Opinion Of Koppal District's Muslim Women On Financial Literacy, Empowering Women And Strengthening

By:
Rajma T. M. R.
Research Scholar,
Dept. of Development studies
Kannada University,
Hampi (Karnataka)

And

Dr. A. Shridhar
Professor of Political science
Dept. of Development studies
Kannada University, Hampi
Vidyaranya-583276

ABSTRACT:

Financial literacy is more than just understanding finance—it involves applying that knowledge in daily life to manage money effectively. The digital revolution has reshaped the financial sector, bringing both opportunities and challenges for financial inclusion, especially among vulnerable groups. Financial literacy enables the common person to understand their financial position and make proper use of the various products and services offered by financial institutions, thereby enhancing the pace of financial inclusion. This exploratory study examines the financial literacy of rural Muslim women in the Koppal district of Karnataka. It aims to analyze their demographic profile, financial practices, attitudes, and knowledge within the growing landscape of digital financial services. To identify specific knowledge gaps in areas such as saving habits, expenditure patterns, investment behavior, mobile banking, digital payments, financial planning tools, and investment avenues, the study uses primary data collected through a structured questionnaire. By identifying these gaps, the research seeks to guide financial institutions and policymakers in designing targeted interventions that can empower rural Muslim women in the digital era and promote their overall financial well-being.

KEYWORDS: Muslim Women, Karnataka, Koppal, Financial Empowerment.

1.   Introduction:

Financial literacy among women, particularly in rural areas, remains a critical but often neglected aspect of economic empowerment and community development. In Koppal, Karnataka, where a significant Muslim population resides, addressing the financial literacy needs of rural Muslim women presents a unique opportunity to enhance their socio-economic status and thereby strengthen the entire community. Financial literacy is defined as the knowledge and skills required to make informed financial decisions effectively. It encompasses understanding basic financial concepts such as budgeting, saving, investing, and managing debt, which are essential for economic independence and resilience (Organisation for Economic Co-operation and Development [OECD], 2016). Despite its importance, there is a dearth of research specifically focusing on financial literacy among rural Muslim women in this region of India. This study seeks to address this gap by examining the current level of financial literacy, identifying the barriers to acquiring financial knowledge, and proposing strategies to enhance financial literacy among rural Muslim women in Koppal. The intersection of gender, religion, and rurality in this region creates a compelling context for investigation. Although India has made notable progress in financial inclusion, significant disparities continue to exist across gender, religious communities, and geographical locations. Muslim women, in particular, remain a vulnerable group due to socio-cultural constraints, limited educational opportunities, and restricted access to economic resources. The rural setting of Koppal, characterized by its agrarian economy and limited financial infrastructure, further intensifies the challenges these women face in managing their finances. Therefore, this research is crucial for understanding the specific financial needs, constraints, and opportunities of rural Muslim women in Koppal. The insights gained will help inform targeted interventions aimed at improving their financial well-being and fostering broader community development.

2.   Literature Review:

Financial literacy helps to bring women's empowerment in rural communities; demographic factors and financial experience are some of the variables that affect it (Balireddy Mohan Nikhil Teja & Moksha Singh, 2023). Self-help groups play a vital role in incorporating digital initiatives in their group activities and encourage rural women to be a part of financial inclusion through financial literacy (Deepa S R & Noronha, 2024). Financial literacy helps to empower women socially and economically. Financial knowledge helps rural women to get better understanding on the importance of saving, managing credit, budgeting, investment which promote financial inclusion and economic progression (Lusardi & Mitchell, 2014; Satyaranjan Garu & Dash, 2023; Duflo, 2012; World Bank, 2014). Technological innovations, particularly mobile phones have made accessibility to financial service much easier for women in rural areas (Dupas, P., & Robinson, J. (2013). Research indicates that improving financial literacy not only enhances individuals' financial decision-making capabilities but also contributes to overall economic development by increasing savings rates and fostering entrepreneurship (Klapper, Lusardi, & Van Oudheusden, 2015). Research Gap While there is a growing body of research on financial literacy, the specific context of rural Muslim women in Koppal remains understudied. Existing studies often overlook the intersection of gender, religion, and rurality in shaping financial behaviors. Moreover, the impact of

financial literacy on women's empowerment and community development in this specific context is largely unexplored.

