

A STUDY TO ANALYSE THE FINANCIAL INCLUSION OF WOMEN'S IN RURAL DEVELOPMENT

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Abstract

Financial inclusion is a critical catalyst for rural development and a key driver in achieving gender equality and sustainable economic growth. This study examines the current status, barriers, and impacts of financial inclusion among rural women, specifically focusing on their access to and usage of formal financial services such as savings, credit, and insurance. Financial inclusion also helps women gain greater confidence and social recognition within their communities. The Government of India has implemented several policies and schemes to encourage women's financial inclusion.

Keywords: women empowerment, Rural development

Introduction

Financial inclusion refers to the process of ensuring access to affordable, timely, and adequate financial products and services for all sections of society, especially the underprivileged and economically weaker groups. It includes access to savings accounts, credit, insurance, pension, remittance services, and digital financial tools. In the context of rural development, financial inclusion plays a vital role in empowering individuals, enhancing their economic participation, reducing poverty, and fostering social equity. Women in rural areas constitute one of the most financially excluded segments of the population. Barriers such as limited access to formal banking channels, low levels of financial literacy, socio-cultural norms, gender discrimination, and lack of collateral restrict their participation in the formal financial sector. These limitations hinder women's ability to save securely, access credit for income-generating activities, and secure financial stability for their families. The financial exclusion of rural women not only affects their personal economic wellbeing but also impedes broader rural development objectives. Over the past decade, financial inclusion has been recognized globally as a development priority. Governments, financial institutions, non-governmental organizations (NGOs), and international bodies have initiated programs to bridge the inclusion gap, particularly for women. These efforts include self-help group (SHG) linkages with banks, microfinance programs, rural banking expansion, digital financial literacy campaigns, and targeted credit schemes. Despite these measures, challenges persist due to infrastructural gaps, limited awareness, and deep-rooted socio-economic constraints in rural regions. Understanding the financial inclusion of rural women is essential to assess how effectively financial systems are addressing gender disparities. By evaluating access to financial products, usage patterns, savings behavior, credit access, and obstacles faced by women in rural development, policymakers can tailor interventions that ensure equitable growth. This study aims to analyze the level of financial inclusion among rural women and understand its implications for economic empowerment and community development. Financial inclusion also helps women gain greater confidence and social recognition

within their communities. The Government of India has implemented several policies and schemes to encourage women's financial inclusion.

STATEMENT OF PROBLEM

Financial inclusion is considered a key driver of economic growth and social development. However, despite various government initiatives and financial sector reforms, a large number of women in rural areas continue to remain financially excluded. Limited access to banking services, lack of financial literacy, socio-cultural barriers, low income levels, and inadequate awareness about financial products restrict rural women from fully participating in the formal financial system.

Many rural women depend on informal sources for savings and credit, which often leads to financial insecurity and exploitation. Although programs such as self-help groups, microfinance schemes, and digital banking services have been introduced to improve access, the level of effective utilization remains uneven. The gap between availability and accessibility of financial services continues to hinder women's economic empowerment and overall rural development. Therefore, the problem addressed in this study is to analyze the extent of financial inclusion among women in rural areas, identify the major barriers preventing their access to financial services, and examine how financial inclusion contributes to their economic empowerment and rural.

OBJECTIVES OF THE STUDY

- To examine the level of financial inclusion among women in rural areas.
- To analyse the accessibility of rural women to formal banking services such as savings accounts, credit facilities, insurance, and pension schemes.
- To study the awareness and usage of government financial inclusion schemes among rural women. factors and assess how kudumbashree

SCOPE OF THE STUDY

The present study focuses on analyzing the level of financial inclusion among women in rural areas and its role in rural development. The study primarily examines access to formal financial services such as savings accounts, bank deposits, credit facilities, microfinance services, insurance schemes, pension schemes, and digital banking services. It also evaluates the extent to which rural women utilize these services for personal, household, and entrepreneurial purposes. The study covers rural women from selected villages within a specific district. It considers women from different age groups, educational backgrounds, income levels, and occupations to understand variations in financial inclusion. Special attention is given to participation in Self Help Groups (SHGs), microfinance institutions, cooperative societies, and government sponsored financial inclusion programs.

RESEARCH METHODOLOGY

Research methodology refers to the systematic procedure adopted to conduct the study and achieve the research objectives. It includes research design, sampling technique, sample size, data collection methods, tools used for analysis, limitations, and chapter framework of the study.

