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FINANCIAL GENDER GAP IN INDIA: REASONS AND REMEDIES

Shagufta Khatoon Sheikh
Research Scholar (Department of Commerce)
Sant Gahira Guru Vishwavidyalaya Ambikapur, C.G.,India
Email id: shagufta.sheikh94@gmail.com

Abstract:
Nearby 50% of world population comprises of women, due to various social, cultural, educational reasons we find various instances where women lag behind men and are denied their rights to show their worth and help in development. To gain full and equal participation of women in global development various efforts are being carried out all over the world. Financial gender gap is one of those examples where gender inequality is clearly visible. Present paper tries to find out the reasons for the financial gender gap in India and to trace some of the efforts that are being tried in India to eliminate this gap.

Keywords - *Financial inclusion, financial gender gap, Finder Report, India*

INTRODUCTION

It has been almost 100 years since international Women's Day is being celebrated every year but still we find surprising gender gap in use of financial services. With the database provided by World Bank's ***Global Finder report*** there has been rise in financial inclusion all over the world, overall 51.4 crore bank accounts opened globally from 2014 to 2017 out of which 55% were from India. India has made much improvement in financial services access. It has cut its financial gender gap to 6% point in 2017 from 20% in 2014. Despite of having relatively high account ownership, India still has large share of global unbanked population after China. Out of total unbanked population of India and china, 60 percent of unbanked adults are of women.

OBJECTIVES OF THE STUDY

The research aims at understanding the meaning of financial gender gap, how much is the difference between men and women of India in accessing financial services, what are the reasons for that gender gap in use of financial services, how India worked to curb this financial gender gap from the country, how much improvement has been done by India till date, India's performance according to world bank's 2017 Finder Report in cutting its financial service gap and the obstacles in the way to eliminate this gap completely.

METHODOLOGY

Study is based on qualitative analysis and descriptive research. Secondary data is collected from various reports of World Bank and Indian ministries to provide concrete base to the research.

GENDER GAP

Gender gap is the idea or the situation in which women and men are not equal. As defined by Briony Harris in an article for World Economic Forum, the gender gap is "the difference

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between women and men as reflected in social, political, intellectual, cultural, or economic attainments or attitudes."(1)

Hence Gender Gap is the unequal treatment of individuals wholly or partly due to their gender. This inequality can be in social, political, cultural, intellectual, economic attainments or attitudes.

FINANCIAL SERVICES

Financial services can be defined as "the product and services provided by financial industries like banks, credit card companies, insurance companies, stock brokerages, consumer finance companies, investment funds and some government sponsored enterprise which provide various kinds for the facilitation of various financial transactions services like loans, insurance, credit cards, investment opportunities and money management as well as providing information on the stock market and other issues like market trends."

FINANCIAL GENDER GAP

Thus using the two definitions above of gender gap and financial services we can deduce Financial gender gap as the inequality between men and women in the use of financial services like banking facilities (bank accounts, internet banking, ATMs, credits), insurance facilities, financial advisory services due to various social, cultural, economical reasons**.**

FINANCIAL INCLUSION

Financial inclusion can be defined as "the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost" (The committee on financial inclusion, chaired by Dr.C. Rangarajan) (3)

Financial inclusion refers to "universal access to a wide range of FINANCIAL SERVICES at reasonable cost. This includes not only banking product but also other financial services such as insurance and equity product" (the committee on financial sector reforms, chairman Dr. Raghuram G. Rajan) (3)

The essence of financial inclusion is to ensure delivery of FINANCIAL SERVICE which includes - bank accounts for savings and transactional purposes, low cost credit for productive purpose, personal and other purposes, financial advisory services, insurance facilities etc.

GLOBAL FINDEX REPORT

This report is being produced by the World Bank with the funding from Bill and Melinda Gates Foundation and in collaboration with Gallup Inc. since 2011, every three year. This report analyses the data of 140 economies to demonstrate how people use formal and informal financial services. It also includes data on use of financial technology (Fintech), including the use of mobile phones and the internet to conduct financial transaction.

REASONS FOR FINANCIAL GENDER GAP IN INDIA –

Following were the reasons of financial gender gap in India-

1. **Lack of financial independency-** Most of the women in India are housewives, as they don't earn they don't feel urgency to open a bank account. Though housewives too save

money from their daily household expenses but small savings schemes of banks are not promoted and due to lack of knowledge these schemes are not fully utilized by housewives (women).

2. **Gender Educational gap**- In our society education of men is more important than the education of women because according to them the work of women is only to cook food and take care of children and men should take care of the financial responsibility. Thus not much attention is paid to the women's education. Due to the lack of proper education women are not being able to use modern means of financial services like internet banking, mobile banking services, online transactions, credit facilities etc
3. Other reasons include seeking permission from male member of family before opening an account or restriction on use of account and lacking credit facilities as women are not trusted to be a good entrepreneur.

