Assessment of Digital and Financial Inclusion of women farmers/ entrepreneurs/ women-led agri startups

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ABSTRACT

Financial literacy is defined as a combination of financial awareness, knowledge, skills, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being. A few G20 countries like Australia, Canada, France, Japan and the United Kingdom (UK) have achieved close to 100 percent financial inclusion of women in certain parameters such as account ownership and use of debit/ credit cards. India, in 2021, had an insignificant gender gap in terms of account ownership with around 77 percent of women (almost equal number as men) having an account with a financial institution. Skill in the use of digital device and tools is affected by due to lack of access & awareness, less exposure to digital literacy and less skill in the use of digital devices/ gadgets.Purchasing a device/ gadget is still a household decision and women are generally neither a user or a dormant user nor an influencer in the decision making process of purchase of these devices. Womens' didn't know the difference between a PAN card and an ATM card. They prefer to withdraw money through Aadhaar Card from Community Service Center (CSC), which was more convenient to them. Trained women were better knowledgeable of digital and financial inclusion. It is therefore necessary to give hands-on skill to women on digital and financial inclusion so that they become more confident in the use, access and knowledge on these technologies.

Key words: Financial Inclusion, digital Inclusion, women

Introduction

India is a country that is endowed with enormous natural resources, different climates, variety of agricultural landscapes and boasts a distinct environmental and cultural diversity. India is also currently the world's 4th largest producer of agrochemicals and has the largest livestock population of around 535.8 million—which translated to approximately 31 percent of the world's livestock population in 2019. Additionally, India has the largest land area under irrigation

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globally. (Times of India, 2020). Down to Earth magazine reported that around 80 percent of the farm work is undertaken by women in India, which is astonishing and goes against the popular narrative of farmers being largely men. Strange as it may seem, women constitute over 42 percent of agricultural labor in the country but own less than two percent of farmland, which could be attributed to several social norms and rights-related issues. This is an alarming figure and raises several questions on land rights and social inequalities persisting in rural India. Women are not given their share of recognition in Indian farm sector and, therefore, have limited entitlements. While recognition is a key issue, another crucial matter of concern is that of control. Even if a woman owns the land, she does not have control over it; instead, it will be in the hands of a male— her husband or father.

During brief interaction of farm women at Dharmapur village of Jaunpur, one woman said that women in and around her village perform all the agricultural activities, starting from seed production, sowing, reaping/harvesting, conversion of primary produce to secondary products, to selling the crop in the market. The whole agricultural life cycle, thus, can be performed by women, which establishes the fact that women have a crucial role in agriculture sector and possess the knowledge and skill to run agriculture system by themselves.

Digital Inclusion: Digitalization is an important component of an economy's economic development, but it does have an impact on public financial services (Sehrawat and Giri, 2016). Digitization may help foster high and sustainable development; it will transform the face of Agriculture sector in future, ensuring higher profit for farmers and reducing harm (Upadhyaya, 2019). A study conducted in Gujarat expressed that Akodara Village is recognized as the "firstIndian digital village." The ICICI Bank sponsored this Village and transformed it into a fully digital village with appropriate infrastructure, guiding the Village towards online transactions, and he says digitalization is the need of the era (Saxena and Joshi, 2017). The expansion of bank branches has not reached the internal part of in the Uttar Pradesh and Bihar which is most important for awareness of financial inclusion education (Pandey and Raman, 2012-2013).

In today's increasingly connected world, women are being left behind. A significant gender gap in mobile phone ownership and usage in low-and middle-income countries is hindering growth for the mobile industry that means women are missing out. Successfully targeting women not only advances women's digital and financial inclusion, but unlocks significant growth potential for the mobile industry. (GSMA, 2023)

Financial Inclusion- Financial inclusion is considered as a key enabler of economic growth and poverty reduction. The term financial inclusion is broadly defined as the access to and use of formal financial services by households and firms, those without such access are financially excluded. Having access to financial services allows firms to invest and households to smoothen their consumption and build capital over time, which leads to improvement in the business environment as well as in people's livelihoods. Around 2 billion adults across the globe remain unbanked and women remain more financially excluded than men, especially in developing countries (World Bank, 2014; Ghosh and Vinod, 2017)

According to Organization for Economic Co-operation & Development (OECD) financial literacy is defined as a combination of financial awareness, knowledge, skills, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being (OECD, 2012). A study conducted by NABARD and CRIER in 2021, a few G20 countries like Australia, Canada, France, Japan and the United Kingdom (UK) have achieved close to 100 percent financial inclusion of women in certain parameters such as account ownership and use of debit/credit cards. India, in 2021, had an insignificant gender gap in terms of account ownership with around 77 percent of women (almost equal number as men) having an account with a financial institution. This can be attributed to the schemes such as PMJDY. As of August 2022, approximately 55 percent of Jan Dhan account holders were women.

