

Role of Banking Sector in Women Financial Empowerment

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ABSTRACT

The aim of the paper is to discuss the role of banks and steps taken by them towards women financial empowerment. Government of India and RBI are determined for financial inclusion of women. Various initiatives are being implemented and more to roll out, Indian women is on the way of empowerment, socially and financially, to reach towards the goals of gender equality and empowerment. Banks through various schemes provides them assistance for earning their livelihood with an aim to make them self- sufficient. Women intending to engage themselves in agriculture, small scale business, manufacturing etc. can avail these schemes and can make their life prosperous.

Key words: *financial empowerment, financial inclusion, gender equality, women.*

1. INTRODUCTION

For sustainable development, gender equality is crucial. Gender equality does not mean that men and women are equal but ensuring equal access to opportunities, resources and rewards for all, irrespective of their gender. Gender equality focuses more on women empowerment because of women's social and historical disadvantageous position since times immemorial. As women constitute half of our population, progress of society and economy is closely associated with women development. Indian women have a share of their struggles from moving from being dependent on their male counterparts to being independent, socially and financially. Their development is essential for the development of the economy and the country. This development needs to spread in every nook and corner of the country. Banking sector by introducing women-oriented schemes are contributing towards the development and thus playing a significant role in women empowerment.

This paper intends to discuss the initiatives taken by banks for financial inclusion and empowerment of women in India.

2. WOMEN FINANCIAL EMPOWERMENT

Women of India are progressing towards achieving financial independence due to the initiatives taken by Govt. through various financial programs. Banks as part of these programs, facilitate women by providing personalised banking services which are designed specially according to their needs and preferences. Jan Dhan Yojana is an initiative towards financial inclusion which also paves way for women financial empowerment. Few of the bank's initiatives are enlisted below:

1. Reserve Bank of India (RBI) asked all commercial and Co-operative banks to provide loans to women self-help groups (SHGs) in rural areas at 7 percent per annum under Deendayal Antyodaya Yojana- National Rural Livelihoods Mission (NRLM) in 250 districts in 2016-17.
2. Special Home Loan Schemes for Women- Banks offer concessional home loan interest rate to women as compared to men by 0.05%. SBI has its 'Her Ghar', HDFC has its 'Women Power' schemes and ICICI also offer concessional home loan interest rates.
3. Cent Kalyani scheme- Central Bank of India offer this scheme to both prevailing and new entrepreneurs and self-employed women for micro/small enterprises like agriculture, handicrafts, food-processing, garment making, beauty, canteen, mobile restaurants, day creches, STD/Xerox booths, tailoring etc. Under this scheme, loans up to ₹1 crore are approved for women entrepreneurs with a margin rate of 20 per cent. No collateral security or guarantors is required for availing this loan. Market rate of interest is applied. This loan can be provided for a maximum of seven years.
4. Oriented Mahila Vikas Yojana- To meet credit needs of women entrepreneur, need based loan is provided. No collateral security is required upto Rs.10 lakhs and in case of SSI, no collateral security is required up to Rs.25 lakhs of loan, only hypothecation of assets created out of banks finance be taken as security
5. SBI Stree Shakti Scheme- For women entrepreneurs in Retail trade, Business enterprises, Professionals and self-employed, small scale units or tiny units where the women entrepreneur's stake is more than 51%, Term Loan & Working Capital facility is available with concessionary margins and interest rates.
6. BOI Star Mahila SB Account- This account is for women in the age group of 18 years and above. No daily minimum balance requirement.
7. Mahila Udyam Nidhi Scheme- Punjab National Bank and Small Industries Development Bank of India (SIDBI) offer this scheme to assist women entrepreneurs to set up a new small-scale venture. Loan can be provided for a maximum of ₹10 lakh to be repaid in 10 years. The interest depends upon the market rates. SIDBI offers various plans for beauty parlours, day care centres, purchase of auto rickshaws, two-wheelers, cars, etc. as per the requirement of women bank customers. It also helps in upgrading and modernisation of existing projects.
8. Annapurna scheme - To make women self-sufficient in business of food, the Government of India offers loans upto ₹50,000. The State Bank of Mysore currently offers this scheme. The loaned amount could

be used for working capital requirements such as buying utensils, cutlery, gas connection, refrigerator, mixer cum grinder, hot case, utensil stand, tiffin boxes, working table, water filter etc. for this scheme, a guarantor is required and the assets of the business have to be mortgaged as collateral security. The interest rate is determined by the market forces.

9. Allahabad Bank- All Bank Mahila Sanchay SB Account- This account is exclusively for women and can be opened & maintained at Rs.0/- balance. Demand Drafts/Banker's Cheques etc. for educational purposes of the wards of the account holders up to Rs.1,000/- are provided free of charges.
10. DHFL-Swayamsidha: It is a Fixed Deposit scheme specially designed for women, provides with a higher rate of interest up to 7.85% for a period of 18 months. An additional rate of 0.25% can be availed by privileged* women customers under this scheme.
11. Dena Shakti Scheme- It provides loans up to ₹20 lakh for women entrepreneurs to support them in doing agriculture, manufacturing, micro-credit, retail stores, or small enterprises. Loans up to ₹50,000 are offered under the microcredit category. It also provides a concession of 0.25 percent on rate of interest.
12. 'Synd Mahila Shakti'- An initiative of syndicate bank in which bank is extending finance up to Rs 5 Crore per woman beneficiaries at concessional interest rates. Rate of interest for loans up to Rs 10 lakh is at the base rate of 10.25 per cent, while for loans exceeding Rs 10 lakh, a concession of 0.25 per cent is being provided on applicable interest rate.
13. PNB Mahila Udyam Nidhi Scheme- under this scheme, the women entrepreneurs will be given loan for setting up of new projects in tiny /small scale sector and rehabilitation of viable sick SSI units. Loan is also provided for upgradation and modernization of existing plants.
14. Bank of Baroda's Akshaya Mahila Arthik Sahay Yojna- This scheme provides financial assistance to women in setting up/engaged in retail trade, village or cottage/small scale industries and allied agricultural activities in which interest rate is fixed on the credit rating system at reasonable terms.

Apart from these, there are number of banking schemes operating in India to empower women. Women financial empowerment does not remain a distinct dream, due to enormous efforts made by the banking sector of India. But still we have to walk a long path before we reach destination of gender equality.

3. SUGGESTIONS

A Goldman Sachs Global Investing Research Report found that in India, loan rejection rates for women owned small and medium scale enterprises were almost double than those owned by men which is much higher than other countries. To include women in to the ambit of financial services there is need to provide specially designed products and services for women customers. To make them more aware, there is need to spread financial literacy among them. For this purpose, seminars and conferences for women to train them in finances can be organized which can help them to acquire knowledge of financial instruments and institutions.

4. CONCLUSION

Efficiency and accessibility of credit delivery mechanism of formal financial institutions can do wonders for women financial empowerment. Financial literacy can also help women to handle their finances better. It can direct them towards progress and development by channelizing their energies and efforts into productive purposes, thus creating gender equality and accelerating the speed of development of the Indian economy.

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