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FREE, YET INHIBITED: REVIEWING EXISTING GOVERNMENT SCHEMES PROMOTING FINANCIAL AUTONOMY FOR WOMEN

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ABSTRACT

Unemployment rates for women in India are significantly higher than those for men. This implies the exclusion of a significant majority of women from the economic development of the country. The lack of income is the primary reason why women are made to be financially dependent on male members of their family. The absence of financial autonomy also curbs the social mobility and capital that women have since they are denied the ability to make free choices in a market economy without having any financial strength. This paper has explored the various state-sponsored programs in India that aim at making women financially independent. It has explored the deficiencies of these programs which reduce their effectiveness and impact. Programs implemented in other countries including Japan and Brazil with much higher rates of success have also been evaluated. Through comparative analysis, this paper has sought to provide policy recommendations that aim at increasing the outreach and effectiveness of state-sponsored programs.

Keywords: Government Schemes, Economic Development, Financial Autonomy, Unemployment, Women.

INTRODUCTION

The recent urbanization and economic development that India has enjoyed has gradually pushed women out of the workforce. In India 79% of men had a job or were looking for one as compared to only 27% of women as of 2012. Moreover, the number of women in the workforce of India had reduced by 20 million between 2005 and 2012(Dixon, 2012). Over the past decade, the proportion of female participation in the workforce has gradually decreased and the gender gap in the Labour Force Participation Rate has increased (OCED, 2017). India ranks 120 out of 131 countries in female labor force participation rates. The contribution of Indian women to the Gross Domestic Product is 17%, which is less than half of the world's average (Dixon, 2012). Unemployment also has a direct impact on the financial capacity and economic mobility of

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people. The lack of financial autonomy for women is caused by lower rates of participation in the workforce and restricted access to the market for labor.

The social structure of India is what deprives women of the opportunity to prosper economically. Individuals are expected to follow 'gender roles', which stem from patriarchal norms from a very young age. Women are expected to take up domestic roles that have historically been underpaid or unpaid. The access of women to higher education and employment is severely restricted that denies them opportunities for economic mobility. Moreover, it manifests itself in the form of gender discrimination in workplaces. Lack of safety against physical and sexual abuse in public spaces and the workplace adds to the reluctance of women to taking up jobs outside their homes. Women are denied economic mobility due to a plethora of reasons which vary according to context and background. However, all such restrictions and disadvantages are a product of negative societal perceptions and beliefs. Social empowerment and economic prosperity are interlinked in the society. These factors deter women from accessing opportunities of being a part and reaping benefits from the country's economic growth and creates a structure that perpetuates systemic exclusion.

Financial autonomy is both a cause and an effect of social empowerment. In traditional Indian households, the control over income and expenditure rests solely with men, because of their traditional role of being 'bread-winners'. The absence or lack of economic capital restricts social mobility and the avenue of choice for women. Thus, social mobility for women has been historically accompanied by financial autonomy through employment. India a capitalistic economy that follows conservative social beliefs and practices, which is why financial independence and economic mobility are key to social progress and empowerment (Mammon & Paxson, 2004). Studies have also established a high correlation between financial autonomy and efficient economic decisions amongst women in India (Aulakh & Saluja, 2016).

The Indian government has framed several policies that aimed at increasing the participation of women in the workforce. The Ministry of Child and Women Development was set up in 2006 to undertake initiatives aimed at the empowerment of women (Mokta, 2014). 33% of jobs are reserved for women in all programs that come under the Mahatma Gandhi National Rural Employment Generation Scheme (MGNREGS) (Ministry of Finance, 2018). This scheme guarantees 100 days of paid employment in a financial year to every rural household. The Pradhan Mantri Mudra Yojana (PMMY) which was initiated to provide micro or small businesses with access to institutional finance actively prioritizes female entrepreneurs, with almost 75% of the loans granted under this scheme being catered to women (Swaniti, 2019).

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A rotating savings and credit association (ROSCA) is a co-operative body of individuals who agree to save or borrow money together for a particular period. ROSCAs have increased economic inclusion and have improved access to financial institutions in developing countries including Kenya, Mexico, and Cameroon (Branhandkar & Zukerman, 2014). However, these co-operatives have developed as grassroots movements in India, which is why their access to formal financial mechanisms is limited.

