



WOMEN'S FINANCIAL INCLUSION: A PATHWAY TO ECONOMIC EMPOWERMENT

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Abstract

To foster an environment where women can thrive financially, it is imperative to dismantle the barriers that inhibit their inclusion in the financial sector. This necessitates a multi-faceted approach involving policy reforms, cultural shifts, educational advancements, and economic empowerment initiatives. Efforts should be directed towards eradicating discriminatory laws and practices that disenfranchise women, developing inclusive financial products and services that cater to women's unique needs, and fostering education and financial literacy programs tailored for women. Moreover, encouraging women's participation in policy-making can usher in more inclusive and equitable financial policies. The main objectives of the study is to find out the Barriers to Women's Financial Inclusion.

Women's empowerment is a major policy topic in development economics and modernization theory. This project aims to give empirical evidence on how social and economic variables empower rural Indian women, concentrating on financial inclusion. The study used simple random sampling technique for the study with Chennai-based women to achieve its research goal. 200 sample women respondents were selected for the study. In conclusion, enhancing women's financial inclusion is not only a moral imperative but a catalyst for sustainable economic growth. By dismantling the barriers that inhibit women's full participation in the financial sector, societies can foster an environment of inclusivity, equity, and prosperity for all. It delves into the barriers hindering women's access to financial services, highlights the myriad benefits of inclusion. Bridging the gender gap in financial inclusion not only empowers women economically but also contributes to broader societal and economic growth.

Keywords: Women, Financial Inclusion, barriers and economic empowerment

Introduction



Over the course of centuries, the valley has seen the development of a diverse range of customs, traditions, and practices. The practices and traditions, both positive and negative that have now ingrained themselves into the collective psyche of our society. Our contemporary culture include individuals who adhere to a wide range of religious affiliations.[3] Across all religious traditions, women have consistently been accorded a position of privilege, with each faith emphasizing the need of treating women with utmost respect and decency. However, it is evident that society has evolved in such a way that several forms of detrimental behaviour, including both physical and psychological aspects, have been ingrained as customary practices against women throughout history. For example, the phenomenon of dowry, instances of sexual harassment in the workplace, cases of domestic violence, the prevalent occurrence of divorce contrary to the norms of sharia law, and many forms of discriminatory practices have both physical and psychological components. Despite the concerted worldwide endeavors, there has been little advancement in the realm of women's financial inclusion throughout the

preceding decade. Women persistently encounter heightened levels of financial exclusion and susceptibility compared to males, as seen by the ongoing disparities in economic opportunities and resources.[6] The advent of unforeseen events like as the COVID-19 pandemic poses a significant risk of eroding the progress achieved so far in addressing these disparities. CGAP's strategy extends beyond the chronic high dormancy rates caused by low account use and inactivity. Our primary focus is on exploring the many means through which financial services may effectively contribute to the improvement of impoverished individuals, with a particular emphasis on women. Specifically, we want to examine how these services might facilitate three key objectives: income generation, access to vital services, and safeguarding fundamental standards of life. It is posited that the realization of economic empowerment among women may be achieved through enhancing their access, use, and results pertaining to financial services. In our examination of gender equality in financial inclusion, we want to analyze the obstacles and potential advantages that contribute to the advancement of women's financial

inclusion. [8] These issues have received little attention and have not been adequately addressed in the majority of financial inclusion initiatives. Our objective is to investigate both the formal and informal income-generating alternatives available to women, which contribute positively to their lives and livelihoods. This exploration will be conducted through using digital technologies. Simultaneously, we include a gender perspective into all of our initiatives and actively promote stakeholder engagement to promote the financial inclusion and economic empowerment of women.

