

ROLE OF BANKING SECTOR IN EMPOWERING WOMEN:THE EXPERIENCES OF INDIA.

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Abstract

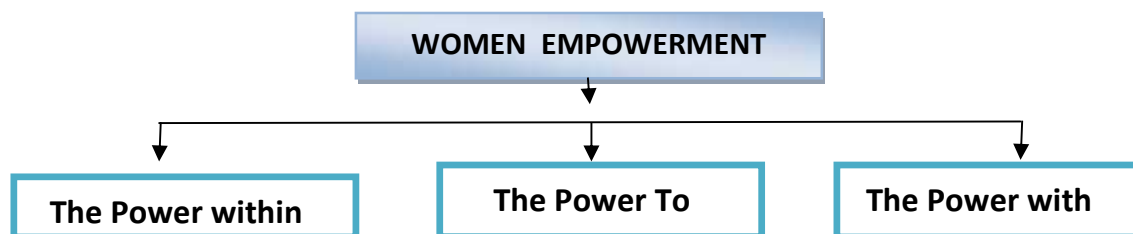
Economists argue that if the development process “is not engendered is endangered” Since it was observed that women can handle money most efficiently, the “economic empowerment of women” has become one of the strategies for achieving their empowerment. Education, skill development, employment and improvement of entrepreneurship among women go a long way for empowering them in economies, particularly in developing economies. Among the variety of instruments, bank finance also play a vital role in the promotion of economic empowerment of women. Keeping this argument in view, the present paper deals with role of banks in the economic empowerment of women, with special reference to India. The analysis in the paper depends exclusively on the secondary sources of information, collected from different daily English news papers and annual reports and research reports of the banks in India. A modest attempt is made to analyse and explain the schemes and programmes that are being designed and implemented by the banks and SIDBI and Bharatiya Mahila Bank, the first bank fully equipped with women at all positions. The paper establishes the active role being played by different banks towards empowering women by providing a variety of financial products, introduces the schemes and programmes and their objectives, which are very useful for women to avail bank finance for their economic empowerment and concludes that Governments should think over to make “Right to bank credit” as one of the rights of women .

Key Words: Empowerment of women, Human Rights, Bank finance, Economic, Empowerment, Right to Credit.

INTRODUCTION

It is an established fact that economic growth promotes gender equality and resources in the hands of women have a range of positive outcomes for human capital and capabilities within the household. Inclusive growth strategy explains that economic growth should ensure opportunities for all sections of population, with a special emphasis on the poor in general and women in particular , who are most likely to be marginalised. Keeping these facts in view, of late, focus has been laid on women within such agenda (World Bank, 2012) as gender equality has a positive impact on economic growth. The relationship was felt most consistent with regard to education and employment. There is ample micro-level evidences to suggest that not only does women’s access to employment and education opportunities determine and reduce poverty and they eventually contribute to inclusive growth because women constitute 50.0 per cent of total world population and their access to economic resources improve distributional dynamics with the household (Quisumbing, 2003, World Development Report,2012, Kabeer, 2003, Dwyer and Bruce, 1988).

The experiences of developing countries reveal that economic growth, no doubt, promotes gender equality, but economic growth on its own is not always sufficient to promote gender equality. The efforts must be accompanied by an expansion of women’s capabilities, through provision of educational opportunities and generation of employment opportunities, being guided by public action to remove gender-related barriers to the improvement of their capabilities. Then only women are empowered both economically and socially. Their capacities must be improved so as to alleviate the unequal power relations, which are acting as impediments to participate in and helps to influence the development process. If the women are to be empowered, the following indicators are to be analysed and evaluated:



“The power within” deals with a focus on women’s subjectivity and consciousness; exercising greater control over key aspects of their lives (human, material and social resources) and to participate in the wider societies refer to second

indicator- “The Power to” and the third indicator represents the necessity of acting collectively as “Women” against injustices they face in the economy.

