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FINANCIAL INCLUSION, WOMEN EMPOWERMENT AND ENTREPRENEURSHIP: A SPECIAL EMPHASIS TO INDIA

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ABSTRACT

Women population comprises of half of the population of a country. Therefore, a country's progress and growth depend on the contribution of its women population as well. Individuals who create business and employment are entrepreneurs. Entrepreneurship is actually the ability to develop and sustain a business associated with risk and ultimately make profit. Every entrepreneur aims to make profit for his own concern. Entrepreneurship is also associated with conversion of new innovation and technology into business which ultimately generates employment and profit in the economy and thus the entrepreneurs contributes towards the growth of an economy. According to Schumpeter innovation in business is the primary reason for increased investment and business ups-and-downs in an economy. Recently, women entrepreneurship in India is also making a mark in the society. Many Indian women are empowered to do business on their own. Women in the present scenario in Indian society has started taking initiative to make a start up with their career as entrepreneurs with small business. Women are also successful in their field of business. The women in our society are progressive and capable of sustaining a business. Hence, we also focus on the women entrepreneur's contribution to the society. In this paper we try to focus on the aspects of women empowerment and its impact on the society of India. Women in India are mostly home-makers, but few are progressive as they are properly educated and also knows how to execute their knowledge. Empowerment of women means when a woman is having economic liberty and financial decision-making authority. Nearly half of the population of a country are females and hence it is extremely necessary to make this population involved in economic activity of a country. But there is of course gender based discrimination in the society. Here we try to focus on the aspects of women empowerment through entrepreneurship in India as well as how women are financially included to be economically independent.

KEYWORDS

Entrepreneurship, Women empowerment, Financial Inclusion.

1. INTRODUCTION

India is still a developing country. India is yet to achieve a sustainable and balanced growth process to reach the level of developed nations of the world. Though growth and development are different terms in the sense of an economy, but growth and development are complementary to each other [1-5]. Poverty, unemployment and high population are the biggest challenges faced by India since independence. The Government had taken various policy measures in its different planning to alleviate poverty and unemployment. The Government realised that poverty and unemployment could be reduced by effectively promoting small scale industries and by offering promotional package to entrepreneurs. When we are discussing on the entrepreneurship development in India then let us highlight on the history of entrepreneurship development programs in India.

The entrepreneurship development program was initiated in 1962 with the establishment of Small Industry Extension and Training Institute (SIET) which started the entrepreneurship development in India. SIET in collaboration with Harvard University conducted Entrepreneurship Training Programs in many districts of Andhra Pradesh and Tamil Nadu for five years and successfully imbedded the seed for entrepreneurship development program in India [6]. Thus Gujarat Industrial Investment Corporation started the first entrepreneurship development program in India in 1970 which emphasised on potential selective entrepreneurs to develop small scale industries and earn profit out of it. With the objective to remove economic backwardness in the North-East Region of India, North Eastern Industrial and Technical Consultancy and Entrepreneurial Motivation Training Centres were established in 1970s to promote entrepreneurship in the region [7]. Hence historically we can say that

government had been taking attempts since long back to encourage entrepreneurship to create economic liberty and generate employment in many parts of the country. SIET and Small Industry Development Organisation (SIDO) through Small Industry Services Institute (SISI) and Industrial Development Bank of India (IDBI) and Technical Consultancy Organisations (TCOs) started organising Entrepreneurship Development Programs. The success of these Programs resulted in the establishment of Centre for Entrepreneurship Development (CED), Ahmedabad in 1979 and Entrepreneurship Development Institute of India (EDI), Ahmedabad in 1983 [8].

Therefore, it is found that with the initiative of the Government the entrepreneurship development had been started in India way back in 1970s. In India financial inclusion is also a major policy of the government in the recent time. Government of India has a major focus on the financial inclusion of the women in India [9,10]. In India majority of the women are still not financially included, which means that they don't have the economic independence and also don't have the authority to take any financial decision. The Government of India has taken numerous initiatives to empower women with the implementation of financial inclusion policies. But how far it has been successful that is the question.

2. METHODOLOGY AND DATA SOURCES

The data that has been used in the paper is from secondary sources like MasterCard Index of Women Entrepreneurs (MIWE) 2018 [11]. We have used Kendall Rank Correlation Coefficient and Spearman's Rank Correlation Coefficient for showing the correlation between women entrepreneurship and type of the country in respect of development.

