



- **Empowering Rural Women**
- **FINTECH**





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FINTECH

Chapter 1: Fintech Beyond Boundaries

The term “FinTech” is a combination of the word’s “finance” and “technology”. It refers to the technology startups that are emerging to challenge traditional banking and financial players and covers an array of services such as crowdfunding platforms, mobile payment solutions, online portfolio management, money transfers, etc.

The Rise of FinTech in India

With one of the world's fastest-growing economies, India has undoubtedly emerged as one of the fastest-growing FinTech hotspots in recent years. Paperless lending, mobile banking, secure payment gateways, mobile wallets, and other concepts are already being adopted in India.

Over the last two years, there has been a massive adoption of digital payment systems in India, making it a lot more convenient to go about with basic financial services. This growth and expansion of the FinTech ecosystem in India have been aided by a number of factors, including the growing availability of smartphones, increased internet access, and high-speed connectivity.

In recent years, India's payments infrastructure has seen substantial improvements, particularly with the introduction of new payment mechanisms and interfaces such as Immediate Payments Service (IMPS), Unified Payments Interface (UPI), Bharat Interface for Money (BHIM), and others. The government's "Make in India" and "Digital India" projects also played a significant role in accelerating the adoption of Fintech. It is commendable that the Reserve Bank of India (RBI) has also pushed the growing use of electronic payments to establish a truly cashless society in recent years.

India's emergence as a fintech ecosystem has been spectacular where fintech’s financial institutions, regulators and Governments have followed a collaborative approach to provide a comprehensive and continuous impetus to the growth of this sector. While transformational digital initiatives by the government have helped fintechs to enhance the social and economic well-being of millions of people around the world, the next stage of the digital revolution lies in moving beyond fragmented digital solutions to digital Infrastructures that will spur digitalization across economies and societies.

With the advent of breakthrough platforms such as PayTM, PhonePe, MobiKwik, etc., digital payment systems have undeniably been the flag bearers of the Indian FinTech market.

Fintech and Government

The government has demonstrated to the world a unique model of public-private partnership by building a strong public infrastructure in **the India stack** - that facilitates and enables private-sector innovation. The India stack is based on a four-pronged approach.

1. Biometric identity in the form of Aadhar for identification
2. Getting everyone a bank account through Pradhan Mantri Jan Dhan Yojana (PMJDY) and building financial inclusion
3. Building scalable platforms to transfer money [Immediate Payment Service (IMPS), Unified Payment Interface (UPI), Bharat Bill Payment System (BBPS), etc., \
4. Allowing Banks and fintech also to access platforms like UPI, Goods and Service Tax Network (GSTIN), and Digi locker to innovate.

This open-API infrastructure has been leveraged heavily by fintech to address diverse use-cases and will continue to act as the core pillar for powering the next wave of growth.

Fintech for the Underbanked

Potential of engaging the underserved section is likely to unleash the next level of growth in banking
Despite being a vastly diversified and populated country, a huge portion of India remains underbanked, underserved and subject to a constantly changing regulatory environment. And for these very reasons, the nation's financial landscape and unsolved challenges are no easy hurdles to

overcome. This is where Fintech enters the equation, with its ability and power to fundamentally alter and transform India's financial and banking services sector.

- An innovation-driven start-up scene
- A highly favourable market
- Enhanced smartphone and internet penetration levels
- A young population with the median age in the 20s
- Government-led attempts to promote the industry
- Growing awareness of financial technology

Fintech Area	Application in financial inclusion
Payments	eWallets, UPI, USSD Transfer
Peer to Peer Lending	Funding for individuals and micro enterprises
Microfinance	Funding for small and medium enterprise
eKYC	Aadhar enabled KYC
Biometric	Credit scoring information, account opening, ATM pin
Digital Identify	Aadhaar linkage to account for credit information
Remittances	Transfer and payments in remote areas

FinTech companies' growing partnerships with traditional banking, insurance, and retail sectors, where they are actively catering to evolving customer needs, will further accelerate FinTech's expansion in India.

FinTech Trends for 2022

- **Digital banking will continue to grow:** Digital banking is easier to access than ever before. Many consumers are already managing their money, request and pay loans, and purchase insurance through digital-first banks.
- **Blockchain:** Blockchain technology that allows for decentralized transactions as more industries turn to advanced data encryption.
- **Artificial Intelligence (AI) and Machine Learning (ML):** Client services have been redefined as a result of AI and machine learning technologies. AI and machine learning can help businesses cut costs, improve client value, and detect fraud.

Chapter 2: Digital Banks

What are digital banks?

- Digital banks or DBs are defined in the Banking Regulation Act, 1949.
- These entities will issue deposits, make loans and offer the full suite of services that the Banking Regulation Act empowers them to.
- They will principally rely not on physical branches but on the internet and other proximate channels to offer their services.
- Digital Banks helps in following ways
 - Helps overcome financial inclusion challenges in the country
 - Helps reduce cost of transactions
 - Useful for utilisation of the JAM trinity
 - Helps reduce banking-inequality

- Helps make India as the global leader in Fintech

What is the status of banking sector in India?