A review of the above discussion amply reveal that the concept of women empowerment encompasses an economic dimension as was proclaimed in the Millennium Development Goals that full and productive employment and decent work for all, including women and young people. Later this concept was added with “making markets work for women”(World Bank, 2006). This dimension was called as “economic empowerment of women”, characterised by empowering women to compete in markets (agency) and focuses on economic sectors like land, labour, production and financial markets. It was argued that economically empowering women is essential both to realise women’s rights and to achieve broader development goals such as economic growth, poverty reduction, health, education and welfare (Golla et. al. 2011). By this argument, we can simply infer that a woman is economically empowered when she has both the ability to succeed and advance economically and the power to make and act on economic decisions. In simple words, economic empowerment of women is “a process which increased women’s real power over economic decisions that influence their lives and priorities in society as well as in the economy.

BANKS PLAY A VITAL ROLE

We know well that an economy’s prosperity depends on a number of factors, including a strong commercial banking sector. A sound banking system promotes economic well-being by providing them short, medium and long-term loans. For centuries, the banking sector has been a pillar of economic prosperity and today banks have become a crucial force for savings and investment. Land, labour, capital, and expertise are the basic economic resources available to business. However, to make the use of these resources, a business requires finance to purchase land, hire labour, pay for capital goods, and acquire individuals with specialized skills.

Women Empowerment has been a vital issue that has come into the limelight in past few years. Despite numerous government schemes and policy decision, women in India still remain deprived of equal opportunities in terms of education, employment and skill development. Although, there have been significant improvements in this field especially in urban centres, women in rural areas are still underprivileged from any such advantages. Majority of the social scientists have also derived that economic independence plays a vital role in ensuring that women get equal opportunities in the society and thereby enjoy and benefit from their other rights. This makes women empowerment as much of an economic issue as a social one.

Banks and Women Empowerment

Banking sector, being guided by social obligations, has been playing a pivotal role in helping women achieve economic independence and thereby enjoy and benefit their rights. Banks have been instrumental in promoting ‘women development’ in a big way by extending them financial support from their early days through educational loans, skill development training programmes and have always played a very important role in enhancing financial inclusion of women in the Indian economy. All major public sector banks have announced women centric and women only financing and loan schemes that offer financing opportunities at concessional interest rates and relaxed the rules regarding provision of loans. It is quite evident that access to finance changes the way of sustainable development of women and their economic conditions as shown in Fig. 1.

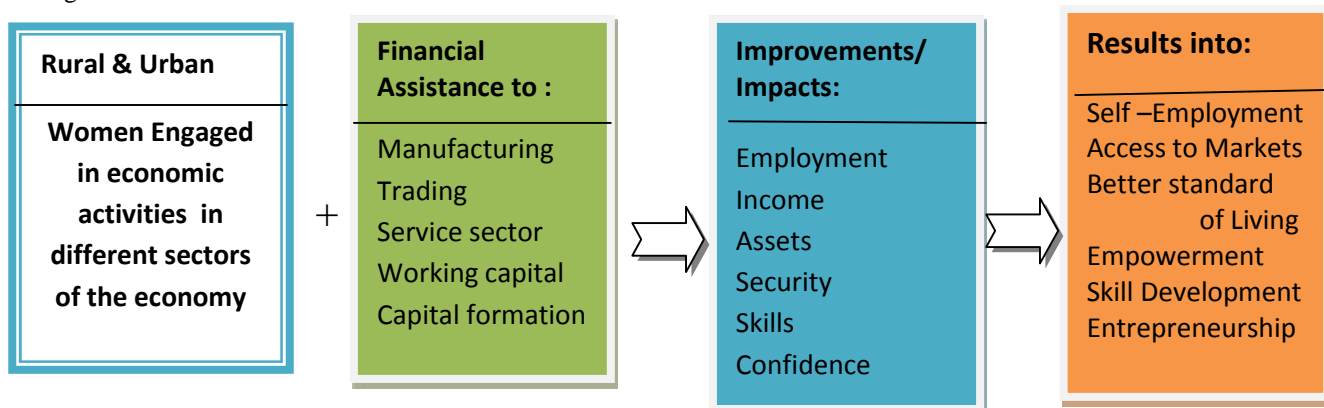


Fig: 1 : Access to Bank Finance Changes the way of Economic Empowerment of Women

It is quite evident that whenever the banking sector provides financial assistance to women particularly, irrespective of the activity in which they are engaged in, improves their access to markets, generates employment and income, increases asset base, ensures a sense of security, makes them skilled and fills confidence in their hearts. As a result of increasing labour force participation rate, their standard of living becomes improved and their entrepreneurial skills are improved and eventually they are empowered economically. All these betterment/improvement occurs because of the intervention policies, schemes and programmes of the Government being driven by rights and potentiality of the women and the significance of their productive and active participation in the economic process. Similarly banks are also responding to the needs, requirements and economic environment in which women are living and are operating by creating and providing “a women-friendly” financial products as explained in Fig.2.

