

Cashless Economy and Women's in Financial Inclusion

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Abstract

In order to speed up the efforts being made for the development and progress of the Indian economy, such a path has been followed by the policy makers, through which the government has included the common man, whether male or female, in the formal medium of the economy. This is the reason that under 'financial inclusion' to promote cashless economy, women standing on the last edge of the society are also being associated with the benefits of cashless economy. So that no woman is deprived of the economic reforms brought about by 'financial inclusion'.

The global progress of any country depends on the sustainable development and empowerment of women. Former Secretary-General of the United Nation's Kofi Aanan, said "Women's empowerment is the most effective means of development." She has highlighted the importance of economic gender equality through inclusiveness of all in the economy. The main reason for the growth and development of Gujarat is also the inclusion of women in the economy. Gujarat's priority is to contribute more and more women to 'financial inclusion' with affordable financial services. The importance of sustainable development and gender equality is being emphasized to promote women in cashless economy in Gujarat, in which Banaskantha district of Gujarat also has a prominent place.

Keywords : Cashless, Digital, offline, Economy, Women, Financial, Inclusion, Service.

Research Paper

The government is making continuous efforts to remove the financial problems by increasing the cashless economy. In which the participation of women should be equal with that of men. But due to lack of information and lack of literacy in most rural women, it is not easy for women who feel uncomfortable in cashless mediums to move to cashless economy whereas there is no such problem with urban women. That's why digital literacy is being given an important place in financial programs so that women can do the necessary work of bank, post, insurance etc. through various cashless mediums of their mobile phones from any remote place. Due to this, the participation of women in financial inclusion is increasing and the Indian economy is also improving.

The government has started the 'Digital India' campaign to make 'financial inclusion' accessible to the women standing at the last rung of the cashless economy without any hindrance. This program has been launched with the objective of digitally empowering India and transforming it into a knowledge-based economy. The 'JAM Trilogy' i.e. 'Jan Dhan-Aadhaar-Mobile' has been launched to achieve the combined goals of 'Financial Inclusion' and 'Digital India'. During the global pandemic and unemployment, the role of digital medium in providing government financial assistance to the needy has been commendable.

Cashless Payment

It is often seen that women living below the poverty line are not able to take advantage of cashless means, because they are not fully aware of the cashless facilities that make life easier. Urban women play a significant role in the model of inclusion in the economy as compared to rural women, so providing this information to them should be a top priority.

Due to illiteracy and lack of financial facilities, most women in rural areas are unable to take advantage of bank, post, insurance etc. especially online or cashless services. It is a fact that banks is mostly manned, so women feel uncomfortable even going to the bank. Seen from this perspective, the importance of inclusion in the economy and digital education for rural women becomes more apparent.

Cashless Payment is Safe and Profitable

- Along with strengthening the 'Unified Payment Interface' by the 'National Payments Corporation of India', digital payments have also been made secure.
- Through the 'Aadhaar-Enabled Payment System', payment from the bank account to the micro ATM is possible at anytime and anywhere.
- The payment system has been made more accessible due to offline transaction enabling platform infrastructure complementary service data, making it possible to use mobile banking services without internet even on simple mobile handsets.

Financial Inclusion

Financial inclusion refers to making available financial services including payments, savings, loans etc. It is also called 'Inclusive Financing'. The main objective of 'Financial Inclusion' is to remove barriers that exclude men and women from participating in the financial sector and to make financial services available to meet their specific needs without any discrimination.

Financial Services for Wome

In order to promote women in 'Financial Inclusion' the Reserve Bank of India and NABARD have extended financial services to -

- Inclusion of women in the banking sector by implementing the Professional Agent model.
- Opening of special women's bank branches, so that they can feel comfortable.
- To connect more women by opening bank branches in remote areas.
- Launching various types of financial and digital programs in remote areas.
- Increasing the number of 'Automated Teller Machine' (ATM) in rural areas.
- Linking self-help groups with government and cooperative banks.
- Issuance of 'Credit Cards' to women living below the poverty line.

Economic Benefits to Women from Financial Inclusion

- According to the World Bank's 'Global Financial Inclusion Database' or 'Global Findex Report 2017', 80% of Indian adults currently have at least one bank account, up from an estimated 53% in 2014, including women is included.
- 'Financial Inclusion' enables women living below the poverty line in the society to save money as per their need and get benefits from the economic activities of the country by participating in various financial products such as banking and post services, insurance and pension products etc. There is an incentive to do so.

- Having women in 'financial inclusion' helps the country to increase the rate of 'capital formation'. The flow of money resulting from this gives momentum to the country's economy, as well as economic activities are also promoted.
- Earlier private financial institutions were not engaged with women with limited income, but now with the time there has been a change and there is active participation of private financial institutions like Paytm, PhonePe, Google Pay, Airtel Money and Jio Money with the women segment as well.
- With the entry of women into 'financial inclusion', integration of financial services has taken place. For example, combining the Direct Benefit Transfer scheme with the 'JAM Trilogy' scheme proved to be beneficial.
- The involvement of women in 'financial inclusion' has also helped the government to get government subsidies and ban gaps and manipulation in welfare programs, as instead of subsidizing government products, the subsidy amount is directly transferred to the account of the women beneficiary.

