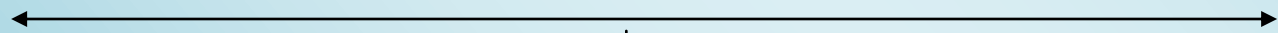


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## FINANCIAL INCLUSION OF WOMEN THROUGH MGNREGS: A STUDY OF BANK EXPERIENCES OF WOMEN IN ANANTHAPURAMU DISTRICT OF ANDHRA PRADESH

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### **ABSTRACT**

*The women in rural India are subject to several anomalies since time immemorial. The economic independence of rural women is curtailed by customs and traditions. For each and every economic need they have to depend on male members of the family. They have no access to formal financial institutions. At this juncture the MGNREGS was launched by the Government of India in 2006. It has several specific provisions relating to the women. The important development that has taken place in the implementation of the programme is opening of bank/post office account by every beneficiary family. As such it paved the way for women to have access to formal banking system. The present paper makes an attempt to evaluate the experiences of women while opening bank/post office account as the beneficiaries of MGNREGS.*

### **INTRODUCTION**

MGNREGA, by providing work on demand, creates employment opportunities during periods when other work is not available. And through bank payments it also generates financial inclusion for non-banked households. Besides the agencies for wage payment are being separated from implementing agencies through accounts-based wage payment. This will not only infuse integrity in wage payment, but also bring the most vulnerable people in rural India into formal banking and credit system. Workers under NREGA are provided medical and health cover insurance. Innovative experiments in the form of use of smart cards and biometric signatures for wage payment to NREGA workers in remote villages are being supported.

### **WOMEN'S INCLUSION AND EMPOWERMENT**

Various provisions under the Act and its Guidelines aim to ensure that women have equitable and easy access to work, decent working conditions, equal payment of wages and representation on decision making

bodies. From FY 2006-07 up to FY 2014-15 the women participation rate has ranged between 40-51 per cent of the total person-days generated much above the statutory minimum requirement of 33 per cent.

Almost 95 per cent of the wage and material payments in the programme are made through an electronic fund management system. This greatly increases transparency and reduces chances of misappropriation. Wage payments are made predominantly through post office or bank accounts directly into the account of the worker. As a result, nearly 11.2 crore (as on 31.12.15) bank or post office accounts of rural workers have been opened under Mahatma Gandhi NREGA. The implications for financial inclusion of women in particular are substantial. According to a research report on Mahatma Gandhi NREGA by the National Council of Applied Economic Research released in 2015, the percentage of participating women workers with bank accounts has risen more than five-fold from only 9% in 2004-05 to 49% in 2011-12. By 2015-16, 56% women workers have bank accounts as on 31.12.15.

In fact, the participation rate of women under the Scheme has been higher than in all forms of recorded work. Research studies also indicate that Mahatma Gandhi NREGA is an important work opportunity for women who would have otherwise remained unemployed or underemployed. With an increased rate of participation and large amounts being spent on wages for women, studies and field evidence suggest a positive impact of the Scheme on the economic well-being of women. The Scheme has also led to gender parity in wages. The NSSO 66th round indicated that MGNREGA has reduced traditional wage discrimination in public works. Access to economic resources has also had a favourable impact on the social status of women, for example women have a greater say in the way the money is spent in households. A large percentage of these women spend their money to avoid hunger, repay small debts, paying their child's schooling, etc.

## REVIEW OF LITERATURE

Payal Tiwari (2014) presents a case of women from marginalized communities and gives recommendations to the upcoming women's banks to adopt various ways through which women living in the fringes can also be included in the financial circulation. Several women in the urban cities hold bank accounts at various banks in India, a section of women particularly those belonging to lower economic strata of society were interviewed. The women belonged to Pardhi Community, a de-notified tribe found in Maharashtra and parts of Madhya Pradesh to understand the problems women faced while accessing formal financial institutions.

Ashish Kumar Mishra and Manisha Dubey (2015) assesses the impact of the MGNREGA scheme on the financial inclusion and insurance position of beneficiaries so that to bring the rural unskilled workforce to main stream of banking and postal system and capture their micro savings for the development of the economy.

