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# FINANCIAL INCLUSION FOR WOMEN EMPOWERMENT

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## ***ABSTRACT***

The world today has recognised the need for women empowerment. Unlike the past there are lot of awareness programmes, conferences, seminars and such that of programmes to bring awareness to the women about their own empowerment in recent times. We could hear a lot of women coming forward to complaint against their victimisation in different forms. There are lot of support for such women by their counterparts for being bold enough to fight for their rights. Though this is the projected present scenario, there is a basic underlying question, Are the women really empowered in all the aspects? There may a section of society which is really having a privilege to be equal to men in all aspects but still there is a large population of women folk which is not even knowing that they can also live like any other empowered women. Money is more powerful than any other medium in bringing the empowerment. This research attempts to examine the accessibility of financial services by women in Kebri Dehar city of Somali Region of Ethiopia which will give an insight of financial inclusiveness policy in that area. The required research data was collected from 400 randomly selected women from the city and was analysed with the statistical tools t-test, ANOVA and Garret ranking. The study found that the financial inclusiveness of women from this city is barred by several social, cultural and deep rooted religious beliefs. This study gives suggestions to all sector so as to have financial inclusion for women which will in turn result into women empowerment.

**Key words:** Financial inclusion, Women empowerment, livelihood, income generation, financial structure

## **INTRODUCTION**

The people of Ethiopia is always being proud of never being colonised. They are also proud of their culture and tradition in all the ways right from their food and dress to the religion they follow. Their cultural pride include the traditional financial system called ‘hagbad’ and ‘edir/mahiber’. On the whole the people in the country do not save much. They earn for the day and spend the same for the day. They are not much financially driven people. But studies’ show that an average employee saves from ETB 20 to 300 per week and companies save ETB 1,000 to 10,000. People of this country not only save on monthly or weekly basis. They also save on daily basis (Tekeste Berhanu Lakew and Hossein Azid 2020). People of Ethiopia use the ‘hugbad’ in situations like wedding, funerals and sickness. ‘This hugbad’ money gets circulated among the members regularly. The member is having the right to determine the amount of money that has to be contributed to the needy member (Allen et al 2016).

The formal financial system of Ethiopia is extremely underdeveloped and its widely used in cities and towns only. Though the banking sector takes a lots of measure to widen up its activities and cover maximum number of population there is a long way to go for the government to reach the desired financial inclusion for all especially the women.

Though Ethiopia is fastest growing African country in terms of GDP, it is lagging behind in terms of financial inclusion. The major reason behind this is lack of funds and the distance of financial institutions. Not having trust in the financial institutions and religious belief are also some other reason for non-inclusion.

Ethiopia has launched its financial inclusion strategy on the year 2014. This has not become successful because the people of Ethiopia prefer informal financial institutions rather than formal ones. There are also other reasons like unemployment and lower income which does not pave a way for saving resulting in non-inclusiveness.

### **Objectives of the Study**

Primary objective of the study is to evaluate the financial inclusiveness of women in the formal financial system in Kebri dehar city. Other objectives are:

- To study the factors affecting the level of financial inclusion for women
- To measure the extent of financial inclusion to the literacy level
- To examine women's perception about financial inclusiveness in Kebri dehar city

### **Research methodology**

A total of 400 sample respondents were selected for the study from 12 habitated villages out of 22 villages using Cochran formula. The collected data were analysed with the help of statistical tools like, Percentage Analysis, ANOVA, One tailed t-test and Garrat ranking with the help of Excel and SPSS.

### **Discussion**

The findings of the research are discussed and summarised as below:

1. Opening of account for every women itself is not achieved till now in the city. 58.5 percentage sample respondents in this city is having account in their names either in nationalised bank or in private bank.
2. It is known from the research that the education level of female respondents are very low. 63 percentage of the respondents are illiterate to middle school level only and also found that there are no master degree holders in the selected population. Degree holders also only 3 percentage.
3. It is found from the study that majority of the women are home makers. So the dependency on someone is obvious. In the working class also the highest number is having their own business. Own business here indicates small coffee shops, Chat selling (a kind of plant leaf which is believed to give effect like hot drinks) which do not fetch much income and requires physical labour.
4. Women working in administration level is zero which could be connected to their education level. There are only 12% women working in middle level too.
5. The wage or salary ranges between Birr. 2500- 5000 for 32% among the working or self-employed women. This clearly shows that they choose to live their life in this way because no better alternative option available.
6. According to the study no female is earning more than Birr. 10000 per month which indicates their standard of living in the society. There are some 11% women earning between Birr. 7500 and Birr. 10000.

On the whole the salary structure seems to be a moderate but if the salary is connected with the number of children each respondent is having then the poverty is projected.