The gender gap in women's access to financial inclusion persists at reprehensible levels. The 2021 Global Findex report indicates a 12.0% gap in the usage of bank accounts, with many women using their accounts only for direct benefit transfers. (Time of India, 2023).

Objective of the study:

- To study knowledge of farm women/ entrepreneurs/ women-led agri startups on digital and financial literacy.
- To analyze the determinants of digital and financial inclusion.

Research Methodology

For data collection, Uttar Pradesh was purposively selected. Out of 75 districts of Uttar Pradesh, 6 districts were selected puposively i.e. Jaunpur, Pryagraj (previously known as Allahabad), Kanpur Nagar, Kanpur Dehat, Kannauj, Barabanki and Behraich. Respondents were 62 farmwomen, 2 women led agri start-up and 21 FPO member. Data was collected with the help of a semi-structured interview schedule. Data was collected through Focused Group Discussion with farm-women.

Result and Discussion

For the data collection 20.0 percent of the respondents were from Jaunpur district, 11.0 percent were from Pryagraj, 5.88 percent from Kanpur Nagar, 29.41 percent from Kanpur Dehat, 25.88 percent from Barabanki and 7.05 percent from Behraich district.

Socio-personal Attributes of Respondents

Majority of the respondents (41.17%) were middle aged, followed by old age and young age with 34.13 percent and 24.73 percent respectively. Mostly (56.47%) respondents were married. Mostly (27.05%) of the respondents were illiterate.The deep routed culture of male domination and lack of awareness is the main cause for female illiteracy. The result is low literacy rate among women farmers in India. Majority (84.0%) of the respondents were members of Self Help Groups (SHGs). SHG playing a crucial role for achieving the women economic empowerment.

Knowledge of farm women/ entrepreneurs/ women-led agri startups on digital and financial literacy

Only 31.76 percent of the respondents had access to smart phone, while only 3.52 percent of the respondents had access to both smart phone and basic mobile. They are using their husband's or children's mobile. A negligible percentage (4.70%) of the respondents had access to radio and television because low levels of infrastructure, network quality, and coverage disproportionally affect access for women and girls. Their choice of network is often restricted by various factors, such as using basic handsets, fewer choices of SIM, and the cost of data. Women and girls are more price-sensitive than men. Women often have lower levels of income and they almost always come second in a patriarchal social order.

Skill on use of Digital Devices/tools

SI. No.	Statement	Response	
		Yes	No
1	Can use a basic mobile	61 (71.76%)	24 (28.23%)
2	Can make/ receive a call on smart phone	53 (62.35%)	32 (37.64%)
3	Can read and reply a SMS on smart phone	39 (45.88%)	46 (54.11%)
4	Aware of all the features of a smart phone	23 (27.05%)	62 (72.94%)

5	Can switch on and off a PC / Laptop	17 (20%)	68 (80%)
6	Can search content through internet	19 (22.35%)	66 (77.64%)
7	Can create an email-id	17 (20%)	68 (80%)
8	Can open , read and reply to email	12 (14.11%)	73 (85.88%)
9	Can compose and send emails	10 (11.76%)	75 (88.23%)
10	Familiar with these social medias: a. Whatsapp b. Facebook c. Instagram d. Linkedin e. Twitter	26 (30.58%) 17 (20%) 8 (9.41%) 3 (3.52%) 0 0	64 (75.29%)
11	Do you use any of the social networking apps? If yes, list them.	Whatsapp (34.11%) 40Facebook (15.29%) Instagram(3.5 %)	4 0
12	Can interact on discussion forum using internet	16 (18.82%)	69 (81.17%)
13	Can download a video from internet through mobile and or desktop/ laptop	20 (23.52%)	65 (76.47%)
14	Can upload a video on internet through mobile and or desktop/ laptop	25 (29.41%)	60 (70.58%)
15	Knows how to withdraw money from ATM	16 (18.82%)	69 (81.17%)
16	Can print passbook from kiosk	0	85 (100%)
17	Awareness about these digital payment apps Phonepe G-Pay Paytm Bharatpe	22 (25.88%) 12.0(%) 10.0(%) 3.60(%) 0.28(%)	63 (74.11%)

18	Have you ever used any digital payment method?	15 (17.64%)	70 (82.35%)
19	Can check balance through Net banking/Paytm/ Phonepe/G-Pay/ ATM	30 (35.29%)	55 (64.70%)
20	Recording videos on mobile videos	21 (24.70%)	64 (75.29%)
21	Recording audio and sharing on social media	20 (23.52%)	65 (76.47%)
22	Knows how to scan a Barcode	19 (22.35%)	66 (77.64%)
23	Knows how to generate a barcode	0	85 (100%)
24	Have you heard about Rice Doctor IRRI Plantix App?	23 (27.05%)	62 (72.94%)

62.35 percent women can make and receive call on smart phone while, 45.88 percent respondents can read and reply a SMS on smart phone. This may be attributed to lack of access, lack of awareness, less exposure on digital literacy. Factors responsible for digital gender gap was inequitable access to education and discriminatory social norms that exist in the “offline” world and impact digital realities and potential benefits for women. The respondents mentioned that they don’t need smart phone, basic mobile is sufficient for them as they only make and receive calls. 27.05 percent women were aware about crop doctor applications. They didn’t know any application name but they knew the feature of the application.

