



## **International Journal of Humanities & Social Science Studies (IJHSSS)**

*A Peer-Reviewed Bi-monthly Bi-lingual Research Journal*

ISSN: 2349-6959 (Online), ISSN: 2349-6711 (Print)

ISJN: A4372-3142 (Online) ISJN: A4372-3143 (Print)

Volume-IX, Issue-VI, November 2023, Page No.166-174

Published by Scholar Publications, Karimganj, Assam, India, 788711

Website: <http://www.ijhsss.com>

DOI: 10.29032/ijhsss.v9.i3.2023.166-174

---

### **Financial Literacy and Rural Women: A Study in Madhupur Development Block under Nalbari District of Assam**

**Dr. Ritumani Haloi**

*Assistant Professor, Department of Economics, Karimganj College, Karimganj, Assam*

#### **Abstract:**

*The existing literature shows that financial literacy plays an important role in uplifting the rural economy and hence the standard of living of the people. In fact, it helps in minimizing the poverty traps and empowered the people financially. Earlier research shows that the access to financial services opened up the diverse livelihood options to both men and women and hence in raising the income of the masses. But it has been observed that a huge section of the rural women are depriving from using the financial services either due to poor financial accessibility or owing to ignorance of financial literacy. Against this surrounding, the present study has been undertaken in a flood prone remote area of Madhupur Development Block under Nalbari District of Assam. Using the primary and secondary data through descriptive statistics, the study finds that access to financial inclusion/services has a crucial role in the development of women in one hand and at the same time it's the need of the hour to address the issue to empower the women financially in development perspectives.*

**Keywords: Financial inclusion, Development, Empowerment, Livelihood.**

---

**1. Introduction:** The extant of previous research findings shows that financial literacy is the first and foremost step for achieving financial inclusion. In fact, financial inclusion not only promotes rural economy but also plays the crucial role in lifting the people from poverty traps and in minimizing the gender gap and hence in economic growth of the country. Literally, financial inclusion or service implies to the absence of price or non-price barriers according to the World Bank [2008]. However, it should be noted that while speaking of financial services two important terms 'access to' and 'use of' are used in different perspective because 'access' refers to the service offered or supplied while 'use' is influenced by the supply and demand forces. Many empirical research shows that the inter-connection between financial inclusion and development is positive one and is based upon a number of socio-economic factors like income of the individual and physical infrastructure [Mishra, 2011]. Similarly, the goal of financial inclusion is not possible to attain without a sound banking infrastructure [Reddy, 2012] which is considered as one of the key factor in

attaining the financial stability. Besides, the journey of financial inclusion in our country has began since early 2000s [Dutta, 2013] as it has a close relation with massive poverty. In fact, to uplift the weaker section of the society especially the women section a massive drive for financial inclusion is utmost necessary. This is because the access to finance and its management by women is very much crucial for development perspectives both in urban and rural areas [Purohit and Chutani, 2016]. Likewise, the provision of financial inclusion or services at an inexpensive cost is essential especially in rural areas to increase the standard of living of the people [Chakraborty, 2012]. Moreover, the inclusive growth of the economy is also depends on the access to financial assets both at individual and institutional level [Pamarthy, 2012]. But it has been observed that even today more than 2.5 billion people are out of financial services where one-third is from the country like India. The scenario of deprivation from financial services in the state of Assam especially in Madhupur Block under Nalbari district of Assam is very much pathetic. It has been found that there are about 1,35,510 population as per 2011 census of India where 52 percent (69,827) are male and remaining 48 percent (65,683) are female. Unfortunately, while speaking about the access to financial services within the area, there are only one branch of nationalized commercial bank (PNB) and two numbers of ATM (one of PNB and one of SBI). Thus, considering the indicators like- no. of bank employee (per 1 Lac population), no. of bank branches (per 1 Lac population), bank account numbers, size of banked population etc. it is observed that the rural inhabitant of the greater area of Madhupur block has been depriving from access to financial services. Against this background and new found interest in understanding the level of financial literacy and its significance especially amongst the women and the challenges and opportunity of financial inclusion in development perspective of women, the present study has been undertaken in a remote and flood prone area of Madhupur Development Block under Nalbari district of Assam. The study is significant in the sense that no writer used their pen till date to understand the level of financial inclusion of women where the industrial unit is completely non-existence and the majority of the households are based on agriculture and for livelihood.

In this way, in Section 2 the objectives and research questions of the present study incorporated followed by Data and Methodology in Section 3, the discussion and the findings of the study has been placed in Section 4 and finally in Section 5 the concluding remarks of the study has been incorporated with suitable suggestions.

**2. Objectives and Research Question (s) of the Study:** The objectives of the study is to

- i. To examine the status of financial inclusion in Nalbari district of Assam amongst the rural women; and
- ii. To know about the challenges and scope of financial inclusion within the study area in development perspective.

