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RESEARCH ARTICLE

RESEARCH STRUCTURE OF A STUDY ON MICRO FINANCE, FINANCIAL INCLUSION AND WOMEN EMPOWERMENT WITH REFERENCE TO SELECTED URBAN AREAS IN SRI POTTI SRIRAMULU NELLORE DISTRICT, ANDHRA PRADESH

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Abstract

Financial system of the country is backbone to the country's growth. In the context of developing nations, a well-designed microfinance programme is seen as a successful institutional instrument for promoting socioeconomic development of economically disadvantaged sectors of society, particularly women. Women, in general, have difficulties obtaining institutional credit due to a lack of assets that may be used as security. Microfinance, as an alternate delivery method, focuses on women since women are more likely than males to be credit limited. The present paper is the blue print of the research entitled "A study on micro finance, financial inclusion and women empowerment with reference to selected urban areas in Potti Sriramulu Nellore district, Andhra Pradesh".

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Introduction:-

Women empowerment is a movement involving respect, honour, recognition and love toward all Women. Empowerment can be defined in many ways; empowerment means accepting and allowing women who are on the outside of the decision-making process into it.

Financial inclusion is a **method of offering banking and financial services to individuals**. It aims to include everybody in society by giving them basic financial services regardless of their income or savings. It focuses on providing financial solutions to the economically underprivileged.

Finance, it might be claimed, stimulates economic growth, although the extent of the influence varies. Financial inclusion aims to link individuals to banks and the benefits that come with it. Access to a well-functioning financial system allows economically and socially disadvantaged persons to better integrate into the market and protect themselves from economic shocks by generating equitable possibilities. If the 1950s, 1960s, and 1970s were the "golden era of capitalism" for the industrialized world, the same time may be described as the "age of developmental state" in most of the developing world (Marglin and Schor, 1990; Wade, 1990).

Objectives Of Financial Inclusion:-

1. To help people for availability of fiscal services and products at affordable prices similar as deposits, fund transfer services, loans, insurance, payment services, etc
2. To establish financial institutions and regulate to feed to the requirements of poor people.
3. Financial Inclusion aims to make and maintain fiscal sustainability.

4. The process of financial inclusion work towards creating fiscal products that are suitable for lower fortunate people of the society

The spread of SHG's in India has been extraordinary. About 69.53 lakhs SHGs have gained access to proper banking system through SHG-bank linkage programme and 90% of these groups are only women groups. The system of SHG has proven to very suitable to the poor and vulnerable women community in the society and this system breaks the exploitation and isolation of women from men.

Literature Review:-

1. Senyo, P. et.al, (2020) has examined the efficiency and antecedents to the usage of Fintech financial services. The study states Fintech innovations can disrupt the microfinance industry in making financial services more accessible to the end user. Fintech services utilize the mobile technology in providing the financial services to the users. This study understands the available literature and extends the study to determine the antecedents that influences user's behavior towards the usage of financial technologies that are not fully covered in the existing literature. Understanding the antecedents of user's behavior will lead to deepening of financial inclusion. The study employs Unified Theory of Acceptance, Use of Technology 2 and Prospect theory to understand the users behavior. A survey conducted among 294 respondents reveals performance and effort expectancy has significant relationship with intentions to use mobile money services. Further the study determines well-established position, price value, hedonic motivation, social influence and risk perceived have no influence on intention to use mobile money services.
2. Chauhan, S. (2015) has conducted a study on acceptance of mobile money service (m-money) among below poverty line citizens in India. The study has employed technology acceptance model (TAM) to understand the acceptance of mobile money service among its users. The m-money service can deepen the accessibility of financial services to the poor people through low cost and speedy money transfer by mobile phones, particularly in developing nations like India. This innovative service can achieve financial inclusion for a larger section of population. The survey collected the opinions from 225 actual and potential m-money users and employed partial least square technique to examine the constructs of TAM. The findings of the study reveal trust, attitude towards usage and perceived usefulness have significant influence on the intentions to accept m-money services. Study also finds that perceived ease of use has no influence on usefulness or attitude towards usage. The study also exhibits the explanations of significant relationships among the constructs and discusses how this explanation can enhance acceptance of m-money among poor Indians.
3. Baganzi, R. et.al, (2017) has also examined the factors contribute to sustainable adoption of mobile money services for achieving sustainable development goals of Uganda. This study examines the mobile money user's trust and risk perceptions impact on mobile money services adoption among the people of Uganda. The survey results collected from 438 mobile money service users reveal that trust and risk perception are the prime factors in adoption of mobile money services. The study determines users rely on structural soundness and their ability to provide service with low perceived risk is the factors that significantly influence the user's adoption to mobile money services. However trust and belief did not significantly influence behavioral intention.
4. Grohmann, A. et.al, (2018) opines that goal of achieving sustainable financial inclusion demands financial infrastructure. The study finds financial literacy has clear effect on the level of financial inclusion. The study finds this effect at cross country level so there could be institutional variation. Further the study finds that accessibility, financial infrastructure and financial literacy are close substitutes. The "use of financial services" has effect of higher financial literacy that could strengthen financial inclusion. The study also has evidence of positive impact of financial literacy across income levels and subgroups within countries.
5. Ozili, P.K. (2018). has discussed the importance of digital finance an area that is inadequately addressed in the literature. Digital finance has the metal in deepening the benefits of financial inclusions to financial service users, digital finance will also help in growth of economy and governance. However there are several issues persistent that are need to be addressed to make digital finance work better for individuals, businesses and governments. The constructs discussed in this study can open discussion and debate at country level projects directed towards greater financial inclusion through digital finance in developing and emerging nations.