EFFORTS IN INDIA TO FILL THE FINANCIAL GENDER GAP

Government made financial inclusion their top priority, various programs and schemes were run to fill the financial gender gap in India. Following are few schemes:-

1. **Pradhan Mantari Jan Dhan Yojana** - Bank account is the gateway to the use of financial services. PMJDY was launched in 2014 by government of India to ensure financial inclusion of every individual to provide basic bank account to every adult. This scheme aims at providing access to financial services namely banking, savings and deposit accounts, remittance, credit, insurance, and pension in an affordable manner to all. Camps were organized in villages; bank correspondents (bank mitra) went door to door enrolling customers. Banks accounts were opened with zero balance. Under this program 4 crore bank accounts have been opened till September 2014 which has risen to 31.44 crore in March, 2018 (according to the report of ministry of finance) in which women were enrolled much more than men. It acts as boon in reducing financial gender gap from 20% point in 2014 to 6% point in 2017.

2. **Aadhaar eKYC** is an online Know Your Customer process where identity and address of the subscriber are verified electronically through Aadhaar authentication. Before this under KYC process people were required to submit paper document attested by Gazetted officer or post master or bank manager. Apart from this mobile verification, email verification, photo verification etc was also required in an application form. But this Aadhaar eKYC brought the hassles of verifications and delays of attestations to minimum. Women usually posses less required documents than men, this biometric Aadhaar system simplified the process of verification before opening a bank account.

3. Women usually deterred from going to bank due to long distance. On September 01 2018 Government of India inaugurated **INDIA POST PAYMENT BANK (IPPB)** operating under Department of India post, which aims at utilizing India's 155015 post office branches along with 300,000 postal service workers i.e. postman to provide door step banking services both in urban and rural areas.
   Apart from this opening of intermediate **brick mortar structures** of bank branches in remote areas for effective cash management, redressal of customer grievances , documentations, core banking solutions like passbook printer, safe for cash retention etc.

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4. Government's other initiatives are – Aadhaar enabled BHIM (Bharat interface for money) is a mobile application developed by National Payment Corporation of India (NPCI), based on the Unified Payment Interface (UPI) which allows the user to transfer money between bank accounts of any two parties easily with their cell phone without waiting in queue .

5. **SANCHAR KRANTI YOJANA** of Chhattisgarh government under which mobile phones are being distributed to female head member of each family.

6. Apart from this compulsory requirement of opening bank branches in unbanked area directed banks to open at least 25% of total number of branches of their bank in unbanked villages (Tire 5 and Tire 6)

OBSTACLES ON THE WAY OF CLOSING ABSOLUTE FINANCIAL GENDER GAP-

After many government initiatives still 60% of total unbanked population of India is of women. Following are the reasons:-

1. **Gender pay gap** – As compared to men, women have either less or zero account balance. This is due to the reason that fewer women are financially independent and those working are paid half as much as men, by the financial institutions.
2. **Lack of digital literacy**- though more women have been enrolled under Pradhan Mantri Jan Dhan Yojana but when it comes to account usage there is very less progress. Maximum women don't know how to use ATMS, Internet banking, online payment etc.
3. Traditional financial services like credits, insurance etc are not as per the requirement of women. Their schemes and policies are many based on men requirement not on women day to day emergency requirement in household management.
4. Another obstacle is wrong use of smart phones instead of using smart phones as empowerment tool for financial inclusion, it is being used for entertainment and social media platform

WAY AHEAD -

Following are the few solutions-

1. Smart phones into the hands of women- cell phones may prove most empowering tools for financial inclusion. Less than 50% of women have accesses to smart phones. Chhattisgarh government distributed smart phones to female head member of family under SANCHAR KRANTI YOJANA. Other states should also take such steps so that they get familiar with the use of cell phones
2. Increasing the financial literacy among women step by step-
    - Firstly teaching women how to use cell phones so that they can make the use of various bank facilities available on mobile applications.
    - Secondly educating them how insurance, credit and other financial product works
    - Thirdly providing facilities of using smart phones in native language so that they can use smart phones easily
3. Rebuilding traditional financial services as per the need of specific market segment like rural women, low income group etc. for example - Financial responsibilities of women is different from men, they are tasked with back stopping family budget, If they are

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provided with micro credit facilities to their account it could help them cover their unexpected and emergency expenses in their day to day management of household life.

CONCLUSION

In India male are considered to be the bread earners and women are left indoors to carry on household chores, this made women financially weak. Overall development of a country can only be achieved when the other half i.e women are made independent which can be achieved by making them financially independent. Financial inclusion can serve as a gateway to eliminate the gender inequality in India. Government has taken several initiatives to bridge the gap yet the result is unsatisfactory. Taking a look into the obstacles in the way to eliminate this gap it becomes clear that the problem lies within the mindset of people not in making plans and the methods to carry on these plans. On-paper plans are perfect but the mindset which says that women are not intelligent enough to handle financial responsibilities worsens the situation.

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