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FINANCIAL LITERACY FOR UNIFORM FINANCIAL INCLUSION FOR WOMEN IN INDIA

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Abstract
The seventeen United Nation Goals has been framed to construct a sustainable world for all the deprived section of the society. Especially for the women empowerment through the financial inclusion it is very important that they should be educated toward the availability of the financial amities. As the government is advancing more toward the financial inclusion yet there path in the universal adoption of it is not clear. The National vision toward the financial inclusion is insisted in the National Strategies for the financial Inclusion: which is composed of the Main pillars which will support the government dream of financial inclusion. The chief concern of the government is shifting from the access of financial services and products toward the usage of it. The mere provision of financial services does not serve the purpose till the masses do not uses it for their benefits and are not aware of their financial rights. This chapter discussed the statistics of financial literacy among the women in India on the basis of financial attitude, financial behavior and financial knowledge. Government of India and RBI has implemented numerous schemes to develop financial attitude, financial behavior and financial knowledge. So that women can attain empowerment.

Introduction

United Nation vision toward the attainment of universal sustainable growth and development has been woven toward the 17 goals sustainable development. The attainment of such goals will trigger the enhancement of quality of living of deprived member of society (UN- Sustainable Development Goals 2018). Uplifting them through the mean of education and linking them in the social sphere of economic growth. This step toward the inclusiveness has been seen as largely governed through the Financial Inclusion of the masses. Where they are given with the enough opportunities to be the part of the system where they can withstand them self and rise with it. Financial inclusion has been as a key enabler for the economic uplifting and poverty mitigation all over the globe. The linking with the financial system brings in more opportunities for the growth and development through job creation, cushioning from financial shocks and risk and improved investment in human capital, generating an environment for more socio-economic growth and sustainability.

Financial inclusion has been defined as a “The process of ensuring access to financial services, timely and adequate credit for vulnerable groups such as weaker section and low-income group at an affordable cost”. (Committee on Financial Inclusion - Chairman: Dr C Rangarajan, RBI, 2008). Financial inclusion is a mean through which a cover is created to bring all the venerable group of people in the canopy of financial services with the provision of affordable and easy access to several financial products and services through savings, credit, insurance and pension facilities. Provision of formal financial services to the marginalized sector of the society make them self-reliant and bring them out of the clutches of informal sector of finance. Y. Venugopal Reddy in 2005 first time proposed the term financial inclusion for the Indian context where he defined it as phenomena that enclose the provision of the financial services to the marginalized section of the society at the concessional rates. With a view toward the promotion of saving, insurance habits along with the enrichment of the people through the financial education. This will direct the people toward the adoption of the financial habits along with that will make them prepare for the digitalized future mode of the financial inclusion. The Financial Inclusion is a wave toward to gather all the deprived people and bring them under the umbrella of the financial system. It multiplies the effect of government efforts toward economic up-liftmen, poverty alleviation and bringing in equity. Financial Inclusion generates a setting for constancy, integrity and equal development. It's eradicated the barriers leading to exclusion and brings inclusivity in spite of many Socio-economic, cultural, gender, and Psychological aspects.

As the government is advancing more toward the financial inclusion yet there path in the universal adoption of it is not clear. The National vision toward the financial inclusion is insisted in the National Strategies for the financial Inclusion: which is composed of the Main pillars which will support the government dream of financial inclusion. The chief concern of the government is shifting from the access of financial services and products toward the usage of it. The mere provision of financial services does not serve the purpose till the masses do not uses it for their benefits and are not aware of their financial rights. The National Strategy for the Financial Inclusion in India 2019-2024 prepared by RBI with the advisory of the other major authorizes in India with Government of India, Securities Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI) and with Financial Inclusion Advisory committee has structured Financial Inclusion Traid around the Financial Inclusion Policies, Financial Literacy initiatives and Customer Grievance Redressed Framework.