BACKGROUND

The reservation of jobs for women in the MGNREG Scheme has immensely increased the participation of women in the workforce in rural areas. It generated jobs for about 46 million individuals out of which 54% of jobs were awarded to women (Ministry of Finance, 2018). These jobs have been found to give women an increased sense of financial independence and economic security (Swaniti, 2019). The Rashtriya Mahila Kosh was set up in 1993 to meet the credit requirements of women in rural communities. This gives women in rural India, access to financial autonomy and credit, independent of male members of their families. The Support to Training and Employment Programme for Women (STEP) was launched in 1986-87, to provide sustainable employment and income opportunities to the most marginalized and economically deprived women in rural and urban India.

Priyadarshini is a more recent initiative, which was launched in 2011 as a means of providing access to self-help groups to women. Self-help groups are collectives of individuals that function as a financial intermediary committee that assists its members in saving and investing money and obtaining credit. Members of self-help groups usually come from impoverished backgrounds, and these groups go a long way in providing them financial autonomy and security. The scheme is being implemented in only 7 districts of Uttar Pradesh and Bihar. (Ministry of Women and Child Development, 2013). The Maternity Benefit (Amendment) Bill of 2017 was introduced by the government to prevent workplace discrimination against pregnant women. It entitles mothers to fully paid paternity leave and creche services sponsored by their employers (Swaniti, 2019). For women, pregnancy has always implied the loss of employment and increased financial dependence over male members of the family.

The Pradhan Mantri Jan Dhan Yojna was set up in 2014 to expand and make access to financial services such as bank accounts, credit, remittances affordable to people (Press Information Bureau, 2014). The PMMY refinancing agency- MUDRA (Micro Units Development and Refinance Agency) also offers a 0.25 percent rebate on the refinance interest rate to borrowers who are women. Similarly, 45,004 loans have been sanctioned to women by scheduled commercial banks under the 'Stand Up India' scheme (Swaniti, 2019). Access to credit not only

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adds to the financial autonomy of women but is also key to the process of setting up small scale businesses that are independent sources of income and revenue for them (UNDP, 2017). 'Mahila E- Haat', a direct online marketing platform for women and female self-help groups was also launched to enable showcasing products and services manufactured by entrepreneurs and self-help groups (Ministry of Women and Child Development).

Many developed countries including Japan and the United States have struggled with the problem of higher inclusion of women in the workforce. Improvement in labor laws, lower tax rates, the introduction of maternity leave and progressive childcare policies labor are amongst the many policies responsible for the increase in Japan's Female Labor Force Participation Rate from 66.5% to 77.3% over the past decade (Nunn, et al., 2019). Childcare policies have been key to improving rates of employment amongst women in many developing countries which are socio-economically similar to India, including Japan and Brazil (Ghai, 2019).

DISCUSSION

Women have been the recipients 54% of the jobs created by the Mahatma Gandhi National Rural Employment Generation Scheme. However, levels of participation continue to remain low in some key states like Uttar Pradesh and Madhya Pradesh where the percentage of jobs awarded to women has been less than 35% in the last two years (Ministry of Finance, 2018). These are also the states where women's safety and empowerment continues to be an issue, making the inclusion of women in schemes like MGNREGS all the more important. The introduction of this scheme has resulted in an increase in the agricultural wages paid to women in rural India (Zimmermman, 2012).

Since its conception, the Rashtriya Mahila Kosh has sanctioned loans to about 750 thousand women in India. During the last ten years, 390 thousand women have been registered as beneficiaries under the STEP Scheme (Ministry of Women and Child Development, 2013). The Mahila E- Haat scheme has reached out to about 400,000 women and 26000 self-help groups (Ministry of Women and Child Development, 2018). 56,738 beneficiaries have been covered under the Priyadarshini scheme (Ministry of Women and Child Development, 2013). 75.5 million loans up to a value of a hundred thousand rupees women have been extended to female borrowers under the Pradhan Mantri Mudra Yojna (PMMY). Despite the initiation of schemes like the Rashtriya Mahila Kosh, Mahila E Haat, and the Pradhan Mantri Jan Dhan Yojna, which aim at making women financially autonomous by helping them establish their independent businesses, the vast majority of women in rural and urban India still work in low-paying and unregulated jobs. About 24% of the women employed in India work as cultivators whereas 41% of women are engaged in other forms of agricultural labor. Another 10% of women work in the

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'household sector' primarily as domestic help (Ministry of Labour and Employment, 2018). Moreover, the outreach of these schemes has also been significantly limited. Women have also faced backlash due to the introduction of maternity schemes. These schemes add to the cost that companies have to bear on their female employees. To avoid additional costs, companies resort to hiring fewer female employees altogether.

