

## **FINANCIAL INCLUSION AND WOMEN EMPOWERMENT: A STUDY IN THE CONTEXT OF SOCIO-ECONOMIC UPLIFTMENT IN RAJASTHAN**

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### **Abstract**

Despite rapid progress made by the Indian banking sector post nationalization, it is a matter of concern that still a large number of people (particularly 300 million populations below the poverty line) do not have access to the basic banking services. This denies them of the opportunity to park their savings and obtain credit for consumption or starting self-employment ventures at the micro levels. This necessitates the need for "financial inclusion" which can be defined as "the process of ensuring access to financial services and timely and adequate credit where needed by the vulnerable groups such as weaker sections and low income groups at an affordable cost" (As defined by the Committee on Financial Inclusion; Chairman: Dr C Rangarajan, 2008). The financial inclusion efforts are especially targeted towards underprivileged section in rural and urban areas like marginal farmers, landless labourers, oral lessees, self-employed and unorganized sector enterprises, urban slum dwellers, migrants, ethnic minorities and socially excluded groups, senior citizens and women. The present study highlighted the Financial Inclusion and Women Empowerment: A Study in the context of Socio-Economic Upliftment in Rajasthan.

*Keywords:* ATMs, PoS, Financial Inclusion, Women Empowerment, Socio-Economic, Mutual Funds.

### **Introduction**

The UID numbers together with growth of mobile telephony and thrust on financial inclusion, all three put together can potentially change the socio-economic landscape of India since it can ensure that the Government benefits reach the target population directly in form of deposits in their bank accounts in a timely and efficient manner, even if beneficiary is located somewhere in the remotest corner of the country. Currently, there are about 6 lakh villages in the country, of which merely 5.2% are covered by a bank branch. The analysis of data reveal that around 40% of Indian population have a basic account with a bank or a post office, about 10% have taken life insurance products, 0.6% have taken non-life insurance products, 13% have taken debit cards and only 2% have access to credit cards. Actual proportion of people may be even much lower since the data includes multiple accounts of the same individuals. The number of Automated Teller Machines (ATMs) is around 44,000 but majority of them are in the urban or metro centers. There are more than 4.7 lakh points of sale (PoS), but they are of little use to poor as they cannot deliver cash. If we go by the concentration of banking business in the country, 48% in terms of deposits and 59% in terms of advances is concentrated in just 8 major cities viz. Mumbai, Delhi, Chennai, Kolkata, Bangalore, Hyderabad, Ahmadabad and Pune. As at end-September, 2009, top 200 centers of scheduled commercial banks contributed to massive 73.9% in terms of deposits and 81.2% in terms of credit although in terms of branches, there coverage is only 31.9%. Today, a bank branch covers a population of 16,000 which is too high by global standards. All these parameters underscore the need for expanding these services to a large section of poor and vulnerable people, and this is the basic objective of the financial inclusion. Recently, Government of India has indicated that every village with a population of 2000 and above must have a banking touch point, whether by way of a branch or by way of a business facilitator/ business correspondent model. The lead bank in each district has been asked to draw a roadmap by March 2016 for ensuring that all villages with a population of over 2,000 have access to financial services through a banking outlet, not necessarily a bank branch, by March 2017. Besides, all commercial

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