



FINANCIAL LITERACY AMONG RURAL WOMEN: A STUDY ON THE ROLE OF IBTADA NGO IN RAJASTHAN

¹Reeti Raj, ²Prof. (Dr.) Harsh Purohit

¹Assistant Professor, ²Professor & Dean

¹Department of Sociology (Faculty of Social Work),

¹Banasthali Vidyapith, Banasthali, Rajasthan, India

Abstract: In India rural women play a major role in the production of agricultural goods and animal husbandry resulting in 30.02% Workforce Participation Rate, which is higher in comparison to that of women in urban areas i.e. 25.51% (Census of India, 2011). Due to the prevalence of male dominancy, social stigmas and gender discrimination, these women working in the unorganized sectors are deprived from directly linking with the market as well as in decision making on economic participation. As the women have little access to financial services, many Non-Government Organizations (NGOs) have taken a noble step in Rajasthan for promoting women empowerment with a holistic approach. In this study, the researcher will make an effort to highlight the major interventions of Ibtada NGO in uplifting the status of rural women through formation of Self-Help Groups (SHGs), sensitizing these beneficiaries on financial literacy and generating leadership among women entrepreneurs thus building a better future for herself and her entire family.

Index Terms - Rural Women, Non Government Organizations, Women Empowerment, Financial Literacy, Entrepreneurs.

I. INTRODUCTION

Financial literacy is a process that promotes financial inclusion through which an individual develops an understanding and skills in utilizing, spending and saving money as well as enhancing his or her ability in decision making for using of financial resources. Financial literacy is a conglomeration of awareness, knowledge, skills and behaviour towards financial well-being resulting in ultimate financial stability. It not only inculcates one's knowledge but also focuses on financial inclusion by educating various segments of the society, especially the vulnerable sections through financial literacy programmes. Financial literacy is a conglomeration of awareness, knowledge, skills and behaviour towards financial well-being resulting in ultimate financial stability. It enables individuals to manage their own finances and equips them to avoid financial crisis. Financial literacy promotes financial capability among the vulnerable sections through access in savings, credit, transaction, loans, planning etc. thus resulting in sustainable income generation for combating poverty (OECD, 2013; Huston, 2010). It is not only the enhancement of skills and knowledge but encouraging an individual in decision making on effective monetary management. Imparting knowledge on various means of financial literacy affects financial behaviour (Lusardi & Mitchell, 2014), it is essential to value people's capacity of accepting basic financial concepts and the extent to which financial skills short among the vulnerable sections namely women and poor.

In India more than 76% of the adult population are less compatible with concepts of financial literacy. Worldwide, the status is even low among adults with more than 66% are financially illiterate. In our country, the gender gap is wider with about 73% men and 80% are financially illiterate. Researchers show that only 14% of Indian adults are concerned of their saving. Just 39% of adults having loans from commercial banks and other sources are financially literate while more than 27% of borrowers were not literate about financial concepts (S&P survey, 2015). The Government of India, RBI, various government and non-governmental bodies have taken initiatives by developing policies and implementing programmes and projects to mitigate exploitation of vulnerable sections, promote their financial knowledge and sensitize them through accessibility of such services.

The government is continuously emphasizing on promoting status of vulnerable sections of the society, including women, through initiation and implementation of policies and programmes. Government of India has launched several schemes under financial inclusion namely Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY) to sensitize people for adequate knowledge and encourage accessibility of all these schemes. As such there is a need to create financial inclusion by improving the ability to understand on how to access the schemes.

Several NGOs worked in collaboration with the Government and made modest attempt to ensure effective implementation laws and policies and disseminated the outcomes, experiences and achievements through participatory research, conducting workshops, seminars

and conferences at various levels, organizing social audits, gender budgeting, carrying our advocacy at state, national and international platforms etc (Asif, M.; 2011).

For the economic upliftment of rural women, even when there is lack of grants, NGOs extend their services by utilizing their own corpus fund and overcome extreme hurdles to support women folks and involve them through formation of SHGs, and develop their understanding on thrift and credit, banking, loaning etc. These SHGs are further promoted to function as Clusters, Federations and Cooperatives by not only enhancing financial inclusion and literacy among these members but also empowering them to foster decision making power within the family and enabling their ability to control over resources thus combating poverty and social exclusion. The financial institutions at the grassroot level (SHGs, Clusters, Federations and Cooperatives) provide with a platform to these SHG members and particularly the women leaders through regular trainings on financial planning and helping them to promote their involvement in sustainable livelihood thus contributing in the family income as well as in coping up with various social crisis.