- Over the past few decades, banking-licence categories have grown in number.
- Today, the banking sector includes
 - Public sector banks
 - Private sector banks (21)
 - Small finance banks (12)
 - Payments banks (6)
 - Regional rural banks (43)
 - Foreign banks (44)
 - Local area banks (3)
 - Financial institutions (4)
 - Urban cooperative banks (1,531)
 - Multi-state cooperative societies & banks (1,130)

What is the suggestion by NITI Aayog?

- NITI Aayog suggests a two-stage approach:
 1. Granting of a digital business bank license
 2. Granting of a digital (universal) bank licence after gaining experience as the former
- Even with the Digital Business Bank license, it recommends a carefully calibrated approach comprising of issue of a restricted digital business bank license (in terms of volume/ value of customers serviced and the like).
 1. It recommends the enlistment of the licensee in a regulatory sandbox framework enacted by the RBI.
 2. It also suggests the issuance of a “full-stack” Digital Business Bank license based upon the satisfactory performance of the licensee in the regulatory sandbox.
 3. It further suggested that minimum paid-up capital for a restricted digital business bank operating in a regulatory sandbox may be proportionate to its status as restricted.
- As per the illustration, upon progression from the sandbox into the final stage, a full-stack digital business bank will be required to bring in Rs. 200 crore (equivalent to that required of the Small Finance bank).

What are the challenges?

- RBI's experience with private sector banks licensing over the past isn't all rosy given that RBI had to step in to contain damage in the case of private sector banks like Yes Bank and LVB.
- While RBI has a “bank under repair” sign-board in its PCA framework, it has not said anything about the efficacy of the various other banking categories such as payments banks or SFBs.
- Some of the banking categories as well as the older licence categories seem to have no visibility of viability and have not been able to showcase their significance in terms of the intended objective.
- Until legislation catches up, regulation has to adapt to ensure that the financial system absorbs digital innovation in a non-disruptive manner.
- RBI like other central bankers of world also has concerns over the ownership of banks. Global regulators have worries about the ultimate ownership of banks preferring resident in their jurisdiction which could be a challenge for many aspirants of digital-only bank licences.
- The challenge for digital banks will be to show that they can raise a liability pool, instead of just using large equity capital as a debt-funding source.
- In terms of consumer protection, everything related to cyber security or digital data security or privacy rights is a concern.

Even stable NBFCs with large capital bases are not allowed to use the word “bank” in describing themselves in any consumer communication, whereas many new-age fintech platform has named itself a neo bank.

Chapter 3: Artificial Intelligence in Financial Sector

Artificial intelligence (AI) is not a new kid on the block anymore and the field is developing at a constantly increasing pace.

Key areas within the financial industry in which artificial intelligence is making the greatest impact and provides additional value over traditional approaches –

- A. **Credit Scoring:** allows for a faster and more accurate assessment of a potential borrower, using more complex methods in comparison to the scoring systems of the past. Plus the potential of making unbiased decisions — there is no human factor, such as the bank employee's mood on a given day or some other factors influencing the decision.
 - Risk management and compliance
- B. **Fraud Prevention:** There are many machine learning algorithms that specialize in anomaly detection and excel at spotting fraudulent transactions. Such an algorithm can sift through thousands of transaction-related features (the client's past behavior, location, spending patterns, etc.) and trigger a warning when something seems out of order.
 - Anti-money-laundering screening
- C. **Algorithmic trading:** Much effort and money is invested in algorithmic trading, that is, complex systems making split-second decisions and autonomously executing trades based on the identified pattern. Such systems can greatly outperform human traders, also considering they are not impacted by emotions.
- D. **Personalized banking experience:** Using advanced NLP techniques, they can understand the intent of the customer and try to point them in the right direction.
 - Continuous monitoring of user behaviour
- E. **Process automation:** Lastly, AI offers a lot when it comes to automation. Using advanced optical character recognition (OCR) can significantly increase the efficacy of mundane and time-consuming tasks that were typically handled by employees. An example could be digitizing documents, processing forms, or extracting relevant information from documents.

Drivers of AI disruption in banking

- Big Data leading to more personalized experiences
- Availability of infrastructure (Fast computers, hardware, software, Cloud)
- Regulatory requirements: By automating data collection processes, improving the speed and quality of decisions, and enhancing the organization's readiness to meet regulatory compliance obligations
- Competition: Banks are employing artificial intelligence to improve current service offerings, launch new ones, and provide a more personalized experience for their customers.

Challenges of AI in Finance

- **Data quality:** A single day's worth of corrupted data or even just a few wrong observations fed into a trading algorithm can have dire consequences for the entire system, leading to bad trades and financial loss.
- **Biased data:** The decisions made by AI can have a significant impact on the customers of financial institutions. A single declined loan application can change a person's life. That is why extra attention needs to be paid to removing any sources of bias in the data.
- The financial industry is heavily regulated (and for a very good reason) and many of the decisions made by algorithms must be fully understood by the institution.

- Lack of qualified human resources; the current workforce is unfamiliar with the most up-to-date tools and applications.