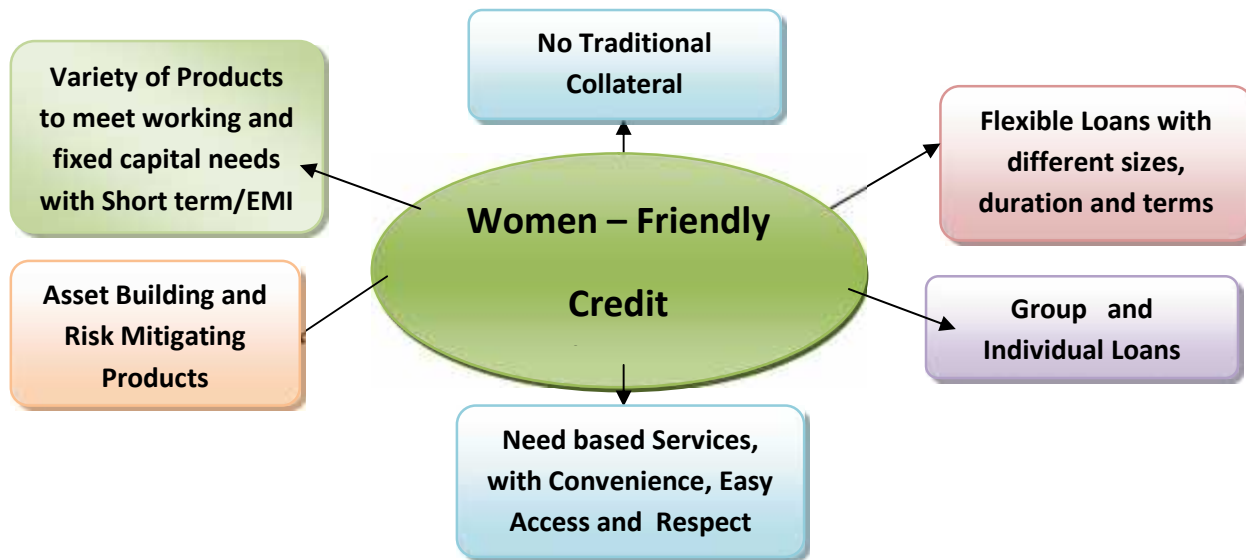


Fig: 2 : The Responding Strategy of Banks to Facilitate Women Empowerment.

A brief description of the schemes and lending programmes aimed at empowering women economically is provided in the following Table.1. those are being implemented by the banking sector, with specifications.

Table:1 Schemes and Programmes implemented for Empowering Women

Name of the Bank	Name of the Scheme/Programme	Details of Deployment of Credit to achieve Women Empowerment
State Bank of India	Stree Shakti Package	Offers special concessions and privileges for financing to business units in which women entrepreneurs hold more than 50.0 per cent of share capital.
Andhra Bank	Mutual Credit Guarantee Scheme for Women	Offers credit facilities to women entrepreneurs up to Rs. 1 lakh without collateral security with exception of retail sector.
State Bank of Hyderabad	Stree Shakti Package for Women Entrepreneurs	Offers concessions and facilities to help train women entrepreneurs
State Bank of Mysore	Stree Shakti Package for Women Entrepreneurs	Provides financial assistance to business units in which a women holds majority (more than 50%) stake
	Annapurna Scheme for financing women for establishing Food Catering Units	Offers financial assistance to start catering business units owned and managed by women.
	PNB Mahila Udyam Nidhi Scheme	Offers financial support to micro, small and medium enterprises and industries owned and managed by women