3.   Statement of the Problem:

Understanding financial literacy among rural Muslim women in Koppal is a crucial topic of discussion as it contributes to the growing body of knowledge on financial inclusion and gender equality in India. It also helps to provide insights into the specific needs and challenges faced by this marginalized group, enabling the design of targeted interventions. Enhancing financial literacy among rural Muslim women can empower them to make informed financial decisions, improve their livelihoods, and contribute to the overall development of their communities. The study aims to investigate the levels of financial literacy among rural Muslim women in Koppal, Karnataka, identifying barriers and opportunities for enhancing their financial knowledge and skills to foster community empowerment.

4.   Objectives of the Study:

The primary objective of this research is to assess the current level of financial literacy among rural Muslim women in Koppal, Karnataka.

1.   To study the demographic profile of the respondents.

2.   To assess and determine the factors promoting financial behaviour among the respondents

5.   Scope of the Study:

The relevance of this study is underscored by the socio-economic context of Koppal, where rural Muslim women often face intersecting challenges related to gender inequality, limited educational opportunities, and restricted access to financial resources. Empowering these women with financial literacy can lead to greater economic independence, improved decision-making capabilities, and enhanced well-being for themselves and their families (Lusardi & Mitchell, 2014). Furthermore, by focusing on rural Muslim women specifically, this study addresses a segment of the population that has been historically marginalized and underserved in terms of financial education initiatives. Therefore, the findings of this research are expected to not only contribute to the academic literature on financial literacy but also inform policy and practice aimed at promoting gender equality and community development in similar rural settings worldwide.

6.   Research Methodology:

6.1.   Research Design and Approach:

The purpose of this study is to understand financial literacy among rural Muslim women in Koppal as it contributes to the growing body of knowledge on financial inclusion and gender equality in India. Enhancing financial literacy among rural Muslim women can empower them to make informed financial decisions, improve their livelihoods, and contribute to the overall development of their communities. The study aims to investigate the level of financial literacy among rural Muslim women in Koppal, Karnataka. The respondents for this study are rural Muslim women in Koppal District of Karnataka.

6.2.   Sampling Method and Sample Size:

Purposive sampling is adopted to select the respondents for the study. The population comprises of Muslim Women of Koppal District of Karnataka. For the study, about 210 respondents were selected as the sample.

6.3.   Data Collection and Data Analysis Method:

To conduct this research, both primary and secondary data were utilized. Primary data was collected from 210 respondents using a well-structured questionnaire. The study was confined to the Koppal district. Secondary information was gathered from various books, journals, and reliable websites. The analysis involved both qualitative and quantitative approaches to examine the data and interpret the results effectively.

7.   Data Analysis and Interpretation:

The data is analyzed using R programming and Microsoft Excel and has been presented graphically. Statistical techniques such as Fisher's exact test, one sample and two sample proportion test and logistic regression have been used to analyze and interpret the results. In this part of the study, the data collected through primary sources is analysed and interpreted.