In order to validate the stated objective of the study, the following research question(s) has been framed:

- i. What is the current status of the financial inclusion/literacy amongst the women living within the area of Madhupur Block of Nalbari district of Assam?

- ii. Is there any scope of development of rural women by way of financial inclusion within the study area?

**3. Data and Methodology:** The present study is based on both primary and secondary data sources. As the main focus of the study is to understand the level of financial inclusion and its changes over the years in development perspective, so multi stage random sampling technique has been used to collect the primary data. For this purposes the Madhupur Development Block of Nalbari district has been selected and then purposively 70 female respondents has been selected randomly from the greater area of the block. Moreover, in order to collect the primary data and information from the sample based on the objective of the study, the respondents are selected in such a way that it represents the entire population. Accordingly, a total of 70 sample has been selected comprising 07 nos of women who are agricultural labour by occupation, 11 respondents were selected purposively who have the job card and also the daily wage earners, 08 women respondents has been selected who are self employed in nature and 44 housewives respondent has been selected who are either a member of SHGs or has job card. Using self designed questionnaire, the relevant information were collected and then analyzed with the help of descriptive statistics. Beside, secondary sources like internet, published research paper(s), e-book etc has been used in shaping and framing the paper which has been enlisted in the bibliography section.

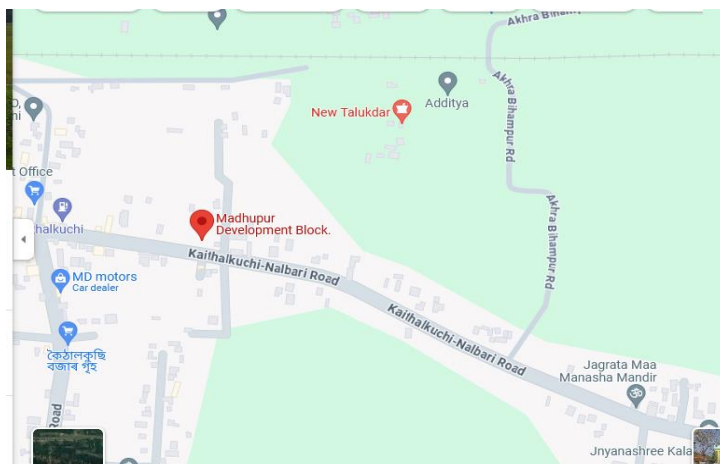


Figure-1: A Snapshot of Madhupur Development Block, Nalbari taken through Google Map.

## 4. Discussions and Analysis of Data

**4.1 Analysis of Primary Data:** In this section, a detailed discussion has been incorporated based on the primary data collected from the respondents with respect to the status and changes of financial literacy within the study area amongst the women.

**Table-i. Profile of the Respondent(s)**

Component	Classification	Percent	Frequencies
Knowledge about the Financial Inclusion/Literacy	Meaning and basic functions of Bank	87.14	61
	Self deposit/withdraw of money	38.57	27
Age	Below 30	7.14	05
	31-40	31.42	22
	41-50	34.28	24
	51-60	18.67	13
	60 and above	8.67	06
Marital Status	Married	90	63
	Unmarried	10	07
Caste	General	20	14
	SC	65.72	46
	ST	00	00
	OBC	14.28	10
Status of Education	Illiterate	12.85	09
	Below Class 6	30.00	21
	Class 7-10	17.14	12
	Class 11-12	24.28	17
	More than Class 12	15.71	11
Member of SHGs	At least for last One Year	62.85	44
Job Card Holder	At least for last One Year	15.71	11
Source: Primary Data			

The general profile of the sample respondents has been shown in the Table-1. It has been found that about 87.14 percent (61) respondents understand the meaning of financial inclusion in terms of basic function and activities of a bank while merely 38.57 percent (27) just can deposit or withdraw money from the bank. Thus, about 61.43 percent respondent cannot either withdraw or deposit money in bank. Such type of observations signifies that financial inclusion or banking service in the rural areas is still a distant dream irrespective of gender within the block. With respect to the age composition of the surveyed population, it has been found that about 7.14 percent respondent are below the age of 30 while 8.67 percent are more than 60 years of age. The beauty of the findings is that rural women having more than 60 years of age are the member of SHGs which is the motivational example for the upcoming generation. Besides, it is also found from the survey that 90 percent respondents are married while rest 10 percent are unmarried. With respect to the caste of the sample population, it has been found that 65.72 (46) belongs to SC (Schedule Caste) category followed by 20 percent general category and 14.28 percent are OBC (Other Backward Class). Regarding level of education of the respondents, it has been found that

47.14 percent (33) have their education below Class 10 standard while 12.85 percent are illiterate. Also, about 15.71 percent are having more than Class 12 standard amongst the respondents. The message that has been emerged from the study is that without having the education, some of the respondents are the active member of the SHGs and thus contributing in the development of the SHGs and earning their livelihood. Moreover, it also denotes the empowerment of women and the role played by the women section in uplifting the rural economy in a place like greater area of Madhupur Block of Nalbari district of Assam. It is evident from the table that 62.85 surveyed women are the member of the SHGs at least for last one year and about 15.71 percent are the job card holder. All these facts and figure highly implies that the status of financial inclusion or literacy within the study area especially amongst the women are practicing through their different livelihood activities although there is a need of more focus on the issue.