Amar Nath Das (2015) in his study examine the effectiveness of two innovative instruments to promote financial inclusion such as business correspondence model under PMJDY and wage payment under MGNREGA through banks and post offices in different states in India and districts of west Bengal with special reference to our surveyed district Hooghly. The study at first looked in to the role of MGNREGA to promote financial inclusion via wage payment through banks and post offices in different states in India and districts of west Bengal with special reference to our surveyed district Hooghly.

## OBJECTIVES

1. To assess the progress of financial inclusion of women.
2. To analyze the role of MGNREGS in financial inclusion with special reference to women.

## RESULTS AND DISCUSSION

### Agency Wise Bank Account

As per the norms of MGNREGA the beneficiaries of the programme shall open account in bank or in post office. Table 1 gives the agency wise bank account opened by sample women respondents in the study area.

**Table 1**

**Agency wise accounts opened by Sample Respondents**

S. No.	Agency	No. of Respondents	Frequency
1	Bank	145	60.42
2	Post Office	33	13.75
3	Both of the above	62	25.83
<b>Total</b>		<b>240</b>	<b>100.00</b>

Source: Field Data

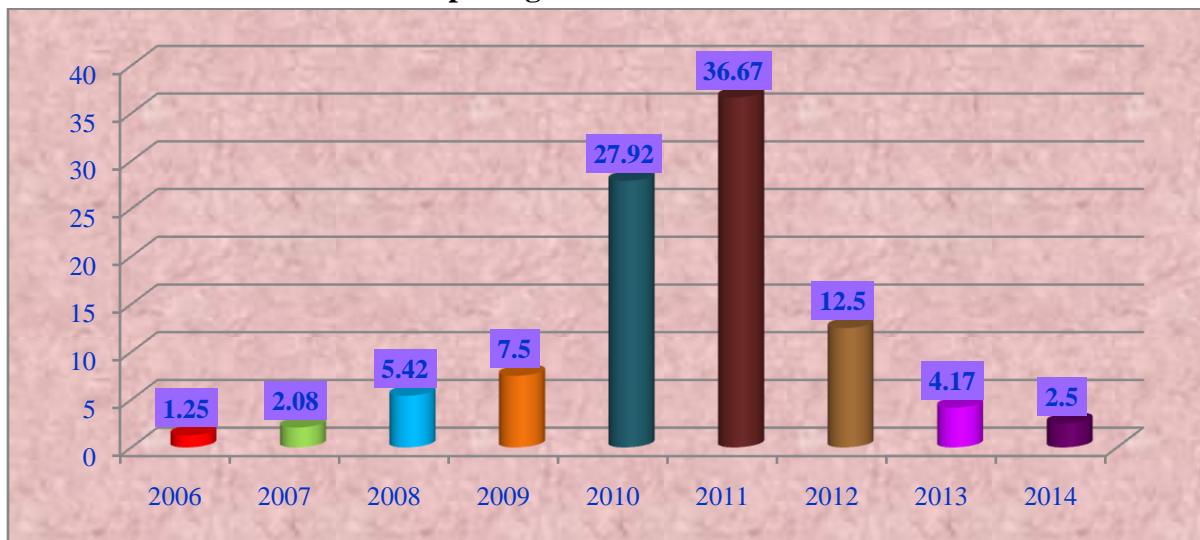
It is clear from table 1 that a preponderant majority i.e. 60.42 per cent of sample women have opened the account in commercial banks. As there are more bank branches than the post office branches in the study area,

most of the women opened account in commercial banks. More than one-fourth of the sample women have accounts in banks as well as in post office. Around 13.75 per cent of the sample respondents have accounts in post offices.

**Year of opening Bank Account**

The first set of financial inclusion indicators focuses on the ownership and use of an account at a formal financial institution. For most people a formal account serves as an entry point into the formal financial sector. Having a formal account facilitates the transfer of wages, remittances, and government payments. It can also encourage formal saving and open access to credit. Accounts are also a simple and consistent metric that facilitates the measurement of financial inclusion across countries. Ownership and use of accounts are relatively easy to define and observe, and basic checking and savings accounts are fairly similar across countries. Figure 1 gives the particulars of year of opening of bank/post office accounts by sample respondent women.