1.   Testing of Hypotheses Fisher's Exact Tests Results-1:

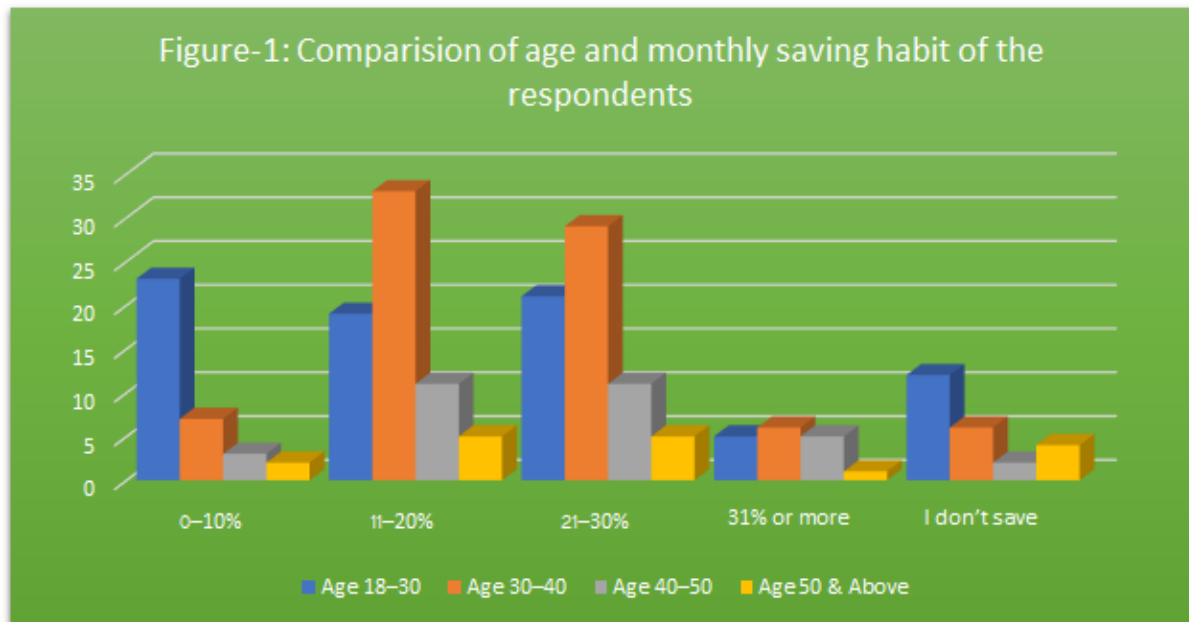H01: There is no association between the age and monthly saving habit of the respondents.

H11: There is an association between the age and monthly saving habit of the respondents.

Contingency table

Monthly Saving (%)	Age 18–30	Age 30–40	Age 40–50	Age 50 & Above
0–10%	23	7	3	2
11–20%	19	33	11	5
21–30%	21	29	11	5
31% or more	5	6	5	1
I don't save	12	6	2	4

p-value: 0.0235

It can be observed that the p-value < 0.05. Hence the null hypothesis is rejected at 5% level of significance. Thus it is concluded that there is an association between the age and monthly saving habit of the respondents.

Figure-1: Comparision of age and monthly saving habit of the respondents

2. Testing of Hypotheses Fisher's Exact Tests Results-2:

H02: There is no association between the educational qualification and monthly saving habit of the respondents.
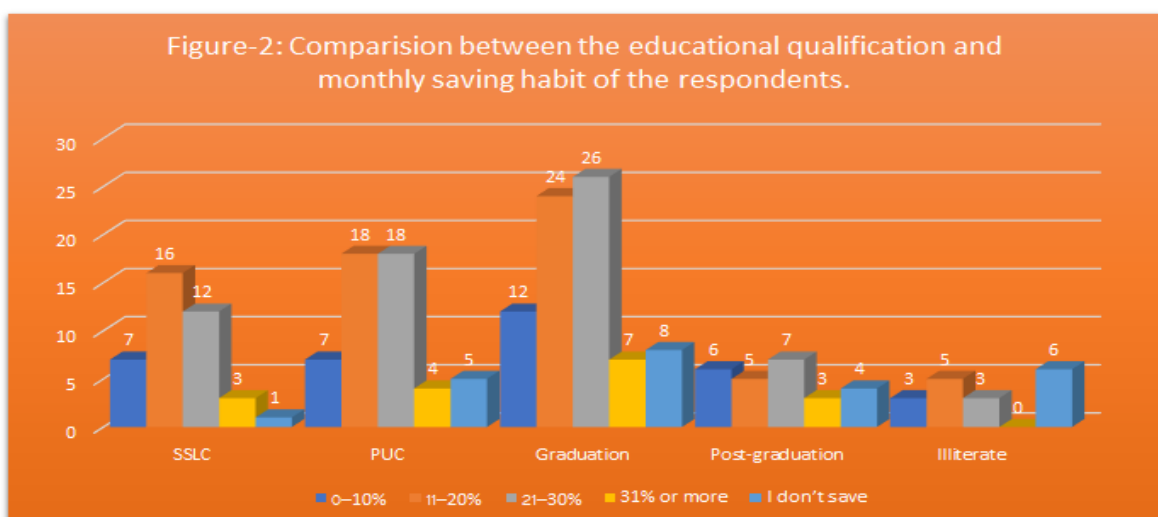
H12: There is an association between the educational qualification and monthly saving habit of the respondents.