Punjab National Bank	PNB Mahila Samridhi Yojana	Finances for purchase of equipment for small business units like tailoring shops, boutiques, telecom agencies, beauty parlour and internet browsing centres
	Scheme for financing Creches	Provides finance for purchase of equipment for crèche development, aids in purchase of stationery, refrigerators and water filters etc.,
	PNB Kalyani Card Scheme	Offers working capital credit for agricultural activities/misc.farm and non-farm to both illiterate and literate women dwelling in rural/semi-urban areas (farmers, landless labourers, agricultural labourers, tenant farmers, share croppers, lessee farmers etc.).
	PNB Mahila Sashaktikaran Abhiyan	Offers low interest rate of 0.25% in non-priority sector advances and 0.50% priority sector advances and fee waiver of 50.0% for women
Dena Bank	Dena Shakti Scheme for women entrepreneurs	Offers loans to women entrepreneurs handling agricultural and allied businesses, small scale industries, retail trade, micro credit, education and housing.
Bank of India	Star Mahila Gold Loan Scheme	Offers loan facilities to working/non-working women for purchase of Gold ornaments, preferably hallmarked, from reputed jewellers and /or gold coins of Bank of India.
Canara Bank	Canara VidyaJyothi Scholarship	Offers Indirect support through providing basic and hi-tech Infrastructure to promote Education among rural girls to bring them back to education stream
Allahabad Bank	Mahila Sanchay Account	Aims at attracting new women customers into the Banks fold with the objective of empowering Women in the society
Bank of Baroda	Akshaya Mahila Arthik Sahay Yojana	Provides financial assistance to women entrepreneurs working in retail trade and agricultural sector.
Punjab and Sind Bank	P&S Bank Udyogini Scheme	Offers loans to women entrepreneurs on liberal terms for direct agricultural activities. Tiny SSI units, business enterprises, retail traders, professional employment and self-employment training.
Oriental Bank of Commerce	Scheme for Professional and Self-employed women	Provides financial assistance and long term loans for purchase of fixed assets to women.
	Scheme for Beauty Parlours/Boutiques/Saloons and Tailoring	Offers loans to small scale business units for the purchase of tools/ equipment/furniture & fixture, shop etc.,
	Oriented Mahila Vikas Yojana	Need-based loans are provided to women entrepreneurs.
Karur Vysya Bank	KVB Mahila Swarna Loan	Provides instalment loans working women for the purchase of gold/diamond ornaments/silver wares at concessional rate of interest.
SIDBI	Marketing fund for women	Offers financial assistance to marketing of products manufactured by women entrepreneurs in both domestic and international markets.

Bharatiya Mahila Bank	BMB Shringar	Loans for setting up of beauty parlour/Saloon/Spa for women
	BMB Annapurna Loan	Loans for setting up of catering business to women entrepreneurs
	BMB Kitchen Modernization Loan	Financing facilities for housewives/working women for kitchen renovation and purchase of kitchen electronic items, kitchen furniture & utensils etc.,
	BMB Parvarish	Loan for setting up of child day care centres, for purchase of utensils, equipment etc.,
	BMB SME Easy	Offers loans at concessional rates to SME business units owned by women entrepreneurs
	BMB Loan against Property	Provides loans against property for women entrepreneurs between the age of 21 and 70 years at a concessional rate of interest.

Source: Different English daily news papers, Reports of the Banks.

CONCLUSION

In spite of all the best efforts from the government and PSU Banks, women still remained away from banks and its services due to social and cultural barriers which are preventing them from access to banking services. An overview of the comparative statistics regarding women in the banking sector, exhibits a rather gloomy picture. With women holding only 24% of total operational bank accounts in the country and 28% of total deposits; the participation of women in the banking sector is definitely not at an acceptable level. Especially when it comes to credit supplied, only 12% of individual bank loan accounts belonged to women, which clearly shows a disparity of access to banking services between men and women. The main reason behind this low participation of women is due to lack of awareness and easy availability of banking services in remote areas. All major banks, especially public sector banks have started implementing targeted policies to handle this problem, including announcement of several important women centric and women only financial schemes and making banking services more accessible in rural areas. In conclusion, it can be said that the Governments must initiate efforts to make "Right to Bank Credit" as one of the rights of women, if the aim of economic planning is achieving inclusive growth for these marginalised groups and to enable them to join in the main stream of economic growth being skilled with financial literacy and as efficient economic agents.

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