



# Study on Financial inclusion among women living in Urban Slum in Navi Mumbai Area.

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## Abstract

RBI Making financial services accessible to everyone is what the central bank of India refers to as financial inclusion. Stated differently, its goal is to incorporate everyone into the mainstream financial system. A key component of financial independence is having access to the official banking system. This study examines women's financial independence, their preferred financial plans, and their investments in an urban slum in Mumbai. From the standpoint of social and economic growth, women's financial independence is vital. We make an effort to learn about the women's financial independence and awareness of several financial avenues in Rabale Gaon. We found that there exists a strong impact of peer group influence on choice of financial scheme and severe risk aversion for all the market linked securities.

Key Words: Financial Inclusion, Women Entrepreneurship, Market Securities, Urban Slum.

## Introduction

Financial Inclusion means to bring all under the ambit of financial services. In other words it can be defined as to make financial services accessible to all. The Pradhan Mantri Jan Dhan Yojana (PMJDY), launched in 2014, aims to promote financial inclusion in every household in India. The project intends to provide persons who are "financially excluded" with access to financial services, such as basic savings bank accounts, need-based credit, remittance facilities, insurance, and pensions. An essential consideration in the context of economic development is financial inclusion. It is crucial that women from lower socioeconomic strata to enter organized banking and financing channels in order to foster and create more female entrepreneurs.

There are three key dimensions of financial inclusion viz, Access, Usage & Quality.


Access implies whether people have reach to either physical point of service or digital point of service. By usages it tries to capture whether Adult Population have formal bank account or not, frequency of use, adult population with insurance, and credit, whereas, Quality addresses financial literacy & grievance Redressal.

In our research we focus on Usage & Quality aspect of financial inclusion. We have chosen a small 'basti' known as Rabale Gaon. It is located in the city of Navi Mumbai. Navi Mumbai has no problem in access to Physical or Digital Point of Service. Thus, our study focus only on Usages and Quality with perspective to Women in an urban slum.

### **Why FI is important for Women.**

Despite greater worldwide efforts, there hasn't been much progress made in the last ten years towards women's financial inclusion. Women continue to be more susceptible than males to financial exclusion, and some of the gains made in the past may be reversed by current shocks like the COVID-19 pandemic. Furthermore, women with lower levels of education and family support are less likely to be financially and economically independent, which makes financial inclusion crucial. Numerous studies have emphasised the significance of women's involvement in the economy (Kandpal and Nautiya, 2023) Women who are financially independent have a favourable impact on social development in addition to increasing GDP.

### **Objectives of Financial Inclusion**

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- The goal of financial inclusion is to assist individuals in obtaining financial goods and services at reasonable costs, including deposits, loans, insurance, fund transfer services, and payment services.
  - Its goal is to set up appropriate financial institutions to meet the impoverished people's demands. These organizations ought to adhere to strict rules and uphold the same high standards as the banking sector.
  - The goal of financial inclusion is to raise awareness among the economically disadvantaged segments of society about the advantages of financial services.
  - The goal of financial inclusion is to raise national financial awareness and literacy. The goal of financial inclusion is to provide digital financial services to the country's economically disadvantaged citizens.
  - In order to reach the poorest citizens living in the most remote parts of the nation, it also plans to introduce mobile banking or financial services.
  - It also aims to offer the poor personalised financial solutions based on their unique financial circumstances, household needs, preferences, and income levels.

Some of the financial schemes available in India are as follows.

**Pradhan Mantri Jan Dhan Yojana** - Launched in 2014, this is a nationwide financial inclusion mission. The program seeks to give all citizens of the nation simple access to financial services such credit, insurance, savings and deposit accounts, remittances, pensions, and insurance.

**Pradhan Mantri Jeevan Jyoti Bima Yojana** - A life insurance scheme for individuals who has a savings bank account.

**Pradhan Mantri Mudra Yojana** - This scheme was launched in 2015 and provides micro-enterprise loans for small businesses and startups.

**Atal Pension Yojna**- This program, which was launched in 2015, is a government-backed pension plan for people who work in the unorganised sector, including daily wage labourers, small farmers, and independent contractors.

## Literature Review

Singh and Bhatia (2019) Research conducted in urban slums near Ludhiana reveals that women with more access to and use of financial services, such as opening bank accounts and buying insurance, have greater social, political, and economic clout. Four main schemes—PMJDY (Pradhan Mantri Jan Dhan Yojna), PMJBY, PMSBY, and APY (Atal pension Yojna)—were the focus of their investigation. Their research showed that PMJDY financial solutions are more favoured.

Fareed, F. et al. (2017) in their study spoke about the close positive link of financial inclusion and women entrepreneurship. They also found that more opportunities for women open up when women have access to banking branches, POS terminals, banking agents, ATMs and microfinance banks.

