that help women to grow their ventures. Many banks support micro, small, and medium size enterprises (MSMEs) specifically run by women under different programs.

"The banking sector plays a critical role in spearheading the financial inclusion of women in the Indian economy. There have been, and still exist, several socio-cultural barriers for the true financial inclusion of women. Now, there are plenty of womencentric or women-only financial schemes introduced by banks to make banking services accessible to women everywhere – cutting across geographies and socioeconomic classes – adding impetus to women empowerment," said Rati Shetty, Co-founder and Chief Product Officer, BankBazaar.

"There are women-special home loans and car loans with lower interest rates and other lucrative features if the primary applicant is a woman, or if the first co-applicant, in case of a joint application, is a woman."

“There are government-driven initiatives such as the Pradhan Mantri Jan Dhan Yojana (PMJDY) and Sukanya Samridhi Yojana that are aimed at the financial inclusion and empowerment of women and girls.”

“Women are now being recognised as the new crop of savvy financial product consumers, the decision makers, key influencers and the drivers of change. For sustainable financial inclusion, all stakeholders of the finance ecosystem – government, regulatory bodies, financial institutions and technology-backed service providers – will need to work together efficiently and seamlessly,” she added.

### **Priority Banking (Mahila Banks)**

A bank run by women for women is a concept where priority is given entirely to women empowerment. Community-based Mahila Banks are set up in some parts of India where the local women run the bank offering benefits to local community women. This is an innovative approach to encourage women to take benefits of banking in male dominated communities.

“The immense significance as financial inclusion is the first step to women empowerment. Bharatiya Mahila Bank was also a great initiative not only focused on women but also run by women. The bank provided easy collateral-free loans as well as insurance and pension policies to a woman that brings them an opportunity to be financially independent and pursue their entrepreneurial dreams. Technological advances have made it easier for women to do banking for which they earlier had to depend on a male member or a third party. Mobile banking and digital payments eliminate the need for women to make visits to banks and allows them to conduct banking transactions from their homes,” said Suresh Rajagopal, President, Software Business, FSS.

According to Ministry of Finance, there were 498 exclusive bank branches for women in 2016.

### **Self-help Groups:**

Women’s bargaining power in the society increases with access to financial services. Self-help groups increase it multi-folds by bringing several women together to achieve economic independence. These groups promote small savings among its members which are kept with a bank and invested in a revenue earning economic activity of the group. This forms their own capital resource base. Banks too offer financial assistance to self-help groups on concessional terms.

A report submitted by National Institute of Technology, Durgapur suggests that Micro Finance is emerging as a powerful instrument for poverty alleviation in the new economy. In India, micro finance scene is dominated by Self Help Groups (SHGs) – Bank Linkage Programme, aimed at providing a cost effective mechanism for providing financial services to the “unreached poor”. Based on the philosophy of peer pressure and group savings as collateral substitute, the SHG programme has been successful in not only in meeting peculiar needs of the rural poor, but also in strengthening collective selfhelp capacities of the poor at the local level, leading to their empowerment.

Micro Finance for the poor and women has received extensive recognition as a strategy for poverty reduction and for economic empowerment. Increasingly in the last five years, there is questioning of whether micro credit is most effective approach to economic empowerment of poorest and, among them, women in particular. Development practitioners in India and developing countries often argue that the exaggerated focus on micro finance as a solution for the poor has led to neglect by the state and public institutions in addressing employment and livelihood needs of the poor.

Explaining the role of Micro Finance Institutions (MFIs) towards empowerment of women, Dev Verma, Chief Operating Officer, Satin Creditcare said, “For more than 25 years now, Satin Creditcare Pvt. Ltd. (SCNL) has been helping women by providing them micro-loans to engage in self-empowering projects that allow them to generate income and substantiate their household earnings. Furthermore, we at SCNL also organise learning sessions and workshops for these women to educate them on financial literacy and the importance of financial empowerment.

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“By empowering women through financial knowledge and working capital, MFIs support them in alleviating poverty and improving their economic status significantly. Researchers have proved time and again that empowerment of women has always lead to the wellbeing of the whole family and the society at large,” he added.

### **Training:**

Many banks have initiated special training programs for their women customers who have started self-help groups or own businesses. This training enables them to get knowledge of different aspects of trade and commerce. Banks also offer training to women from economically weaker section in various vocations that give them access to jobs.

Paytm Payments Bank has launched an initiative that seeks to empower women in India’s smaller towns and cities by training them for financial services and creating new employment opportunities.

Named as Paytm AshaKiran, the programme will enable these women to act as a catalyst in the nationwide roll-out of Paytm’s bank offerings.

### **Employment:**

Banks give employment opportunities both qualitatively and quantitatively to women and we see several women bank employees in urban and semi-urban areas. Growth in women education and financial inclusion will result in growth of women employees in rural areas too. There is also no glass ceiling in banking industry as we see many women reaching senior and top-most positions in state-owned as well as private banks.

Puneet Kaur Kohli, Group Chief Technology Officer, Manappuram Finance, who recently joined the NBFC, said, “Definitely, I believe NBFC sector is empowering the women suitably. See, if I am here, that’s a testimony of the fact that the sector is very much pro-women. Its upto you, how you prove your worth and make your own mark in the sector. Just as in any other sector, it boils down to an individuals’ own caliber, potential and desire to succeed.”

While the entire BFSI sector is collectively making efforts to support to cause of women empowerment, women in particular will also have to participate in these initiatives. Be it Financial Inclusion, Training or employment, women will have to make clear choices and help the banks in fighting the “Gender Disparity” prevailing in the country.

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