3. FINANCIAL INCLUSION AND WOMEN EMPOWERMENT IN INDIA

According to a recent United Nations Report "Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development" the Sustainable Development Goals (SDGs) would be difficult to achieve without gender equality and women empowerment. In the present generation women and men are moving together and achievement of Sustainable Development Goals (SDGs) is a major indicator of development [12,13]. For the progress of the society women in the present era should be given equal economic opportunities as well. India is a developing nation and the society of India is still traditional where women are not considered worthy of giving equal status along with men. For the development of the society apart from availability of equal employment opportunities there should not be gender bias in access to financial services. However, financial inclusion ensures access to financial services at an affordable rate to the weaker sections of the society. With the aim of financial inclusion in India, the Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched by the Finance Ministry on August 2014 [14]. According to the World Bank Global Findex Database 2017, fifty four percent of women in India have an inactive bank account with no transaction in a year as compared to forty three percent of men in India. India has a gender gap in the financial inclusion process. In the paper we try to focus on the role and impact of financial inclusion towards the development of women participation in work force of the country and also try to find that where India stands in the women workforce participation which includes women participation in job and women participation in entrepreneurship in the world as compared to other developed and developing economies [15]. Financial liberty empowers a woman towards growth which leads the society towards development.

India is following an inclusive growth strategy since last one decade. Financial literacy in Indian society is lacking. Especially, in many cases the women are not allowed to take any kind of financial decisions as majority of the women in India are home-makers [16]. This means that women are participating less in workforce and hence empowerment of women is extremely poor. Indian society is traditional in nature and are extremely restrictive for the women to take any financial decision. For example, in any micro family where the men are only earning member and the women are home-makers, there any kind of financial decision regarding purchase of anything or be it investing in bank or capital market, is finally taken by the male members [17]. The reason behind this may be that the women are ignorant about the financial investments and savings schemes with banks as well as other financial organizations. Another reason for women's low financial inclusion is lack of literacy of women in India. Women in rural areas are financially dependent on men and hence they are not any part of financial inclusion. Women in rural India are doing full-time jobs without any payment. According to the National Sample Survey 2011-12, the average salary earned by women is less than men irrespective of education level and place of residence i.e whether they reside in rural or urban area.

In India all kinds of financial decisions are generally taken by men. In spite of the women's participation in the workforce majority of the financial decisions are taken by men in a family. With the growth of education, Indian women have started to earn high and have become financially independent [18]. But still the financial decisions are taken by their fathers

or husbands. Most of the women in India are not encouraged to take up their career first. The upbringing of the women are as such that they have to look after the family on a priority basis. After Marriage it becomes more challenging for most of the women to continue their job.

According to the Global Findex Survey (2017) published by World Bank, 87 percent of the Indian adults have bank accounts, which has improved from 53 percent in 2011 after the Jan Dhan Yojana. This means that the participation of the overall mass has increased in the recent time [19]. According to the Global Findex 2017, it is estimated that around 77 percent of the Indian women have bank account as compared to 43 percent in 2014 and 26 percent in 2011. A bank account is extremely necessary for any kind of financial transaction specially while doing any business or any kind of job. Women have started to participate in the banking operations but still how far they can take any financial decision that is a major concern. After the demonetization it has also been found that women have slowly started to save in a formal way rather in an informal way. The participation of women in the capital market through banking operations is also very low in India according to Global Findex report 2017.

4. WOMEN ENTREPRENEURSHIP IN INDIA: A COMPARATIVE ANALYSIS WITH OTHER COUNTRIES OF THE WORLD

India is a developing country. In various index of development India could not perform satisfactorily in various parameters included in the measurement of various of indexes. According to MasterCard Index of Women Entrepreneurs India ranks 52 out of 57 countries in the world in 2017 [20]. The report focuses on female entrepreneur's ability to utilize the opportunities to become women entrepreneurs. Indian women face many hurdles in their path of progress, be it pursuing education, carrying a professional job or starting a business. In every sphere the women are as if more responsible which is the rule of society and the women has to take care of family and children all on her own. Even if the women is working the family is majorly dependent on her and the women have to carry out the household work. This is a major reason that the progress of the women in India is not at all satisfactory in various measurement indexes as the Indian society fails to satisfy many parameters which are included in the measurement of various development Indexes.

In the recent study conducted by Global Entrepreneurship Monitor 2015 on women entrepreneurship, it is found that women entrepreneurship rose by 6 percent worldwide, in the past two years. The MasterCard Index of Women Entrepreneurs Report (MIEW) 2017, indicators such as financial inclusion of women, cultural perception of women entrepreneur, and entrepreneurial supportive factors are the strongest enablers of women participation in business [21]. Again, according to MIEW report that some of the biggest constraints of women entrepreneurship participation is lack of financial funding, lack of self-belief or entrepreneurial drive, fear of failure, socio-cultural restrictions and lack of training and education. In our analysis we can show the status of India in respect of other countries of the world in the measurement of Women Business Ownership [22]. Here we give a glimpse of the women business owners as a percentage of total business owners comparing 57 countries of the world.