Bora and Deka (2021) found that financial inclusion and literacy are effective means of empowering women along with vocational training.

Fletschner (2008) conducted a study in Paraguay on availability of credit and found that constraints in credit can result in 25% loss of household efficiency. There is evidence from the literature which shows that credit constrains and credit-related loss of efficiency is significantly greater when women's position in the financial market is explicitly considered (Shetty and Hans,2018). Which highlights the need for research on availability and awareness of financial accessibility pertaining to women is very important. Literature exclusively on SHG and found that one of the goals of SHGs is to raise women's awareness of the ongoing development initiatives. Additionally, they raise women's social standing and aid in their economic independence (Radhakrishnan, 2013). The study further added that there are several structural and functional challenges that SHGs and empowerment must overcome. Therefore, social, economic, and political issues that impact women's lives must properly connect for women to be empowered holistically. Financial knowledge is therefore essential in today's world.

Literature also suggests that Urbanisation and the expansion of city ghettos have specific causes and effects for women. Despite making up nearly half of the population most women are denied chances and rights because of their reliance on money. Which highlights the need for more localized research on the topic. Also in India only a handful of studies have focused particularly upon links between south Asian slums and women empowerment (Fisher, 2008; Hazarika, 2010; Kaur et.al, 2015; Nasrin, 2012). Moreover these studies relied solely on reviews of existing literature and evaluations based on secondary data and in the Indian context, most of the studies (Singh et.al, 2021; Ghosh & Vinod, 2017; Swamy, 2014) have used publicly available data to determine the extent of FI.

Thus there exists Studies using primary data are limited in number.

### Objectives of the study

1. To understand the awareness of various financial schemes amongst the women of Rabale Gaon.
2. To understand their financial Independence.
3. To understand the impact of peer group influence on choice of financial scheme.
4. To find out their willingness to invest in market linked securities.

### Data & Methodology

A semi structured interview was conducted in Rabale Gaon. A nearly homogenous group of 25 women were interviewed. The group under study consisted of women of various age groups but having similar economic status with most of them working in a small firm or involved in small businesses. All the women share a common interest, they all want to be economically independent for varied reason like ‘Contributing to family Income’, ‘Supporting Children Education’, ‘Non Supportive Partners’, ‘Husband left without formal divorce’ etc. Many of them have expressed their willingness to be financially independent and set up their own business, as currently they are employed as a temporary worker, and working in unorganized sectors doesn’t yield much financial security.

### Coding & Themes

Data collected through interview process, the interview was conducted in ‘Marathi’ the data was later transcript and an inductive coding was done.

Transcripts	Themes	Codes
“I want to do Job, as my husband has left me. I have to support my family”	Financial Need	Financial Independence
“Have bank account only with SBI, Private Banks may not return money”	Government Banks are reliable	Has trust issue with Private banks
“Feel scared to use mobile banking”	Non-Usage of mobile/internet banking	Fear of Fraud
“Have heard about mutual fund, my son does invest, But I don’t want to”	Non willingness to take slightest risk.	Risk aversion.

“There are lot of risk in share market, I don’t understand, I will never invest”	Non willingness to know and learn about safer investments	Extreme risk aversion.
My friend has told me about ‘Annapurna Micro finance loan’. My neighbours have also taken benefit	Annapurna Micro finance Scheme	Reference group impact.

From the analysis of the interviews transcripts the themes & codes generated leads us to framing of the following hypothesis

1. H1: There is a need for financial independence in Rabale Gaon, and most of the women have access to formal banking system.
2. H1: There exists a trust issue with private banks.
3. H1: There exists an extreme risk aversion for investment in market linked securities.
4. H1: The influence of reference group in selection of socioeconomic schemes.

#### Findings & Conclusion:

We found that all the twenty-five interviewees have access to formal banking system. They all have their own bank accounts in government bank. The probable reason for the financial inclusion could be that Rabale Gaon is in close proximity to Navi Mumbai city and physical and digital presence of the banks are well available.

All the 25 subjects have confirmed that they have possess smart phones, but they don’t use internet /mobile banking applications and also don’t use any UPI based payments. This phenomenon is common across all age groups, however more evident in women above 35. Most of the respondents have fear about investments in market linked they are quite skeptical and there exists extreme risk aversion amongst all. So much so that they aren’t willing to learn about relatively safer investment avenues.

Another phenomenon which was observed is that there exists significant impact of peer group is very high in selecting the choice of socioeconomic schemes.

This pilot study of ours is purely qualitative the findings obtained from the study and the hypotheses drawn from the study can be used in further study on a larger sample space to Inductive findings.

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