inequality but also hinders overall economic growth.[5] The measurement of women's financial inclusion and empowerment has garnered increasing attention in contemporary literature. Scholars and practitioners alike have sought to develop metrics and indices that holistically capture the nuances of women's experiences in the financial sphere. A significant portion of this literature focuses on quantifiable indicators such as access to banking services, ownership of savings accounts, and credit accessibility. Parallely, qualitative parameters are also being explored, incorporating aspects such as financial literacy, control over financial resources, and participation in financial decision-making processes within households. Moreover, studies have started to intertwine financial inclusion metrics with broader markers of empowerment, including educational attainment, participation in the workforce, and leadership in entrepreneurial ventures. Despite the strides made, the existing literature still grapples with developing a comprehensive framework that can encapsulate the multifaceted nature of women's financial inclusion and

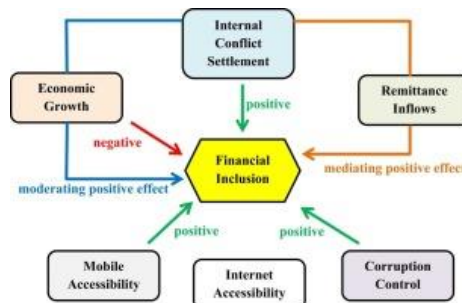


Figure: 01

Research background

Financial inclusion has long been recognized as a key driver of economic development and poverty reduction. Yet, women across the world continue to face significant barriers when it comes to accessing and utilizing financial services. This gender gap in financial inclusion not only perpetuates gender



empowerment, indicating a rich avenue for future research and exploration.

Financial inclusion and economic empowerment

Societal norms and cultural expectations often limit women's access to economic opportunities, perpetuating traditional gender roles that prioritize domestic responsibilities over financial independence. Limited access to formal banking institutions, particularly in rural areas, further isolates women from the financial system. Insufficient financial literacy and education can make them hesitant to engage with financial services effectively. The persistent gender wage gap reduces their capacity to save and invest, exacerbating economic disparities. Additionally, legal and regulatory obstacles in some regions restrict women from independently accessing credit and managing their finances. Addressing these barriers is essential to empower women economically and bridge the gender gap in financial inclusion, ultimately benefiting individuals, families, and societies as a whole.

Strategic alliances for women's systemic transformation

Women's economic empowerment is fundamentally tied to

their ability to add value to their livelihoods. Empowering women economically goes beyond mere income generation; it involves enhancing their skills, knowledge, and access to resources, allowing them to contribute meaningfully to their families and communities. When women can add value to their livelihoods, they become key drivers of economic growth and social progress. This empowerment enables them to invest in education and healthcare for their children, improve the overall quality of life within their households, and actively participate in decision-making processes. Moreover, as women enhance their economic contributions, they gain increased confidence, self-esteem, and a stronger sense of agency, breaking free from cycles of poverty and dependence. Leveraging influence and forming strategic partnerships are powerful tools in driving systemic change for women. Individuals, organizations, and governments with influence have the capacity to shape policies, attitudes, and behaviors that impact gender equality. By using their platforms and resources, they can advocate for women's rights, challenge discriminatory practices, and promote opportunities for women in



various spheres of life. Moreover, strategic partnerships between governments, NGOs, businesses, and civil society can pool their expertise and resources to address complex gender-related challenges effectively. These collaborations can lead to innovative solutions, increased access to education and healthcare, and the removal of legal and cultural barriers that hinder women's progress. By combining influence and strategic partnerships, we can create a more inclusive and equitable world where women have the opportunities and support they need to thrive.

Research problem

In contemporary societies, the issue of women's financial inclusion and economic empowerment persists as a significant concern that hinders not only the advancement of women but also the socio-economic development of communities at large. Despite the substantial progression in many aspects of gender equality, a notable gap in financial inclusion continues to prevent women from achieving economic self-sufficiency and security. This disparity is rooted in deep-seated cultural norms, educational gaps, economic barriers, and policy inadequacies that disproportionately affect women, stifling

their potential and opportunities in the financial sector. Addressing this issue is not merely a matter of achieving gender equity but is critical for fostering sustainable development, enhancing economic growth, and building resilient communities.