REVIEW OF LITERATURE

Levine (2007) Beck, conducted a comprehensive study on financial development and economic growth across different countries. Their research highlighted that financial inclusion improves economic opportunities for disadvantaged groups, particularly women in rural areas. They found that access to banking services such as savings accounts and

credit facilities helps individuals invest in income-generating activities and improve their living standards. The study also emphasized that financial inclusion can significantly reduce poverty by providing equal financial opportunities to marginalized populations. Rangarajan (2008) Rangarajan defined financial inclusion as the process of ensuring access to appropriate financial products and services needed by vulnerable groups at affordable costs. In his committee report on financial inclusion in India, he emphasized the importance of expanding banking services to rural populations, especially women. The report highlighted that financial inclusion initiatives such as basic savings accounts, microcredit, and financial literacy programs can empower women and support rural economic development. Burgess and Pande (2005) Burgess and Pande examined the impact of rural banking expansion in India. Their study revealed that increased access to banking facilities in rural areas significantly reduced poverty levels. They found that rural households with access to banks were able to save money securely and obtain credit for productive activities. The study also emphasized that women benefit greatly from financial inclusion as it allows them to participate in small business activities and improve household income. Cheston and Kuhn (2002) Cheston and Kuhn focused on the relationship between microfinance and women's empowerment. Their research showed that access to microfinance services enables women to gain financial independence and strengthen their role in household decision-making. They found that women who participate in microfinance programs are more confident, economically active, and socially empowered compared to those who lack access to financial services.

DATA ANALYSIS AND INTERPRETATION

Profile of the sample

The sample for the purpose of the study has been collected from 100 kudumbashree members. The profile of the sample is explained through the following tables.

Age group

Age Group	No. of Respondents	Percentage
Below 20	10	10
21–30	35	35
31–40	30	30
41–50	15	15
Above 50	10	10
Total	100	100

INTERPRETATION

The table shows that the majority of respondents (35%) belong to the 21–30 age group, followed by 30% in the 31–40 age group. This indicates that young and middle-aged women are more actively involved in financial inclusion activities. Only a smaller percentage of respondents belong to older age groups, suggesting that younger women are more likely to access financial services.

MARITAL STATUS

Marital Status	No. of Respondents	Percentage
Single	20	20
Married	65	65
Widowed	10	10
Divorced	5	5
Total	100	100

INTERPRETATION

The majority of respondents (65%) are married women, indicating that married women are more involved in financial activities and household financial management. Single women represent 20%, while widowed and divorced women make up a smaller proportion.

Occupation wise Classification

Current occupation	Frequency	Percentage
Govt Employee	7	7
Private Employee	40	40
Entrepreneur	8	8
Professional	3	3
Other	42	42
Total	100	100

Source: Primary data

Monthly income of family

Monthly income	frequency	percentage
Below 20000	35	35
20000-30000	33	33
30000-40000	21	18
40000-50000	9	9
Above 50000	1	1
Total	100	100

Source: Primary data

Interpretation

The majority of surveyed individuals (36%) have a monthly income below 20000, while nearly the same amount (35%) earn between 20000 and 30000. A smaller portion earns between 30000 and 40000 (18%), and even fewer earn between 40000 and 50000 (10%). Only 1% have an income above 50000

Table showing the factor equal employment opportunities for women

Variables	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Mean score
Kudumbashree initiative have contributed significantly to equal employment opportunities for women.	74	22	2	1	1	4.7
I believe the employment programs by kudumbashree have positively impacted women's professional opportunities.	18	74	6	2	0	4.1
The training and support provided by kudumbashree have enhanced women's employability.	23	46	30	1	0	4
Overall, I perceive kudumbashree as having a positive impact on providing equal employment opportunities for women.	48	47	4	1	0	4.4

source: Primary data

The data suggests that most people strongly agree that the Kudumbashree initiative has significantly helped in providing equal job opportunities for women, with a mean score of 4.7 out of 5. Additionally, a majority agree that the employment programs offered by Kudumbashree have positively influenced women's job prospects, with a mean score of 4.1. Overall, there's a positive perception that Kudumbashree's training and support have improved women's ability to find employment.

FINDINGS

1. The majority of respondents belong to the 21–30 and 31–40 age groups, indicating that young and middle-aged rural women are more actively involved in financial activities.
2. Most of the respondents are married women, suggesting that married women play a major role in managing household finances.
3. A considerable number of respondents have completed secondary education, while a smaller proportion still have no formal education.

4. Many rural women are engaged in agriculture and wage labour, which shows that their income sources are mainly related to rural economic activities.
5. Most respondents earn between ₹10,000 and ₹20,000 per month, indicating that they belong to lower-income groups.
6. A large majority of respondents have bank accounts, showing that financial inclusion programs have helped increase access to banking services.
7. Savings accounts and Jan Dhana accounts are the most commonly used types of bank accounts among respondents.
8. Most respondents are aware of government financial inclusion schemes, although some women still lack proper awareness.
9. Self Help Groups (SHGs) play a major role in spreading awareness about financial services.
10. A majority of respondents regularly save money in banks, indicating improved financial habits among rural women.

CONCLUSION

Financial inclusion plays a crucial role in improving the economic and social status of rural women. Access to banking services, credit facilities, and financial literacy programs enables women to manage their finances effectively and become economically independent. The findings of this study show that many rural women have access to bank accounts and participate in financial activities through Self Help Groups and government schemes. However, challenges such as lack of awareness, limited education, and restricted access to financial institutions still exist. Therefore, it is important for the government, banks, and social organizations to work together to improve financial literacy and expand financial services in rural areas. Overall, financial inclusion not only improves the economic condition of rural women but also contributes to women empowerment, poverty reduction, and sustainable rural development. When women gain financial independence, they can make better decisions for their families and communities, leading to overall social and economic progress.

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