Table 1: Country-wise Percentage of Women Business Owners as a Percentage of Total Business Owners (2018)

Rank	Country	Percentage of Women Business Owners	Type of Country
1	Ghana	46.4	Lower Middle Income
2	Russia	34.6	Upper Middle Income
3	Uganda	33.8	Low Income
4	New Zealand	33.0	High Income
5	Australia	32.1	High Income
6	Vietnam	31.3	Lower Middle Income
7	Poland	30.0	High Income
8	Spain	29.4	High Income
9	Romania	28.9	Upper Middle Income
10	Portugal	28.7	High income
11	Peru	28.3	Upper Middle Income
12	Hungary	28.1	High Income
13	Argentina	27.7	Upper Middle Income
14	Singapore	27.5	High Income
15	Brazil	27.2	Upper Middle Income
16	Canada	27.0	High Income
17	Uruguay	26.7	High Income
18	Bangladesh	25.9	Lower Middle Income
19	Italy	25.7	High Income
20	Colombia	25.7	Upper Middle Income

21	Switzerland	25.5	High Income
22	Belgium	25.5	High Income
23	United States	25.5	High Income
24	Germany	25.3	High Income
25	Thailand	25.2	Upper Middle Income
26	Chile	25.1	High Income
27	United Kingdom	25.0	High Income
28	France	24.6	High Income
29	Botswana	24.5	Upper Middle Income
30	Korea	24.1	High Income
31	Philippines	23.9	Lower Middle Income
32	Czech Republic	23.6	High Income
33	China	23.1	Upper Middle Income
34	Denmark	23.0	High Income
35	Honk Kong	22.0	High Income
36	Ecuador	21.9	Upper Middle Income
37	Sweden	21.8	High Income
38	Costa Rica	21.6	Upper Middle Income
39	Taiwan	20.6	High income
40	Ireland	21.1	High Income
41	Mexico	19.3	Upper Middle income
42	South Africa	18.8	Upper Middle Income
43	Nigeria	17.8	Lower middle Income
44	Israel	17.5	High Income
45	Japan	16.8	High Income
46	Malaysia	16.7	Upper Middle Income
47	Indonesia	15.8	Lower Middle Income
48	India	11.0	Lower Middle Income
49	Tunisia	9.9	Lower Middle Income
50	Ethiopia	9.5	Low Income
51	Turkey	8.5	Upper Middle Income
52	Malawi	8.0	Low Income
53	Algeria	7.9	Upper Middle Income
54	Iran	6.1	Upper Middle Income
55	Egypt	3.3	Lower Middle Income
56	United Arab Emirates	2.8	High Income
57	Saudi Arabia	1.4	High Income

Source: MasterCard Index of Women Entrepreneurs (MIWE) 2018

From table 1 we can see that India ranks 48th in out of 57 countries selected by MasterCard to study for women entrepreneurship in the world. From the table we can see the index results which reveals that women entrepreneurs are more in numbers and are more successful in developed countries such as New Zealand, Canada, Sweden, and United States. But United Arab Emirates and Saudi Arabia are exceptions. From the table we can conclude that Indian society needs to develop in respect of women participation in workforce and as well as entrepreneurship.

From table 1 we have analysed the data with Kendall Rank Correlation Coefficient and Spearman's Rank Correlation Coefficient. The following table shows the result of the correlation between rank of the countries according to women business owners and category of the countries according to their development. We have ranked 57 countries according to their development phases and found their correlation with the ranks of women business ownership. The following table shows the result of rank correlation between the two categories of rank.

Table 2: Result of Rank Correlation

Type of Test	Correlation between Income Rank & Rank of Women Business ownership	Significance
Kendall's Tau Correlation	0.132	0.202
Spearman's Rank Correlation	0.163	0.225

From the above correlation analysis, it is found that in both the analysis the correlation between the rank of the countries in accordance with the development and rank of the countries in accordance with the women ownership in business is very low and also statistically insignificant. Hence, we can conclude from this result that women participation in entrepreneurship has not reached that level that it can influence development of a country as seen from the data analysis of 57 countries of the world. But since women entrepreneurship is growing very slowly across the world the correlation could be low but not negative. From this we can say that with the spread of women entrepreneurship across the world has not been sufficient enough to influence the economic growth of the country.

5. CONCLUSION

From our analysis we have found that India there is a gender inequality in case of financial inclusion if women in India. When we say about women empowerment, then we find that women are not given equal opportunity and are mostly encouraged to stay with family and look after it. Hence empowering women with financial liberty and giving women the scope to live independently is still way far in a society like India. But in the aspect of women entrepreneurship we can say that if a less developed country like Ghana could make it on the top of the rank of women entrepreneurship then why can't India. Hence greater number of women in India has to take sufficient initiative to break the glass ceiling and take their own business decision. Thus, we can say that growth of entrepreneurship be it small or big, formal or informal impacts the economy with the creation of income and employment but considering the society of India we still run for jobs rather than starting new business. Hence with the growth of women entrepreneurship we can say that there is creation of sustainable employment opportunity for women in the society. Again, women participation in workforce will also be encouraged and the nation will be benefitted and finally the women will be empowered financially.

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