Contingency table

Monthly Saving (%)	SSLC	PUC	Graduation	Post-graduation	Illiterate
0–10%	7	7	12	6	3
11–20%	16	18	24	5	5
21–30%	12	18	26	7	3
31% or more	3	4	7	3	0
I don't save	1	5	8	4	6

p-value: 0.3858

It can be observed that the p-value > 0.05. Hence the null hypothesis is not rejected at 5% level of significance. Thus it is concluded that there is no association between the educational qualification and monthly saving habit of the respondents.

Figure-2: Comparision between the educational qualification and monthly saving habit of the respondents.

3. Testing of Hypotheses Fisher's Exact Tests Results-3:

H03: There is no association between the occupation and monthly saving habit of the respondents.
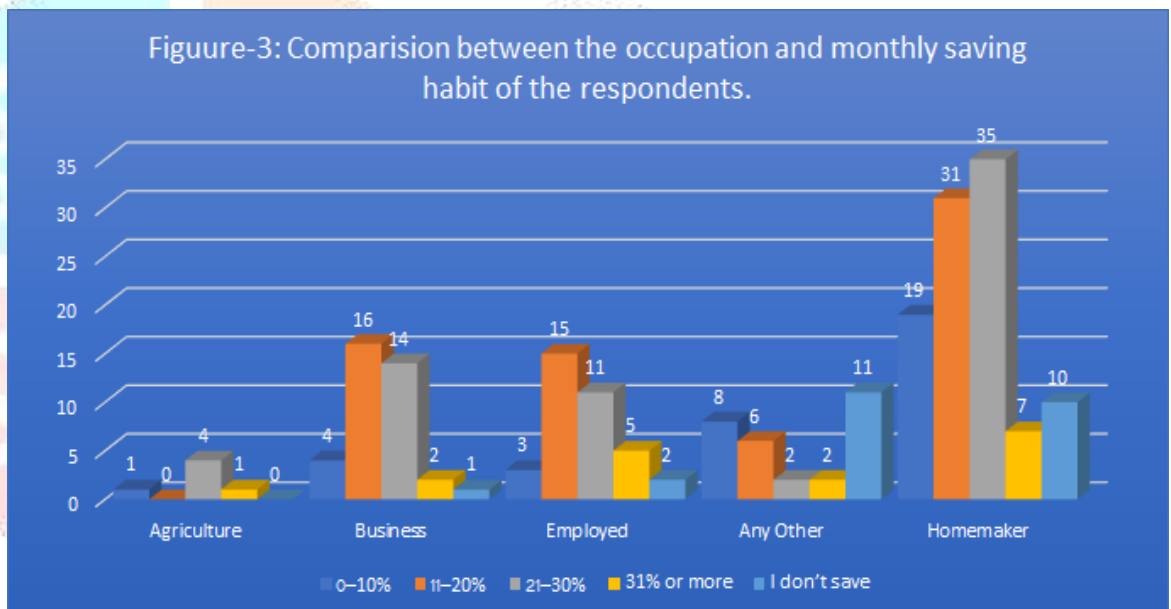H13: There is an association between the occupation and monthly saving habit of the respondents.
Contingency table

Monthly Saving (%)	Agriculture	Business	Employed	Any Other	Homemaker
0–10%	1	4	3	8	19
11–20%	0	16	15	6	31
21–30%	4	14	11	2	35
31% or more	1	2	5	2	7
I don't save	0	1	2	11	10

p-value: 0.0004

It can be observed that the p-value < 0.05. Hence the null hypothesis is rejected at 5% level of significance. Thus, it is concluded that there is an association between the occupation and monthly saving habit of the respondents.