Objectives of the study, design and methodology

The main objectives of the study is to find out the Barriers to Women's Financial Inclusion. Women's empowerment is a major policy topic in development economics and modernization theory. This project aims to give empirical evidence on how social and economic variables empower rural Indian women, concentrating on financial inclusion. The study used simple random sampling technique for the study with Chennai-based women to achieve its research goal. 200 sample women respondents were selected for the study.

Analysis, findings and Discussion

Women's financial inclusion, which denotes the equitable access and usage of financial products and services, remains an ongoing struggle globally. Despite significant strides made in the recent past, various barriers continue to stifle women's full participation in the



financial sector. This essay delineates the most significant impediments to women’s financial inclusion, which span cultural, economic, educational, and structural spheres. Historically, societal and cultural norms have propagated gender inequality, and this extends to financial inclusion. In several communities, women are perceived as the caretakers of the family rather than economic agents. This limited perception confines women to informal economic sectors, restricts their access to resources, and inhibits their potential financial independence. Furthermore, in various societies, women are often denied access to vital resources like land and property through discriminatory inheritance laws and practices. This consequently limits their ability to secure loans and other financial products which often require collateral. They are ranked using the Garret ranking technique.

Table 1

Barriers	GV	79	66	58	50	43	35	22	Score	Rank
Educational barriers	f	26	25	12	32	27	33	45	20019	I
	fx	6241	4356	3364	2500	1849	1225	484		
Lack of Access	f	42	65	24	14	22	23	10	11671	II
	fx	3318	4290	1392	700	946	805	220		
Financial Literacy	f	28	25	65	32	19	20	11	10991	III
	fx	2212	1650	3770	1600	817	700	242		
Gender Wage	f	29	15	35	71	24	7	19	10556	IV
	fx	2291	990	2030	3550	1032	245	418		
Legal and Time and mobility	f	26	12	30	15	56	25	36	9411	VI
	fx	2054	792	1740	750	2408	875	792		
Socio-cultural Norms	f	17	32	11	19	18	67	36	8954	VII
	fx	1343	2112	638	950	774	2345	792		
	f	32	26	23	17	34	25	43	9711	V
	fx	2528	1716	1334	850	1462	875	946		

Barriers to Women's Financial Inclusion

The above table denotes that Educational barriers-is found most affected barrier (20019) than others. Financial Literacy is ranked second with a score of 10991. The Lack of Access to Formal Banking is also found effective which ranked third with 5068.It is concluded from the findings that the Educational barriers plays important role in the financial inclusion. Education serves as the bedrock for financial literacy. Unfortunately, girls and women globally face barriers to education due to societal norms, lack of resources, and in some instances, policy constraints. The deficiency in educational opportunities translates to a gap in financial literacy. Without the proper education, women are less likely to engage with financial products and services optimally. This not only restricts women's financial inclusion but also hinders the potential



economic growth that could be achieved through a more inclusive approach. Economic barriers, including limited access to capital and wage gaps, play a significant role in excluding women from financial systems. This wage disparity limits women's ability to save, invest, and grow their wealth, consequently narrowing their financial inclusion prospects.

Conclusion

Women entrepreneurs face significant hurdles in accessing credit for business start-ups and expansions, often due to a lack of collateral and credit history. These obstacles dampen women's entrepreneurial spirits and restrict their economic advancements. Despite the notable progress in policy formulation aimed at fostering gender equality, certain policies and structural frameworks inadvertently create barriers to women's financial inclusion. For instance, stringent KYC (Know Your Customer) requirements can disproportionately disadvantage women, who might lack the necessary documentation. Moreover, the limited representation of women in policy-making positions hinders the formulation and implementation of policies that cater to women's unique

financial needs and circumstances. The design and delivery of financial products often do not cater to women's unique needs, thereby discouraging their participation.

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