II. LITERATURE REVIEW

For carrying out this study, the researcher has reviewed various articles and books where the authors have highlighted, analysed and discussed on the importance and contribution of different organizations and microfinance institutions in uplifting the economic status of poor rural women in various parts of the country as well as in Rajasthan.

Mall, M., & Mishra, P. K. (2013) highlights the gradual development and rapid growth of micro credit system in the country. Being one of the developing countries with economic growth, India still lags behind in having limited banking services in rural areas. Due to inadequate and inefficient functioning of credit cooperatives rural masses face several challenges. Microfinance institutions and NGOs have not only given efforts to reduce poverty but also emphasized on promoting rural credit system through availability of banks and creating linkages in the remotest untouched corner of the country. NGOs play multifaceted task of facilitator, product developer, packager, direct lender, trainers for helping acquire expertise in implementing financial services in target areas.

In their study P. Narumugai & J. Lalith Kumar (2017) highlighted on the necessity for holistic development of women in India. The researchers discussed on the contribution of NGOs for promoting economic, political and social development among rural and urban women. While focusing on role of NGOs they tried to emphasize on the importance of self-help groups in inculcating women's knowledge and application on financial literacy and other aspects of development, financial support to family, decision making power, accessibility of various services etc resulting in sustainable development of the society. In the paper they explored the various means for promoting rural entrepreneurship among women in India.

The first researcher of Financial Planning in India, Mishra, L. (2012) believes that combination of awareness, knowledge, skill, attitude and behaviour are the keys to promote sound financial decision making, thus resulting in an individual's financial wellbeing. This article is a part of author's doctoral research. In his study, he had approached 150 educationists, education providers, corporate bodies, NGOs providing education to vulnerable groups of the society. Out of them, 47 (about 30%) had responded. As financial education is an important mechanism to financial capability the author suggests that financial education should be rendered to all sections of the society. It should be the responsibility of the Government bodies to ensure financial literacy and enhance financial capability among all.

Asif, M. (2011) explains how in a democratic country like India, development of the citizen is the major priority. While the Government envisions holistic approach of development little is possible for the functionaries to reach every nook and cranny of the country. In collaboration with the Government, NGOs operate to ensure effective implementation of various policies and programmes and disseminate knowledge to sensitize people for social change. The researcher has explained in the paper on the different roles and responsibilities of NGOs in India in empowering the population to access their rights.

Raj, D., & Sharma, S. K. (2016) reviewed the role of NABARD in strengthening microfinance and the rapid growth of SHG programme has extended the path to poverty alleviation and in raising the standard of living of women, poor, rural, deprived sections of the society. The study is based on secondary data where researchers have analysed annual reports, journals, magazines etc. of NABARD and focused on its impact in Himachal Pradesh to reduce poverty among the local masses of rural and remote areas. The study reveals that NABARD has generated credit distribution for the betterment of weaker sections and has facilitated rural artisans and farmers by improving their indigenous handicraft through promotion of small scale industries, rural crafts, cottage industries etc. These beneficiaries have also been uplifted through participation in various craft fairs for exhibiting their traditional art.

Through an evaluation research supported by ICSSR, Samanta, G. (2009) examined the prospects and failures of microfinance in promoting income generation and empowering of women SHG members. Rigorous field visits were conducted in five blocks of Burdwan district in West Bengal to collect information from 64 SHGs under SGSY and 500 individual members who were functioning for more than 3 years. The purpose of this study was to understand the impact of microfinance schemes on these rural women. Both quantitative and qualitative research methods were applied to carry out this study. Quantitative data was collected through structured questionnaire schedule while qualitative information was obtained through semi structured interviews and focus group discussions. Indicators like mobility, level of confidence, capacity building, decision making etc were used to measure the level of empowerment. This study highlights that there was mixed impact of microfinance on poverty alleviation and women's empowerment. The government and NGOs have successfully encouraged raising their status above poverty line. The researcher has also identified cases where active SHG members have not benefited by SHGs nor have been able to generate satisfactory livelihood.