Women Suffer due to lack of Financial Inclusion

- In the absence of 'financial inclusion', women deprived of the facilities of banks are forced to join the informal banking sector. The rate of interest in these areas is also high and the quantum of loan amount is also very less.
- In the absence of 'financial inclusion', the informal banking structure remains outside the purview of the law. Therefore, any dispute arising with the borrower women cannot be settled legally.
- In the absence of 'financial inclusion', the benefits of social returns such as savings of women do not increase, the efficiency of financial intermediation does not increase and women do not get the facility to create new business opportunities.
- In the absence of 'financial inclusion', a government-sponsored universal banking system does not contribute to greater economic diversification in rural areas as compared to a more competitive banking environment.

Women in Financial Inclusion

- Women are the head of the house. Therefore, in almost all households, women take all the decisions regarding expenditure and savings. Thus they play their role in financial inclusion by being more committed and disciplined savers than men.
- Women tend to save whenever they get a fair opportunity, which promotes financial flexibility. So it is more useful for banks to target women for financial inclusion.
- By doing financial work of women, participation of women in financial institutions has increased and their capacity to get credit has also increased. Due to which women are increasing in financial inclusion.
- By empowering women 'Jan-Dhan' customers financially, there has been appreciable improvement in their standard of living and living.
- Providing effective and affordable financial means for low-income women to save, borrow, pay and receive payments is critical to financial inclusion.
- Financial service providers should design their financial products according to the needs and preferences of women and adapt the effect of those products to the investment potential of women. Due to which their interest in financial inclusion increased.
- Such financial products, which provide greater privacy to women along with control over their own income and expenditure, attract women towards financial inclusion.
- Women experience relatively greater poverty, unequal distribution of labour, and lack of control over economic resources. Due to which the participation of women in financial inclusion is very important.

Gender Gap in Financial Inclusion

- According to the 'Global Findex Report 2017', only 77% of women in India above the age of 15 have operated bank accounts in some financial institution, compared to 83% of men. Social and economic factors are responsible for this gap, in which the availability of mobile handsets and access to internet data is higher among men than among women.
- To reduce the gender gap in financial inclusion, these strategies need to be adopted by financial service providers, who focus more on opening more and more women accounts under 'Jan-Dhan Yojana' using gender based data.
- To reduce the gender gap in financial inclusion, financial service providers should target and communicate with women to make financial products and processes women-centric.
- To reduce the gender gap in financial inclusion, it is necessary to collect and analyze gender-based data to build products and services for low-income women at the policy level.

Problems of Financial Inclusion

- India is a cash-based economy, so it is challenging for women to adopt digital payments. According to the 'International Labour Organization', about 81% of the people in India work in the informal sector. The combination of a vast informal sector with a high reliance on a cash-based economy for transactions poses a major problem for digital financial inclusion.
- A Bank Account is like a gateway to financial services. But according to a World Bank report, about 190 million adults in India do not have a bank account, including women.
- As a result of 'Jan-Dhan-Yojana', thousands of dormant accounts of women have been opened, in which actual banking transactions have not taken place. Due to which the expenses of the banks have increased and banks have borne huge cost in its operation, whose financial burden has proved to be harmful.
- Women living below the poverty line are not able to afford the technology required to access digital services.

Suggestions for the Growth of Women in Financial Inclusion

- The 'Banking Correspondent Model' can be used to take banking activities to the prospective women customers to enhance women's financial inclusion. In this, along with better monetary incentives for banking correspondents, it is also necessary to give them better training.
- Establishing a data sharing framework by adding appropriate technological developments along with the 'JAM Trilogy' plan for the enhancement of women in Financial Inclusion, this can be beneficial for the enhancement of women in this Financial Inclusion.
- For the growth of women in financial inclusion, it is necessary to increase the access of quality financial products and services to women from economically weaker sections.
- There is a need to strengthen cyber security and data protection system along with moving towards digitization for the growth of women in financial inclusion.
- For the growth of women in financial inclusion, differentiated banks such as payment banks and small finance banks can prove to be an effective option in expanding the payment system in backward areas.
- The process of formulating a national strategy for the growth of women in financial inclusion can prove to be an effective step.

With the change of time, the model of 'Financial Inclusion' in cashless economy is gradually becoming a medium to meet the structural goal. Therefore, implementing this model in Banaskantha district of Gujarat will definitely help in the growth and development of most of the rural areas of Banaskantha. The 'Progressive Financial Inclusion Programme', which provides information about digital transactions, savings bank, post services,

insurance, pension, investment and other financial services to rural women, is also proving helpful in increasing the cashless economy in Banaskantha district. In 'Financial Inclusion' under the cashless economy, affordable financial services is being provided by the government to the women, due to which the women of Banaskantha of Gujarat are being continuously developed and empowered.

Conclusion

To promote cashless economy in Banaskantha, Gujarat, it is necessary to involve more and more women in 'Financial Inclusion'. By providing access to credit and employment opportunities to women, there will be continuous development and empowerment of women. Along with this, economic prosperity will increase at domestic and family level, which will be helpful in their life's economic crisis like - epidemic, unemployment etc. To increase the participation of women in financial inclusion' under the cashless economy, the existing digital platforms, infrastructure, human resources, and policy framework will have to be strengthened, which will also lead to innovation among women. Today, even after the Gujarat government's initiative to increase the participation of women in financial inclusion in the era of cashless economy, the problems coming up have not been completely eliminated. Therefore, to increase the participation of women of Banaskantha in Gujarat in the cashless economy, the problems in 'Financial Inclusion' have to be solved. However, the Government of Gujarat is making continuous efforts to increase the financial inclusion among the women of many remote areas of Banaskantha. Many financial and digital programs have also been started for this. Therefore, it can be said that for the success of 'Financial Inclusion' in the cashless economy, it is necessary to have a multi-faceted approach of the government and the general public towards women.

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