7. It is visible that the religion plays a vital role in financial management itself. Christians are found to be freer in financial aspects compared to the Muslim community. The strong religious belief of religion both Christians and Muslims make the women to accept anything if it is told in the name of religion. They believe that they should not even have a doubt on any matter if it is been told in the name of the religion. This particular aspect makes them to be away from any financial involvement.
8. Occupation plays a vital role in financial inclusiveness. Once a women have money in her hand she searches for a means and ways to spend and save. So employment is the major element of getting included in the financial structure. The study found that majority of the home makers are not even having an account and they don't want to have such one believing that they are not at all meant for those stuff.
9. It is found that unlike the occupation the level of income has no influence on the financial inclusiveness aspect. Even the lower income people are at least included in the structure though not much of financial activities done.
10. It is found that the women have a deep rooted fear that if they are becoming financially independent or take any financial decision of their own, the society will stamp them as termagant. Even the widow and divorcees are in a position to be submissive to a male member of the family though financially they have to look after themselves and children fearing the society's acceptance. This hard fact make them to follow what is been followed so far without questioning anything.
11. The study reveals that the financial dependency of the respondents' and the easy procedure of divorce give them a fear of break up in marriage relationship if they take upper hand in financial affairs at home. Even the respondents who are earning their own livelihood is under this pressure because of the difficult situation they have to face after the break up. This fear leads them to be submissive always in every matter including the financial matters.
12. It is obvious that the family structure plays an important role in getting involved in financial aspects. The structure is always having a male member as a head who has to give permission to the female to do anything. Most of the times or always a male member stops a female member to take upper hand in the family and financial affairs. This again fits to the widows and divorcees though they earn for themselves.
13. It can be understood that the influence of the bank employees, even though is not very positive, showing that the language create a minor influence on the positive side of inclusiveness. The convincing power becomes higher if the language is known and thus resulting positive.
14. It is understood that the respondents themselves believe taking part in financial decision making is the first priority for any financial inclusiveness aspect. If their voice is heard at the home level they can further get involved in other aspects. If they are not been heard in the home level they are left without any option on the financial matters.
15. The study also reveals that visiting bank by women without any restriction from the family or society will lead to great improvement in financial inclusion.
16. Financial literacy at all level is necessary for financial inclusiveness. Even the male counterparts are in need of financial literacy so that they won't stop their female member of the family in getting involved in financial activities.

17. Though more than half of the respondents having account in their names or a in the name of family members, none of the respondents are aware of the products and services available by the banks. They use the account to transfer money electronically if at all there arise a need without visiting the bank. It encourages electronic banking but other aspects are more or less nil. If the lending process made very easy and the rate of lending is reduced people may switch to the next level of financial aspect thus get involved.
18. Apart from family structure, social, structure and male domination there are some other perception of female members which excludes them from financial aspect. The women themselves believe that they are useless in terms of finance and men are very good in that. Also they accept every financial ill treatment as their fate. Unfortunately they believe if they are independent of financial aspects they will be a wrong role model to their children.
19. Women have strong belief that they should never take upper hand in financial aspect. This is yet another reason for accepting every financial decision making by male members.
20. It is found that though the women were believing everything as men's right they agree that if they are provided with a chance to get involved in the financial matters or in other terms if they are in the programme of financial inclusiveness they are ready to take part in decision making. They are very much longing for getting chance to take part in decision making. Also they are ready for entrepreneurial activities if provided with a chance.

### **Conclusion**

Social, cultural and religious factors play key roles in the financial exclusiveness of the women in the study area. Although, by and large every country may have these obstacles in all the walks of their prospective effort, this city found to have more deep in all the three aspects. Ignorance of people results in some unnecessary belief which in turn result into certain set of behaviour which will then turn into neglect. When people start neglecting to think of their own development it becomes the hard task of the government to take up the initiative. Education in all aspect is the only way forward for the government to successfully include the female folk into the financial or any other upliftment programme. Educating the men financially is as important as educating the women in this area to remove the mental blockage of permitting the women to get involved in financial affairs. Educating the elders of both sex will result into change the mind-set of the elders which will give an impact on the behaviour of the children in the long run. Also educating the small children right from their childhood about women empowerment and the positive contribution they can make for the society will be beneficial for ever because they will be the future society.

### **Recommendations**

Social, Cultural and Religious changes are not possible in the short run but it is not unchangeable also. The effort of government, religious heads and women population can bring the change in the society by individual and combined efforts. Recommendations based on the findings to the government and NGOs, to the religious heads, to the women is as follows:

#### **To the government and NGOs**

1. More and more programmes have to be conducted by the bank to include the women folk in the formal financial sector. Though the bank is having unique products meant for

women the public is not made aware of that. Banks as a whole or the central bank should take the initiative in this regard to have awareness programmes.

2. Apart from the awareness programmes, the banks can have a display of all their products available to the public as a whole and specific for the women with the interest rate for the female separately. If the interest rate is attractive the male members visiting the bank itself will automatically make their female members get involved in the banking activities which will result into inclusiveness.
3. Poverty eradication programme may be designed in such a way to provide better employment opportunity to women in the city. The financial independence will result into the empowerment of women.
4. 'Girl child education programme' should be geared up with the attractive announcements so as to make all the girl children get educated. Education is the greatest power to eradicate ignorance as a whole and finance in particular which will bring out empowerment of women silently.
5. Government should see that the bank employees of the region should be well versed with the widely spoken language of that area so as to have easy connect and positive changes.
6. Government and NGOs working in this area can come up with new ideas to make the women involved in entrepreneurial activity rather than providing food and freebies for them.

#### **To the religious heads**

No religion is against any human being. All the religion insist on loving each other irrespective of their sex. Getting women involved in financial aspect will improve the standard of living of the house. All houses together form the society. Since the people of this area having deep rooted belief in their religion, the heads can take initiative in making women get involved in financial affairs. They can also ensure the society that women getting involved in the financial affairs is not a sin by their religion itself.

#### **To women**

Accepting every ill treatment or being always submissive to men is an ongoing trauma for the women even in developed and developing countries. Same happens with this city. Due to the education level of the women from the city the effect of that acceptance is bit stronger. No society will change unless and otherwise getting realised that they are refused of some of their basic rights. Realisation itself is not rioting. Women from the area should come out of the concept that everything is their fate and men are meant to dominate. Aspiration will bring lot of change in the society. Women should have the aspiration to get a better standard of life and provide their children with a better standard of life. This aspiration will lead them to find a way to better economy of their life that will empower them in all the ways.

#### **6.4 Recommendations for Further Study**

A study on the economic status of widow and divorcees will give more insight on the empowerment of women in this city.

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