Research Gap:

The literature so far collected has made very extensive research in the area of financial inclusion. Major research on financial inclusion are conducted globally at Bangladesh, African Countries and India. The studies majorly revolving around determinants of financial inclusion. Few studies are conducted to a broader geographical area with less sample size raising the authenticity of the results. There are inadequate studies which have holistic approach .

There are limited studies conducted on financial inclusion parameters in Andhra Pradesh and in particular to Nellore District.

Hence this study is sought to understand the various parameters of financial inclusion of women living in Nellore District, particularly the women living in rural and urban slums.

Need for the Study:

Financial inclusion is a critical component of poverty reduction and economic growth. Individuals and businesses who are financially included have access to useful and affordable financial services. It is important to understand how effective are financial institutions are working in rendering the financial services to the marginalized people living in rural and urban areas particularly women. It is prudent in the recent past that women are part of this inclusive growth. This enable them to get empower. However, the state of financial inclusion among women has received little attention in literature. This is important to address whether microfinance reinforces women's traditional roles and gender parity in the absence of a change in the macro environmental factors. This study is also sought to determine the kind of relationship between women's participation in microfinance and their empowerment.

Scope of the Study:

1. The study envisage the key determinants of financial inclusion such as Age, Gender, Proximity of Branch, Education, Documents requirement, Trust, Income levels, Financial Literacy and Internet Connectivity.
2. The study examines the level of financial inclusion among women on various parameters such as account at formal institution, access to formal accounts, use of formal accounts, mobile banking, savings and credit at their banks.
3. The impact of Digitalization on financial inclusion is determined through usage of ATM card for deposit and withdrawal, online payment and remittance, mobile banking app, online credit, insurance purchase and renewal, payment of household bills, Fintech apps – paytm, googlepay, phonepay and etc. and so forth.
4. The study assess whether financial inclusion has improved the living standards of the women through savings, low cost credit facilities, locker facility, fixed deposits, insurance, income levels and pension.
5. Women empowerment has three dimensions such as political, social, and economic empowerment. The study is sought to understand whether financial inclusion has impact on these dimensions.
6. The study designs questions related to financial aspects such as bonds, stocks, mutual funds, insurance, pension schemes, financial institutions and regulatory agencies to test financial literacy levels among women.
7. The study also aimed to collect the barriers to incline towards formal financial system such as knowledge, education, proximity, document requirement and regulation lapses.

Objectives of the Study:-

1. To identify some important key factors for successful financial inclusion among women.
2. To determine the level of penetration of financial services and products available among women.
3. To investigate the dimensions of women empowerment that is social, economic and political through financial inclusion.
4. To identify the barriers of women in restraining women to access the financial services.
5. To examine the relationship between entrepreneur women's participation in microfinance and their empowerment

Research Methodology:-

1. **Research Design:** Quantitative and Descriptive
2. **Population of study:** Women living in rural and urban areas of SPSR Nellore District
3. **Sample Size:** 400
4. **Sampling Method:** Quota Sampling
5. **Data Collection:** Primary and Secondary
6. **Data Collection Instrument:** Scheduled Structured Questionnaire
7. **Statistical Tools for Analysis:** Factor Analysis, Weighted Mean, Skewness, Cronbach's Alpha, Correlation, Regression, ANOVA, Chi-Square test , t-test and other necessary tools.

Hypothesis Development

Determinants of Financial Inclusion

1. H1a: Financial inclusion is greatly influenced by outreach.
2. H1b: Financial inclusion is greatly influenced by penetration.
3. H1c: The availability of financial services has a significant impact on financial inclusion.
4. H1d: Financial inclusion is greatly influenced by accessibility.
5. H1e: Financial inclusion is greatly influenced by technology
6. H1f: Financial inclusion is greatly influenced by financial literacy.
7. H1g: Financial inclusion is greatly influenced by perceived benefits.
8. H1h: Financial inclusion is greatly influenced by Trust.
9. H1i: Financial inclusion is greatly influenced by Income adequacy.

Dimensions of Women Empowerment

H2: Several dimensions of women empowerment- Social, political and economical is influenced by levels of financial inclusion.

Women Empowerment through participation in microfinance services

1. H3a: Engagement in microfinance services increases women's influence over savings and revenues generated by the business compared to non-participation.
2. H3b: Microfinance involvement leads to more engagement in household decision-making than non-participation.
3. H3c: Microfinance involvement leads to greater household ownership of properties/assets than nonparticipation.
4. H3d: Microfinance service engagement leads to higher self-esteem than non-participation.
5. H3e: Engagement in microfinance services increases self-efficacy, which leads to greater capacity to manage than non-participation.

Limitations of the Study:

1. This research is confined to SPSR Nellore district only.
2. Because of time factor sample of 400 respondents has been taken in to consideration

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