Anand, M., & Kanwal, B. (2018) mention that women's participation in growth does not restrict to family but must be extended to community and nation. Microfinance is one such opportunity that promotes holistic development among women through economic empowerment and entrepreneurship. The objective of this study was to examine role of microfinance in promoting economic empowerment among women and discusses the hindrances faced women entrepreneurs. The study was descriptive in nature where the data was collected from 51 women entrepreneurs through structured questionnaire and telephonic interview. The researcher conducted

Reliability test to assess the consistency of the instruments. It was observed that more married women opted for entrepreneurship activities. All the respondents were literate, 49% of them had completed graduation and 23% of them had qualified higher secondary. It was found that women entrepreneurs in Rajasthan were mainly involved in traditional activities. Every respondent faced obstacles both in their family as well as in their business. It was also revealed that the loans obtained from SHGs were not always used for productive purposes. 41% of these women availed bank operations on their own without depending on others.

Kumar, A. (2011), Project Director of Kumarappa Institute of Gram Swaraj (KIGS), an NGO based in Jaipur, has contributed himself in working for the welfare of rural masses for more than two and half decades. Having a vast experience in the field of social welfare, he works intensively for empowerment of rural women as well as augmenting economic status and decision-making power among the beneficiaries. One of NGO's major efforts has been promotion financial inclusion of rural women by involving them in thrift and credit through Self Help groups, developing linkages with various banks, provision of loans and also in forming women Federations in various districts of Rajasthan. In his article, he tried to highlight the various challenges faced by local NGOs and Microfinance Institutions.

In her paper Dwivedi, M. et.al. (2015) explain the noble steps taken by PRADAN NGO in Dholpur district of Rajasthan to promote financial inclusion and financial literacy among the excluded / vulnerable sections of the society. This paper discusses about SHG initiatives, achievements in formation of these groups of women, collaborating these SHGs with banks and their positive outcomes in fulfilling the economic status of women.

Eminent financial scholars, Lusardi, A. & Scheresberg, C. de B. (2017) highlight in their report on the comprehensive analysis of personal finances of working women. They reveal that in comparison with 2012, the financial capability of working women has steadily increased in 2015. In comparison to working men, there is significant lower percentage of participation of women in FL related to debt, financial fragility and retirement planning. In developing countries, NGOs play a significant role to promote holistic development among the underprivileged sections of the society (women, children, old age, minorities, specially-abled etc). Several NGOs in India are playing a pivotal role in financial inclusion through microfinance intervention. Some of the noted NGOs undertaking such noble initiatives include PRADAN (working in 7 states of India), Nav Bharati Jagritiki Kendra (NBJK), Cecoedcon (Rajasthan), West Garo Hills Community Resource Management Society, Tura and Bosco Reach Out, Shillong (Meghalaya), SEWA (Ahmedabad), Myrada (Karnataka) etc.

III. OBJECTIVE OF THE STUDY

To study the initiatives and capabilities of Ibtada NGO in promoting financial literacy among rural women in Rajasthan.

IV. FINANCIAL INITIATIVES OF THE NGO

Ibtada NGO is serving for more than two decades for enabling and promoting women folks of the unserved and underserved sections with an approach for overall development through economic empowerment, capacity building, sustainable livelihood and encouraging them in decision making were selected for this study. Some of y Ibtada is delivering its services for the upliftment of rural women in various target areas.

With the mission to enhance status of women and girl children, Ibtada started its journey in 1997 as a non profit NGO in the Mewat region of Rajasthan and developed linkages with banks in 1998. It endeavours to strengthen the deprived sections especially women of the underserved and unserved sections of the society. Presently, Ibtada has mobilized SHG women members to form 10 federations. Through the SHG programme, the NGO has started livelihood interventions by promoting agriculture and animal husbandry. Along with women's participation in regular thrift and credit, these SHG women are enabled to work as resource persons for the communities. Skill development and capacity building trainings are organized to inculcate women's capability for their leadership roles as Pashu Sakhies, Krishi Sakhies, Swasthya Sakhies, Shiksha Sakhies and Adhikari Sakhies. Ibtada has worked in agriculture, dairy animals and goat rearing ensuring sustainable livelihoods. Three Producer Companies of Women have been formed – one for agriculture, second for goat rearers and third for dairy animals. Ibtada has also worked in the area of functional literacy of women, digital literacy, life skills education and career facilitation for girls in these years. Building a community cadre as a change agent in the community has been an integral part of the strategy for Ibtada.