Only 32.94 percent respondents can afford smart phone followed by basic mobile phone i.e. 18.82 percent because, owning a digital device viz. Computer/ laptop, tablets, modem, television or smart phones, is still a household decision and women are generally neither the end user nor an influencer in the decision making process of purchase of these devices. Vishvanath (2017) conducted a study which supports the current study findings that digital access and literacy can go a long way in empowering women through meaningful outcomes like self-employment opportunities, access to education and information on health issues in a patriarchal State like Uttar Pradesh.

The respondents were asked about PAN card. 35 percent of the respondents didn’t know about it and 16.77 respondents didn’t know the difference between

PAN card and ATM card. Only 48.23 percent women had PAN Card. It is clear that women lag behind in economic activity and financial transaction due to poor financial literacy. Majority (57.64%) of the respondents save their money in public sector bank because public sector banks provide services in rural areas and through multiple branches, followed by co-operative banks and post office i.e. 18.82 percent and 17.64 percent respectively. Majority (49.41%) of the respondents visit bank occasionally because they preferred withdrawal of money through Aadhaar card from the Community Service Center (CSC), which was more convenient to them. This may be due to their low literacy rate and lack of confidence in handling financial activities independently. Other reason was that they had trust on the local people operating the CSCs.

Majority (54.11%) of the respondents had more than 5 years of relationship with bank because of some government schemes, in which money was credited only in woman's' account. 20.0 percent of the respondents had applied for loan but only 3.52 percent of them were aware about interest rate on their loan and loan repayment amount etc. But very few percentage of the respondents preferred loan from SHGs due to less interest rate i.e. 2.0 percent. 12.94 percent of the respondents had attended a training on digital and financial literacy. These women were from Barabanki District and the training was given by an NGO-Trust Community Livelihood (TCL). These women were well acquainted of the online digital transaction, knew how to scan a QR code? UPI ID and how to check balance and transaction history. 41.17 percent of the respondents opened their bank account under 'Pradhan Mantri Jan Dhan Khata Yojana', because of Direct Benefit Transfer (DBT).The Pradhan Mantri Jan Dhan Yojana (PMJDY program) has proven to be a game-changer, not only for including a higher proportion of the population in formal banking channels, but also for reducing the gender gap in account ownership. This has led to the activation of dormant women accounts and a spate of new accounts being opened by women. Families now want women to have and use their accounts, since they want to receive government benefits being sent to women.

Determinants of Digital and Financial Inclusion

The study measured the accessibility and usage of digital financial inclusion in relation to selected demographic characteristics such as age, income, education and social-participation. The findings of the study revealed that individual's socio-demographic factors such as age, education, income and social-participation have found a significant influence on the accessibility of digital financial inclusion. In addition, these factors have effect on usage of digital mode of financial transactions such as payments made and receipts through mobile phone or using the internet.

Conclusion

This study reports that poor access & affordability, lack of education coupled with inherent biases and socio-cultural norms curtail women and girls' ability to benefit from the opportunities offered by the digital transformation. In addition, girls' have relatively lower educational enrolment in disciplines that would allow them to perform well in a digital world – such as science, technology, engineering and mathematics, as well as information and communication technologies – coupled with women's and girls' limited use of digital tools, could lead to widening gaps and greater inequality. Individual's socio-demographic factors such as age, education, income and socialparticipation have found a significant influence on the accessibility of digital financial inclusion.

Today the digital transformation provides new avenues for the economic empowerment of women and can contribute to greater gender equality. The Internet, digital platforms, mobile phones and digital financial services offer "leapfrog" opportunities for all and can help bridge the divide, by giving women the possibility to earn additional income, increase their employment opportunities, and access knowledge and general information. We need to seize this opportunity to foster greater gender equality in the labour market, boost economic growth and build a more inclusive, digital world.

Financial literacy in India is a crucial issue, as many people struggle with basic financial concepts such as budgeting, saving, and investing. Low levels of financial literacy, lack of access to formal financial services, and a lack of financial education in schools and universities are some of the main challenges facing India. The Indian government has launched various initiatives to promote financial literacy, and digital financial services have increased in popularity. However, many people may lack the knowledge or skills to use these services effectively. Non-governmental organizations (NGOs) are working towards improving financial literacy in India through social and behavior change communication strategies, education programs, and outreach initiatives.

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