Table- 4.2 has depicted the status of the Monthly Income (MI) of the female respondents. It is worthwhile to repeat here that as the data are collected directly and in that process simple purposive random technique has been used by the researcher. Based on the information provided by the respondent, it has been found that only 04 women are earning their livelihood from agricultural labour. They are neither a member of any SHGs (Self Help Groups) or does not have job card. It is found that 2.28 percent respondent monthly income is within the range of INR 1001-2000, and about 1.42 percent has their monthly income within INR 2001-5000. Likewise, it has been found that 59 respondents out of 70, are the member of SHGs or has the job card issued by the government who are also the agricultural labour. From the table it is evident that 41.42 percent respondents have the monthly income within the range of INR 2001-5000 followed by 32.85 percent has the monthly income of within the level of INR 1001-2000. Moreover, it is also found that 10 percent respondent has the monthly income more than INR 5000. Thus, from such observation we can state that these groups of women worker are in a better position as compared to those who are not the member of SHGs or does not have the job card. In fact, the skill and financial knowledge, membership of SHGs may add in choosing diverse livelihood activities for which their monthly income is higher than the other group. However, from the table it is also evident that 07 respondents are earning their livelihoods or contributing income to their family by doing business. It has been found that 7.14 percent respondent monthly income is in between INR 2001-5000. Also, 2.85 percent respondent reported that their minimum monthly income received from the business (Tailoring and Dairy Farm) is more than INR 5000. Thus, undeniably from the table it is clear that although the level of income of the rural women within the study area is not high but the study shows that the rural women who are the member of SHGs or is having job card they have the minimum knowledge of financial literacy and can operate or access bank accounts at least for transaction purposes.

**Table-4.2: Status of Monthly Income (MI) of the Respondent**

Sources of Income	Level of Income (MI)	Percent	Frequencies
Agricultural Labour without member of SHGs and No Job Card	Less Than INR 1000	00	0
	INR 1001-2000	2.28	3
	INR 2001-5000	1.42	1
	INR above 5000	00	0
Agricultural Labour having member of SHGs and Job Card	Less Than INR 1000	00	0
	INR 1001-2000	32.85	23
	INR 2001-5000	41.42	29
	INR above 5000	10.00	07
Self-Employed	Less Than INR 1000	00	0
	INR 1001-2000	00	0
	INR 2001-5000	7.14	5
	INR above 5000	2.85	2
Source: Primary Data			

Table 4.3 has shown the status of bank accounts of the rural women within the study area. It has been found from the study that 75.71 percent (53) respondent have their bank accounts with the existing local bank within the block where as 18.57 percent has the bank accounts with the other branches of the bank outside their locality. Besides, 5.72 percent respondents reported that they have no bank accounts. Unnecessary bureaucratic control and management, high rate of service charges, ignorance and illiteracy of banking terminology, mode of language used in the bank, existence of private money lenders are some of the main issues for which the women are not interested to come under the umbrella of banking services.

**Table-4.3: Status of Bank Account amongst the Respondents**

Component	Percent	Frequencies
Total Respondents Having Bank A/C within Local Bank	75.71	53
Total Respondents Having Bank A/C outside the Local Bank	18.57	13
No Bank A/C at all	5.72	4
Source: Primary Data		

**Table-4.4: Factors Influencing Opening of Bank A/C**

Component	Percent	Frequencies
For Saving Money	25.75	17
For Zero Balance A/C	13.63	9
To Earn Interest	6.06	04
Mobile Banking	3.03	02
Applying for Loan	16.66	11
For Business Purposes	3.03	02
To Received the Grant/Aid from the Govt. (Expected)	28.78	19
Other Purposes	3.03	2
Source: Primary Data		

Table-4.4 presents the major factors that influenced the women for opening the bank account. It has been found from the survey that out of 70 respondents, 66 has the bank account either in their local bank or outside their locality. It is evident from the table that 28.78 percent has opened their bank account with the expectation of receiving the grant or aid from the government. Similarly, 25.75 percent opined that they have opened their bank account in order to save money, 16.66 percent respondent have opened bank account to take loan in near future from the bank. Significantly, 13.63 percent has opened their bank account in response to the Prime Minister's Jan Dhan Accounts (PMJDA) (also known as zero balance account) in the expectation that government may extend some kind of financial assistance to the socially disadvantaged or vulnerable groups. From the study it has also been found that the use of digital or electronic device in making financial transactions by the rural women within the study area is very much low. This could be due to the lack of proper knowledge and skill of the targeted populations.