Figuure-3: Comparision between the occupation and monthly saving habit of the respondents.

4. Testing of Hypotheses Fisher's Exact Tests Results-4:

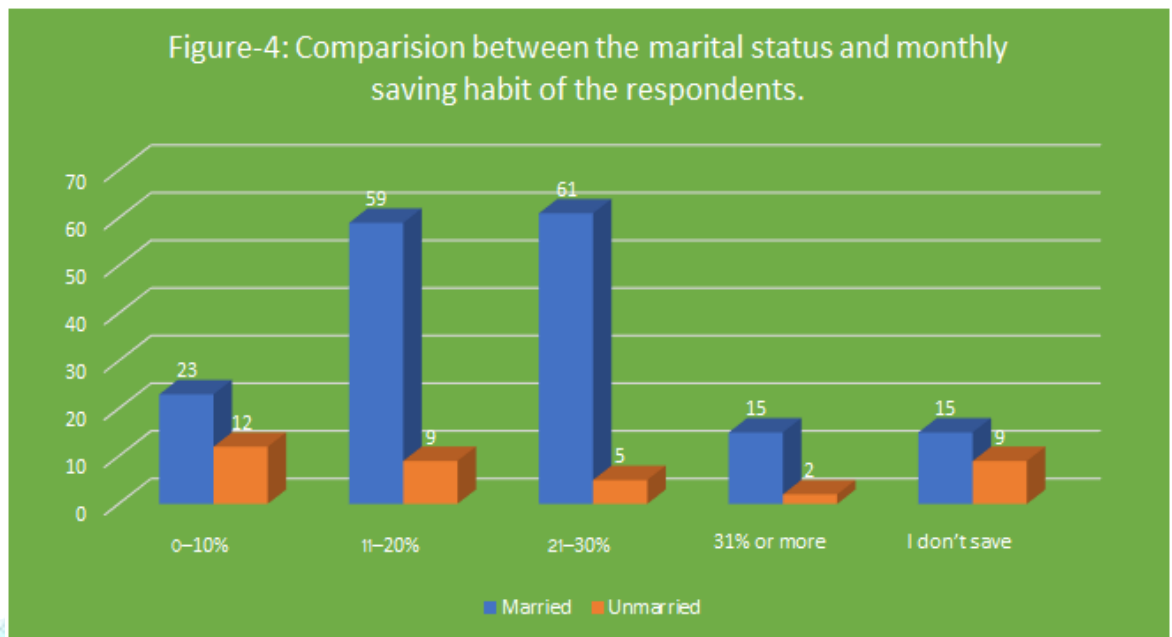H04: There is no association between the marital status and monthly saving habit of the respondents.

H14: There is an association between the marital status and monthly saving habit of the respondents.

Contingency table

Monthly Saving (%)	Married	Unmarried
0–10%	23	12
11–20%	59	9
21–30%	61	5
31% or more	15	2
I don't save	15	9

p-value: 0.0009

It can be observed that the p-value < 0.05. Hence the null hypothesis is rejected at 5% level of significance. Thus, it is concluded that there is an association between the marital status and monthly saving habit of the respondents.

Figure-4: Comparision between the marital status and monthly saving habit of the respondents.