The NGO extends services on economic upliftment of rural women:

Women registered in SHGs	SHGs formed	Cluster / Village level organizations	Federations
26500	2336	207	10 (including 5 for the NRLM)

Ibtada has a three-tier institution (SHGs, Clusters and Federations or Manchs) at the grassroot level for implementing programmes on financial inclusion, sustainable livelihood, women's leadership and promoting the accessibility of women's rights. At the cluster level, a governing body, known as Mahila Sabha, is initiated comprising around 10 to 12 SHG members. Three members of each SHG represent their group at the meetings of Mahila Sabha. Two of them are permanent while the third member is selected in a rotation basis. Each Mahila Sabha is managed by four members i.e. the Pradhan, Vice Pradhan, Secretary and Treasurer. These Sabhas do not have any specific objective but focuses on promoting large scale women's organization, facilitate financial issues between SHGs and federation, encourage inter loaning, updates information, liaisons with federation and also resolve disputes and various personal issues of the SHG members.

The federation or Mahila Munch plays a unique role than the Mahila Sabha having stable financial entities. Each federation constitutes of around 10 to 15 Mahila Sabhas. The federation works as an independent body, receiving little support from the NGO. The fund of the federation is mainly generated from membership fees, interests from loaning amount, service charges, Munshi service charges etc. Loan is mainly provided for activities like sanitation, bio-gas and livelihoods. The Mahila Munch constitutes of staff namely the Federation Manager, Assistant Manager, one Accountant and group accountants or Munshis.

V. DISCUSSION

Ibtada's core mission is to promote community-based organizations for women empowerment, changing their decision-making power in the family as well as in the society, seeking financial security of the family, enhancing power to control their resources and also enabling them to access their rights. Women SHG members are involved in regular thrift and credit, regular saving and accessing loans thus fighting against social exclusion and severe financial crisis. The NGO promotes institutions like SHGs, Clusters and Federations to provide them with a platform for capacity building trainings to SHG leaders and the community. The federations enable credits from banks and also provide them with loans for construction of houses and toilets. A fund named 'Rahat Kosh' is mobilized to extend financial support to the family due to sudden, unexpected death of any SHG member or her partner. Ibtada has collaborated with banks and funding agencies to promote women's economic status in particular.

The Self help groups set their own rules and regulations for members to follow and ensures that there is no violation. The groups maintain a system of keeping records and accounts and ensure quick recovery of loans. Members are provided with a platform wherein they discuss on social issues and are able to address them. For easy accessibility of varied ranges of financial services, Ibtada in collaboration with NABARD, has initiated a project to promote women and train them as SHG Munshis to digitize the data of each SHG. The project emphasizes on digitizing all the SHG accounts and bring members under the fold of Financial inclusion thus accommodating user friendly banking facilities, easy credit appraisal and creating linkage on universal delivery system.

Strengthening the SHGs, VOs and Federations is a continuous process. Ensuring regular meetings, savings and repayment of loans is the key for better functioning of SHGs. Federations have come into their own. Regular Manch meetings, monthly Executive Committee meeting and Annual General Body meeting of each federation is organized timely as scheduled. Annual cluster meeting is organized every year for all the clusters. The NGO takes the effort to integrate all SHG members in a particular cluster. Group evaluation results, progress of cluster activities and other information about the status of federation are published and shared with the members. The goals and target of a particular cluster for next year are set up in this event. The members share their experiences, learnings and problems faced in the functioning of their group. Resource persons from different departments are also invited to generate awareness on various social issues. Every year Ibtada organizes annual general body meeting of each federation where the office bearers of each and every SHGs represent their group. In this meeting the representatives know about the progress and performance of their institutions. Ibtada organizes various training programmes to learn about the working status of groups and helps to improve their quality of functioning. special training sessions for the executive members of the federation which will help them to work efficiently. Non-residential training is conducted on leadership for SHG members by encouraging them to inculcate their leadership skills and take initiatives for the welfare of her society. Exposure visits are also organised for the newly formed SHGs in which they interact with old groups to understand about the effective working of SHGs, book keeping, conducting meetings etc.

VI. CHALLENGES

Organizations face several challenges while mobilizing rural women for promoting their economic status. Organising women in self-groups and sustaining these groups is most challenging for these NGOs. It requires continuous inputs and supervision for the long time till enables ownership building. In this process NGOs face several challenges. In rural area, as most of the women are illiterate or less educated with little knowledge on various issues, NGOs require extra efforts to make their collectives and impart the different trainings. It is very difficult to maintain consistency and transparency where finances are involved. In case of urgency, the members take hasty decisions in opting for loans with high rate of interest. SHG women face several challenges from the bank side also be it from opening the account to the loaning and repayment is also a big issue. Sometimes community politics also affect the SHGs and its sustainability.