Dr. D Subbarao, Governor, Reserve Bank of India, 2010, represented his view toward the Financial Inclusion in India emphasized that the dream of deepening the financial inclusion in India is to govern them toward making more well-versed selections and which is indeed possible if the masses are made more knowledge toward the financial environment. The problematic issue of people just being enrolled in the schemes of the financial inclusion and not making an appropriate use of it could have not been solved if they are made more financially literate. Thus, it is significant that persons should be made enough aware that they can participate in the financial environment on their own and can make choices in their own best interest. With this Dr. D Subbarao has pointed that the Financial Literacy is an integral part of the financial inclusion structure in India. Through financial education the masses are empowered with the knowledge to choose the product or services as per their own requirement and could safe guard them from fraud. Financial literacy is a mean to through which the government can remove the disparities which are existing in the financial inclusion among the different groups and bring forward the marginalized section of the society. Such sections are generally composed of the people belong to the lower income groups, living in the hinterlands or the women. Especially for the women empowerment through the financial inclusion it is very important that they should be educated toward the availability of the financial amities.

Provision of the financial literacy to the women builds a base for their economic empowerment. It shape financial attitude and financial behavior of the women in the market and reduces their dependency on the male counterpart as discussed by Haque, A., & Zulfiqar, M. (2016). Financial Inclusion is considerably more require for the women as it is a mean to make them financially more independent and inculcate the practices of savings and credit in them for their further development. But the trail of such inclusion is being restricted due to numerous barriers which can be lifted through the provision of the adequate financial knowledge to the women. Financial Literacy becomes the tool of the women empowerment through the eradication of various social and physiological barriers, reduces the gender disparities and provides the women with the choices to be the part of the inclusive system of finance. This paper studies the importance of the financial literacy for the definite goal of the universal financial inclusion and the statistics of the women financial literacy in Indian context.

Review of literature

Goyal,K., And Kumar, S. (2021) and Grohmann, A., Klühs, T., & Menkhoff, L. (2018) , Goyal and kumar has searched for the ultimate link between the financial inclusion and financial literacy with the identification of the gap in the field of it to promote the further research to establish the link and the facilitators of the both. The financial literacy is a key promoter of the financial inclusion, which accelerates not only the adoption put also, eradicates the hurdles in the path of the ultimate financial inclusion. Grohmann linked the financial inclusion demand side with the financial literacy, predicting through there OLS regression analysis the link between the use and access of the financial inclusion over the influence of the financial literacy. The raise in financial inclusion due to the financial education link has also been studied by, Atkinson and Messy (2012) and (2013) by applying the OECD frame work of financial literacy measurement that have been able to trace the level of financial literacy among the different nations and was able to predict with accuracy that lower level of financial literacy leads to lower financial inclusion. The analysis was focused on the 3 dimension of financial literacy i.e financial knowledge, financial behavior and financial attitude. They enlightened the way for the educational policy making to remove the challenges in the way of financial inclusion attainment. Again in 2013 Atkinson and Messy has promoted the financial literacy for the protection of the customers in the market. They supported the three set of high- level principle for the easy financial literacy attainment through financial innovation, financial consumer protection and proper strategies formation for financial education which is required for the security of the customer in the financial market or financial environment.

Dr. D. Subbarao, Governor, Reserve Bank of India discussed the possibilities of delivering the financial literacy for the more knowledgeable choices of financial products in his speech to advocate more emphasis on financial literacy. The highlighted the fact that financial literacy work as a guiding light in the path of the financial inclusion and can is the key mean to deepen the financial inclusion among all the households and deprived sections of the society. The financial literacy leads to the change in the individual mind sets and ultimately eradicates many sociological and cultural barriers to it. To consider the impact on financial literacy, its measurement is important for that he advised to follow the OECD frame work to acknowledge the level of adult financial education in India. De Beckker. K, De Witte, K., and Van Campenhout, G. (2020) has also correlated the national culture on the financial literacy level of adult. With the conclusion that cultural is one of barrier in the advancement of the financial literacy and needed to be considered in the policy making. To make the more aware about the financial products so that they can protect themselves and can make an accurate bargain for themselves. Klapper, L., and Lusardi, A. (2020) also measure the financial resilience through the financial literacy by checking the four essential of the financial decision making. There result highlighted that out of three adults only one is financial literate and poor people and women are more prone to suffer from the gap in financial knowledge. He predicted through his research that the lack of the financial literacy restricts the participation from being the part of the financial circle and making a greater use of the financial products. Pano, G. A and Wilsone, J. O (2020) added a new view toward the financial literacy with the financial technologies. With the onset of the digital financial inclusion has made it mandatory for the persons to be more financial literate to save themself from the digital financial fraud. They proved that the financial literacy adoption from the very initial age of the adult life lead to inculcation for a more comfortable adult life. Grohmann, A., & Menkhoff, L. (2017) they have conducted the cross country analysis to defend their supposition of direct relationship between the financial inclusion and the financial literacy among the adults. They effectively projected that the nations not only need to focus on the financial infrastructure but also need a proper policy making on the financial literacy for the adoption of the financial services and products by the adults in the economy. So, that they can avail and use to services to the maximum benefit for them.