5. Logistic Regression Models

1. Model 1:

Here the response variable is considered to be the saving habit of the respondents. The repressors considered are respondents' age, educational qualification, occupation, marital status, family size and family income. The summary of the model is as follows:

Coefficients	Estimate	Standard Error	Z value	p-value
Intercept	8.7052	2.5064	3.473	0.0005***
Age	-0.2936	0.3162	-0.928	0.3532
Educational Qualification	-0.5927	0.2125	-2.789	0.0053**
Occupation	-0.4382	0.2909	-1.506	0.132
Marital Status	-1.4857	0.7424	-2.001	0.0454*
Family Size	-1.6025	0.5582	-2.871	0.0041**
Family Income	1.0557	0.3699	2.854	0.0043**

2. Model 2:

Here the response variable is considered to be the investing habit of the respondents. The repressors considered are respondents' age, educational qualification, occupation, marital status, family size and family income. The summary of the model is as follows:

Coefficient	Estimate	Standard Error	Z value	p-value
Intercept	6.6352	2.0674	3.209	0.0013**
Age	0.0629	0.2573	0.244	0.807
Educational Qualification	-0.4323	0.1718	-2.516	0.0119*
Occupation	-0.6584	0.2562	-2.57	0.0102*
Marital Status	-1.009	0.628	-1.607	0.1081
Family Size	-1.0828	0.4317	-2.508	0.0121*
Family Income	0.2674	0.8496	3.178	0.00148**

It can be observed that the p-values for the variables Educational Qualification, Occupation, Family Size, and Family Income are less than 0.05, indicating statistical significance. Among these, the respondents' family income shows a particularly high level of significance. Therefore, it can be inferred that these factors-educational qualification, occupation, family size, and family income-play a significant role in influencing and encouraging respondents to engage in investment activities.

8. Findings:

Fisher's Exact Test Results indicate that demographical profiles such as age, occupation, and marital status have an association with the monthly savings habit of the respondents, which reflects that these factors play a vital role in promoting financial behaviour.

The study reveals that there is no association between educational qualification and monthly savings habits of the respondents from which it can be inferred that education is not mandatory to bring financial literacy.

The result of the one-sample proportion test reveals that the majority of the respondents are financially literate, which clearly indicates the reach of Financial Literacy Programmes in Koppal. The two–sample proportion test result depicts that both home makers and employed respondents have the habit of saving which reflects that financial behaviour can be encouraged irrespective of the occupational status of the respondents.

The results of the Logistic Regression Model show that the respondents' educational qualification, marital status, family size and family income are significantly contributing towards promoting the respondents to have savings.

The results of the Logistic Regression Model show that the respondents' educational qualification, occupation, family size and family income are significantly contributing towards promoting the respondents to indulge in investments.

9. Conclusion:

The study aimed to assess the financial literacy level among rural Muslim women in Koppal, Karnataka, and to understand its impact on their financial behavior. The findings reveal a complex interplay of factors influencing financial literacy and subsequent savings and investment habits. The study's findings highlight the potential of financial literacy programs to empower rural Muslim women. By addressing the specific needs of different demographic groups and leveraging existing strengths, targeted interventions can be designed to enhance financial inclusion and improve the overall economic well-being of the society.

Reference:

1. Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. Journal of Economic Literature, 52(1), 5-44. https://doi.org/10.1257/jel.52.1.5. Duflo, E. (2012). Women empowerment and economic development. Journal of Economic Literature, 50(4), 1051-1079. https://doi.org/10.1257/jel.50.4.1051. World Bank. (2014). India - Country gender assessment. World Bank.

2. Dupas, P., & Robinson, J. (2013). Savings constraints and microenterprise development: Evidence from a field experiment in Kenya. American Economic Journal: Applied Economics, 5(1), 163-192. https://doi.org/10.1257/app.5.1.163

3. Klapper, L., Lusardi, A., & Van Oudheusden, P. (2015). Financial literacy around the world. In Standard & Poor's Ratings Services Global Financial Literacy Survey (GFLEC working paper).

4. Deepa S R, Sonia Delrose Noronha. (2024). A COMPREHENSIVE LITERATURE REVIEW ON WOMEN'S EMPOWERMENT IN SELF-HELP GROUPS AND DIGITAL INITIATIVES. EPRA International Journal of Research and Development (IJRD), 9(1), 81–88.

5. Garu, S., & Dash, S. (2023). An In-depth Analysis of the Relationship between Financial Inclusion, Women Empowerment, and Self-Help Groups in the Context of Odisha, India. MUDRA: Journal of Finance and Accounting, 10(2), 55-74.