VII. CONCLUSION

In the rural areas, women SHGs clusters and federations have emerged as factors of social changes. NGOs' efforts on promoting SHG programmes have a direct impact on the social status and decision-making power among women folks. There has been decline in violence against women SHG members. Involvement of these women in monetary matters and economic support in the family has resulted in increase of income of the household and decrease in migration. Investment insurance has also increased followed by increase in household expenditure. As the family expenditure increased, the household debt requirement has also increased. There is an improvement in their lifestyle due to increase in family income. Women are more particular about their children's education followed by investments for developing quality of houses, construction of toilets, accessibility of water supply and electricity as well as purchase of household assets like electronic gadgets, motorbikes, televisions etc. With the increase in savings and income of the households, the requirement for credit also increases. They are taking initiatives in starting up small business, children's education, building long term assets and spending on festivals and social events.

Acknowledgment

This is to acknowledge Mr. Rajesh Singhi, Director, Ibtada NGO for providing his valuable information and inputs on initiatives and support of the NGO for promoting economic empowerment through financial literacy among rural poor and vulnerable women in Alwar district of Rajasthan.

REFERENCES

- [1] Agarwal, J. D. (2019). Strengthening the financial system. *Yojana*, 63, 18-20.
- [2] Aggarwal, M., & Rana, R. S. (2017) (Ed). Financial awareness among women in Indian villages: Journey from home makers to money savers. *Financial Sector in India: Issues, Challenges & Opportunities*. New Delhi: Excel India Publishers.
- [3] Anand, M., & Kanwal, B. (2018). Role of microfinance in women economic liberalisation (with special reference to Rajasthan). *IOSR Journal of Business and Management (IOSR-JBM)*, 20(3), 64-72.
- [4] Asif, M. (2011). Role of NGOs in India. *Yojana*, 55, 8-11.
- [5] Ibtada (2019). Annual Report.
- [6] Jadhav, D. S. Role of NGO in rural development. *BVCON-15*.
- [7] Joseph, D. (2014). A study of financial inclusion and financial literacy. *International Journal of Business and Administrative Research Review*, 2(4), 126-134.
- [8] Kannan, M., & Paneerselvam, A. (2013). The microfinance in India- An overview. *International Journal of Current Research and Academic Review*, 1(1), 78-83.
- [9] Kumar, A. (2011). *Prospects and Challenges in Microfinance (a case study of selected organizations engaged in microfinance activities in Rajasthan)*. A doctoral thesis.
- [10] Kumaran, M. (2014). Roles, responsibilities, and trends of NGOs in women empowerment. *Indian Journal of Public Administration*, LX(3), 588-597.
- [11] Kumari, N. (2013). The role of NGOs in socio-economic development of Jharkhand: An overview. *International Journal of Business and Management Invention*, 2(4), 19-35.
- [12] Levi – D'Ancona, E. (2014). Financial literacy and financial inclusion of women in rural Rajasthan. *Independent Study Project (ISP) Collection, Paper 1953*, Retrieved from http://digitalcollections.sit.edu/isp_collection/1953.
- [13] Mall, M., & Mishra, P. K. (2013). Micro credit for sustainable development: Role of NGOs. *International Journal of Management and Social Sciences Research*, 2(4), 70-73.
- [14] Mishra, L. (2012). Finance education is imperative for enhancing financial capability of Indian citizens. *IOSR Journal of Business and Management*, 5(5), 01-10.
- [15] Narumagai, P., & Kumar, J. L. (2017). Role of NGOs towards women empowerment. *IJARIE*, 3(4), 756-761.
- [16] Raj, D., & Sharma, S. K. (2016). National Bank for Agriculture and Rural Development the engine of promoting the microfinance. *International Journal of Research in Social Sciences*, 6(10), 969-978.
- [17] Samanta, G. (2009). Microfinance and Women: Gender Issues of Poverty Alleviation and Empowerment. *The Microfinance Review*, 1(1), 100-120.
- [18] Tandon, R. (1991). Civil society, the state and roles of NGOs. *IDR Reports*, 8(3), 1-15.