Klapper, L., & Lusardi, A. (2020) and Lusardi, A., & Mitchell, O. S. (2011) and Bannier, C. E., & Neubert, M. (2016) have studied the status of the financial literacy level among the women in the different type period across the counties with the conclusion that has been drawn that the women belong to the most deprived group as per the financial knowledge. And such situation is not only prevailing in the developing marked but also in the developed countries, where majority of them are not entirely aware about the use of the credit product. Bannier,C. E., And Neubert link the financial literacy with the risk tolerance in the market with the finding that the sophisticated financial literacy is more aggressively linked with the vigor of the women in market. Mottola, G. R. (2013) studied the behavior of the women toward the use of the credit product with the finding that women are more expected to pay higher charges due to the lack of the management of the credit limits and credit dates. But with the facilitation of the financial knowledge the gender disparities that are existing in the use of the credit card could be lifted. Lusardi, A., & Mitchell, O. S. (2008) considered the financial planning among the old age women. Women not being financial literate become vulnerable to the old age poverty. They associated the financial literacy with the future financial planning of the women and concluded that for the advancement of the women it is crucial that to formulate the financial literacy polices which promote the habits of future financial planning among the women.

RBI NISM Final Report 2013 and 2019 discuss the level of change in the financial attitude of the women in India from the year 2013 to 2019 and measure the impact of the RBI major endeavors to build the financial attitude of the women through various financial literacy and financial inclusion schemes. Over the period of 6 year from 2013 to 2019 there has been positive change in the financial attitude of the women. There has been positive movement of in the financial attitude of the women from 47% to 72%. There has been 76% improvement over the management of the spending and 69% improvement over budgeting of the money to spend. With the build of encouraging platform for women the overall engagement of the women in the use and holding of the saving deposits has been 61% to 72% and 63% to 78%. Along with the improved adoption of other sources of saving planning like Recurring deposits, operating of current accounts and Term deposits.

RBI NISM Final Report 2013 and 2019 discusses the progress of financial behavior among the women. The overall involvement of the women to in the budget preparation whether individually or jointly has inclined to 66 % from 40%. Their ability toward the management of monthly expenses along with the awareness to appraise various sources to avail credit in case of requirement by level 28% to 64%. They actively participate in the market and incase when they do not have sufficient finances to facilitate the monthly requirement women have developed the habits to seek the credit to fill the voids. Women have become financially more independent where they are now consider the affordability while making the choice to spend the money, plan their bills payment, try to keep a close eye on their financial affairs and plan their future financial goals and manage their money progressively to achieve them.

RBI NISM Final Report 2013 and 2019 represents the improvement in the financial knowledge of the women form the year 2013 to 2019. Whereas there is not much drastic changes are there yet there is a positive movement in the understanding of the women toward the several basic financial concepts of like inflation, basic division, time value of money, calculation of basic interest and time value of money. These are basic knowledge which simplifies for the women to understand the volatility of the financial market and make it easy for the women to make their stand in it.

Conclusion

Financial literacy is a bridging concept for the financial inclusion, where financial inclusion is desirable for the women to develop them financially. Financial literacy is required to make them self-aware about the availability of various financial products and services so, that they can make a wise choice. It's also providing them with opportunities for employment through micro financing and credit availability. Financial inclusion is obligatory so that women could be brought under the umbrella of the financial scenario. Bu to activate the participation they should be made aware through the financial literacy. It helps them to meet their financial needs as per requirement and attain self-reliance. Financial literacy is an instrument for the women to develop economically and socially also promotes gender equity and removes many hurdles in the path of the women to attain the uniform financial inclusion.

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