There are three primary reasons for their failure. The first is that women are not able to access jobs and financial assistance schemes due to constraints from their families. Working who work and are financially independent is still considered to be an anomaly in many parts of the country. Thus they have to cross the barrier of fighting social stigma to attain financial independence. Moreover, most government policies are only cognizant of economic class and often invisiblize the caste system. As a result, the onus of fighting discrimination stemming from caste falls on women belonging to the Scheduled Caste, Scheduled Tribe community. Such discrimination often manifests in the forms of denial of access to government services, even beyond employment generation schemes to state-sponsored healthcare and food subsidies. Finally, there have been many gaps and leakages in the implementation of schemes because of corruption and inefficiency on part of state officials. The Central Government allocated 60 Billion Rupees for payments to workers who were a part of the MGNREGS in 2014. However, by the end of the financial year, only 28% of payments were actually made to workers (Chitravanshi, 2015).

Failures in implementation of these schemes can also be viewed from a lens that explains fundamental flaws in the economic and financial system of the country that systematically excludes women from its fold. Radical Feminism investigates ways in which capitalistic systems perpetuate oppression against women and emphasize on the need of fundamentally restructuring those systems to liberate women (Desai, 2014). This manifests in multiple ways. The first is that the state allows payments to women for labor to be made in ways that can still be controlled by their husbands or other male members of their family (Poonacha, 1995). Secondly, housework, which is still believed to be the responsibility of women in Indian society, continue to be unpaid. Thirdly, the invisibilization of gender by capitalistic structures allows men to be at an advantage over women because of their historic control over the same structures. This power is said to be the cause behind sexual harassment in the workplace and nepotism against women (Lee, et al., 2017). Despite being controlled by the state, government schemes continue to operate and engage with the market structure and perpetuate oppression and discrimination against women.

POLICY RECOMMENDATIONS

There has been a strong correlation between the introduction of childcare policies and an increase in the financial autonomy of women across the world (Ghai, 2019). This is because

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societies around the world, driven by patriarchal norms put the onus of raising children and maintaining the functionality of the household on women exclusively. To ensure that women have the ability to access means of becoming financially independent, the government must strongly assist women in matters related to childcare and maternity. This not only reduces the burden on women but also incentivizes families to allow women to access welfare schemes sponsored by the state. Research has also shown that digitization improves the access of women to financial incentives and schemes, especially in lower-income regions. Surveys in parts of India have revealed that the digitization of financial assistance increases the engagement that women have with the same (Pande et al, 2018). Governments should increase access to schemes through the use of technology in India. The reformation of labor laws has also contributed to an increase in economic output by women in several countries (Nunn, et al, 2017). Workplaces should be made conducive to women through centralized legislation. The cognizance of the gender-specific needs of women is imperative to incentivize them to access economic and financial structures.

State and local level governments should push for ROSCAs and other cooperatives to mobilize savings and generate profitable investments. There is a specific need to bring such cooperatives and credit associations under the fold of the formal financial structure of the country to maximize the returns they can generate for their members. The empowerment of self-help groups directly translates into greater financial autonomy for their members. However, to ensure that the benefits of any government scheme transcend to women, there is a need to reform the behavior and attitudes of government employees and the society in general. Awareness campaigns aiming at the promotion of financial autonomy must be initiated in rural areas. Government employees should be sensitized to the specific financial needs of women belonging to all economic classes and social castes. Schemes like MGNREGS should also be made more transparent. It is imperative to make officials at all levels of hierarchy accountable for the disposition of funds to beneficiaries.

CONCLUSION

The economic growth of India has skyrocketed over the past twenty five years. The country's GDP is the 7th highest in the world according to the International Monetary Fund. (IMF, 2019). However, women have largely been excluded from the recent economic prosperity that India has enjoyed. There is an urgent need to bring more women into the financial and economic structure of the company to enable them to actualize their potential for professional and personal development. The links between social mobility, economic emancipation and financial independence show that social mobility is a derivative of financial autonomy. The avenue to

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make free choices often comes along with the economic and financial capacity to make those choices.

Despite the introduction of several policies aiming at making women more financially independent, access to such policies continues to be very limited. The government must take the onus to digitize services, generate awareness about schemes in economically backward regions, to bring informal cooperatives into the fold of the formal financial structure and to induce a higher level of transparency and accountability amongst officials to ensure that the benefits of such schemes reach the intended beneficiaries.

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