#### **4.2 Major Challenges of Financial Literacy within the Study Area**

Although financial services plays crucial role especially in rural areas in supporting and improving the livelihood of the people but in reality the scenario is not encouraging one even after so many initiatives from the government as well as other development agencies over the years. The government initiatives like financial and banking sector reforms or implementation of schemes like the Prime Minister's Jan Dhan Accounts (PMJDA) have not reached to the grass root level in true sense. The major challenges of financial inclusion within the study area as felt by the respondents are as follows:

1. Lack of sufficient bank branches is the first and foremost challenges of financial services within the study area. Majority of the respondents agreed that even if they are interested to open the bank account for the financial safety and security they are not capable of to open the account due to non-availability of bank branches within their reachable areas.
2. Poor level of education amongst the women is also another challenge of financial literacy within the study area. It has been observed that the level of education amongst

the women is not to that level so that they can understand or operate the bank account without the help of third party.

3. Another important challenge in this regard as felt by the respondent is that the language use by the bank. In fact, all the numerical or communication regarding the banking transactions or operating system of banking services are done in English language. Consequently, the chances of fraud increases or even due to fear or ignorance they are reluctant to access the banking services.
4. Further, most of the respondents opined that the process of opening bank account is very much time consuming or it requires completing so many formalities in the name of verification of documents for which they are reluctant to open the bank account willingly.
5. Making account operational is another major challenge of financial literacy or services within the study area. As most of the families' income level is poor so they are not in a position to operate the account regularly. Consequently, the mobilization of financial resources through banking services is affected.
6. The existence of private money lender is the serious challenge in this regard. In fact, even today money lenders are dominating the rural credit despite of so many government initiatives for improving the banking or financial services both in rural or urban areas. Perhaps, the ease of doing transaction or accessibility is the main cause of existence of private money lenders and as a result people are still out of formal banking sector within the study area.
7. Improper infrastructure like formal banking services, electricity, regular internet services, insufficient Bank ATMs etc also added the fuel in the failures of financial inclusion or literacy as felt by the respondents.
8. The high rate of banking services also discourages people and thus they prefer to maintain a distance from the banking services. In fact, in some cases it generates lack of trust among people and hence they do not prefer to access the financial services.
9. Last but not the least, it has been found that unnecessary bureaucratic control, lack of awareness amongst the rural women, high rate of financial fraud and crime are the serious challenges of financial inclusion within the study area as felt by the majority of the respondents.

**5. Concluding Remarks:** In view of the above analysis it can be state that financial inclusion or knowledge plays an important role in rural areas in improving the living standard of the people irrespective of gender differences. The fact is that it raises the confidence of rural women in utilizing the financial resources by way of efficient management. The farm and off-farm activities of rural women to some extent depend upon the accessibility of financial services and hence empowering women. But it has been observed from the study that the greater area of Madhupur Block under Nalbari district has been depriving from accessing adequate financial infrastructure and consequently a huge section of people are out of financial inclusion or literacy. Apart from the existing government initiatives, alternative pathways should be initiated for financial literacy of the



rural women within the study area so that apart from the saving habit, the business activities, investment of capital and mobilization of resources can be increased. It will help in utilizing the existing resources in one hand and can improve the rural livelihood in the form of farm and off farm activities. Ease of banking transactions in mother language, minimizing the complexities of opening bank account, provisions of more banking infrastructure, minimizing the financial fraud and crimes, legal action against private money lenders, awareness camp amongst the women for financial literacy and empowerment and most importantly emphasis should be given to change the negative outlook across the rural women for their development perspectives.

### **References:**

- 1) Chakrabarty, K.C. (2012). Financial Inclusion: Issues in Measurement and Analysis), Keynote address, BIS-BNM Workshop on Financial Inclusion Indicators. Kualalumpur.
- 2) Dutta, V. (2013). Aligning Hindu Stages of Life to financial planning Framework, Financial Planning Journal.
- 3) Mishra, L. (2011). A Study of Financial Planning Awareness, Education and Advisory from an Indian Perspective With Special Reference to the Educated Middle Class, Unpublished Ph. Thesis.
- 4) Pamarthy, K.H. (2012). Financial Literacy as a tool for financial inclusion and client protection, New Delhi, UNDP India.
- 5) Purohit, H and Chutani, R. (2016). A Study on Urban Working Womens Attitude towards mutual fund investment with special reference to Jaipur District, Rajasthan.
- 6) Reddy, D.R.K. (2012). Financial Inclusion: Road Ahead, The journal of Indian Institute of Banking and Finance, pp40-45