**Figure 1**  
**Year of opening Bank/Post office Account**



It can be inferred from figure 1 that large number of sample women beneficiaries of MGNREGS has opened accounts in banks/ post offices after 2009. Around 83.76 per cent of sample women opened accounts after 2009. It is due to wide publicity of Central and State Governments for the opening of accounts by MGNREGS beneficiaries either in banks or post offices. The local MGNREGS functionaries also motivated the beneficiaries to open accounts in the banks/ post offices. In 2010 and 2011 nearly 64.59 per cent of bank/post office accounts were opened.

### Informants for opening of account

The informants for opening of bank/ post office account by sample women respondents are detailed in table 2.

**Table 2**  
**Informants/Motivators for Opening of Account**

S. No.	Informants	No .of Respondents	Frequency
1	Fellow Workers	63	26.25
2	Bank Officials	21	8.75
3	MGNREGs Grassroots Staff	40	16.67
3	MGNREGS Mandal Officials	92	38.33
4	Panchayat Secretary	15	6.25
5	Panchayat President	6	2.50
6	Others	3	1.25
<b>Total</b>		<b>240</b>	<b>100.00</b>

Source: Field Data

It is clear from table 2 that more than half of the respondent women reported that the MGNREGS functionaries at grass root and Mandal level informed the women about the need and importance of having account at bank/post office. Among the MGNREGS functionaries, Mandal level officials like MPDO, APO, Mandal Engineer etc informed the women to open account at bank/ post office. The grassroots staff like Field Assistant, Mate etc of MGNREGS motivated 16.67 per cent of sample women to open bank/post office accounts. Fellow workers are the source of information for opening bank/post office account by 26.25 per cent of sample women respondents. As per the information provided by the bank officials around 8.75 per cent of sample women opened bank account. Panchayat Secretary and Panchayat President were the source of information for opening bank account by 6.25 per cent and 2.50 per cent of sample women respectively.

### Accompanying Person

As good number of women in rural India is ignorant of the business transactions of the banks/ post offices, they will take the help of someone nearer to them to open an account. Table 3 gives the details of number of women taken a companion to open bank/ post office account.

**Table 3**  
**Accompanying person for opening of account in Bank and PO**

S. No.	Particulars	No. of Respondents	Frequency
1	Alone	56	23.33
2	Accompanied	177	73.75
3	No Response	7	2.92
<b>Total</b>		<b>240</b>	<b>100.00</b>

Source: Field Data

Table 3 reveals that most of the sample women were not able to open account alone. Around 73.75 percent of sample women have taken a companion to open the bank/post office account. Only 23.33 per cent of women were able to manage themselves while opening a bank/ post office account. Around 2.92 per cent of women have not shown any interest to respond to the question.

#### **Frequency of Visits to Banks/Post Office**

Generally the women visit the banks not only to draw MGNREGS wages but also for credit and saving purposes. As such the sample women were asked about their frequency of visit to a bank/post office and the same registered and presented in table 4.

**Table 4**  
**Frequency of visit to Banks by Sample Women Respondents**

S. No.	Frequency	No. of Respondents	Percentage
1	Less than week	11	4.58
2	Weekly	24	10.00
3	Fortnight	84	35.00
4	Month	105	43.75
5	Rarely	13	5.42
6	Can't Say	3	1.25
<b>Total</b>		<b>240</b>	<b>100.00</b>

Source: Field Data

It is evident from table 4 that large number of sample women visits the banks/post office either once in a fortnight or once in month. To be precise about 43.75 per cent of women stated that they will visit the bank/post office monthly once only. Around 35 per cent of women reported that the usually visits the bank/post office once in a fortnight. Only 4.58 per cent of women reported that they visit bank/post office twice or thrice in week.



Weekly visits to bank/post office were reported by 10 per cent of sample respondents. Rare visit to bank/post office were reported by 5.42 per cent of sample women. 3 out of 240 respondents denied to respond.

## CONCLUSION

The part of the rural job market that the MGNREGS did seem to have a more significant impact on was for female work. The participation of women is gradually increasing and in the same way the women having bank/post office bank accounts is also simultaneously increasing. It indicating that the MGNREGS may well be the first opportunity many women have to earn cash income and keep some money for themselves in bank/post office accounts. As a result, there was a substantial increase in women's control over financial resources—including cash in hand and the likelihood of having a bank account — and improvement in women's ability to make independent decisions about their health, the report found.

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