Chapter 4: Rural Banking and Financial Services

Technology has had a disruptive effect on the delivery of financial services, and adoption of digital solutions could help accelerate financial inclusion.

Financial inclusion refers to the access to financial services like savings, insurance, credit etc. In line with SDG 1, to end global poverty, financial inclusion will be key. The 2030 Agenda seeks to guarantee human beings, especially those in vulnerable situations, the right to financial services, including microfinancing. Digital financial inclusion is defined as digital access to and the use of formal financial services by the unserved and underserved population at an affordable cost (Lauer and Lyman 2015).

Traditionally, the customers had to visit the physical banks to perform their business with banks (transactions, withdrawal, etc.). However, after the ICT revolution, the banking services are available via IT and ITES. This new form of banking, that is use of ICT, is called digital banking. This is a step towards cashless economy too, because the money transaction happens not via physical currency but digitally. This has also reduced the burden on physical banking infrastructure.

The GoI has been making concerted efforts to expand its digital infrastructure and enable access to financial services through the Unique Identity-Aadhaar and the Digital India programme (to deliver public services through digital channels and to connect rural areas with high-speed internet). Another far-reaching move towards digitisation is the shift towards government-to-person (G2P) payments or direct benefit transfers (DBTs) (GPFI 2017).

Banking in Rural Areas

The rural Indian economy is primarily cash driven. Undergoing a change in its predominant agrarian image, there is an increasing diversification in jobs and incomes in rural India. The non-agricultural sector contributes two-thirds of agricultural income. Over the years Banking Correspondents (BC's) have performed a central role in digitally empowering rural areas. Banks have also pushed for Aadhar and phone number linking. By using digital means, BC's enable access and education of the digital financial ecosystem to rural citizens.

Challenges in Rural Areas for Digital Banking

- **Digital illiteracy:** Rural population do not have basic understanding of using a smartphone or a computer. With poor internet connection, the access is very low.
- **Mistrust on the system:** The misconception is that if money is parked in a bank, it can be cheated or kept from being withdrawn, makes people wary of putting their faith in digital transactions. And with occurrence of frauds, it is a situation they want to avoid.
- **Infrastructure Issues:** Challenges in smartphone adoption, internet access, electricity, and banking services lead to even India's largest nationalized banks, struggle to provide basic banking services.
- **Limited number of transactions:** People may be less willing to conduct transactions through the digital mode due to limited number of transactions.

Key Recommendations

- Strengthening the payment infrastructure
- Building information sharing systems, including a 'fraud repository', and ensuring that online digital commerce platforms carry warnings to alert consumers to the risk of frauds.
- Leveraging existing smartphones and contactless cards and make it an inclusive, interoperable, and fully open system

- Partner with various educational organizations and non-governmental organizations to raise awareness about digital transactions and financial literacy among rural population.
- Empowering SHGs to promote and educate its members SHGs

Digital Financial Inclusion is critical to achieving the Sustainable Development Goals to which India remains committed, especially when it comes to fighting poverty, reducing gender inequalities and ushering in greater social equity, among others. India being a major economy must reap benefits of digital age for which digital literacy is inevitable.

Digital Currency

What is Digital Currency?

It is a payment method which exists only in electronic form and is not tangible.

- It can be transferred between entities or users with the help of technology like computers, smartphones and the internet.
- Although it is similar to physical currencies, digital money allows borderless transfer of ownership as well as instantaneous transactions.
- Digital currency is also known as digital money and cybercash.

Finance Minister, in her Budget 2022 speech, announced a 30 per cent tax on income from virtual digital assets.

- She further clarified that no deduction in respect of any expenditure or allowance shall be allowed while computing such income except the cost of acquisition.
- Additionally, she also proposed a TDS on payment made in relation to the transfer of virtual digital assets at 1 per cent above a monetary threshold.
- In short, the finance minister has proposed a flat 30 per cent tax on digital asset gains regardless of any long-term or short-term holding by the investor.
- Additionally, if a virtual digital asset investor incurs losses during the transaction, it can't be set off against any other income.
- The gifting of virtual digital assets has also been proposed to be taxed in the hands of the recipient.

What are virtual digital assets and how are they different from digital currency?

- Reserve Bank will be issuing a digital currency, a currency is a currency only when it is issued by the central bank even if it is a crypto.
- But anything which is outside of that loosely all of us refer it to be cryptocurrency but they are not currencies.
- Union Government clarified that what the RBI issues in the next fiscal will be the digital currency and everything else apart from that are digital assets being created by individuals and the government will be taxing the profit which are made during transactions of such assets at 30 per cent.
- Further, a market is emerging where payment for the transfer of a virtual digital asset can be made through another such asset. Accordingly, a new scheme to provide for taxation of such virtual digital assets has been proposed in the Bill.

What are the Benefits of Central Bank Digital Currency?

- **Alternative to physical cash**
- **Instantaneous process:** Transacting with CBDC would be an instantaneous process. The need for inter-bank settlement would disappear as it would be a central bank liability handed over from one person to another.
- **Reduces cost of currency management:** India's fairly high currency-to-GDP ratio holds out another benefit of CBDC. Large cash usage can be replaced by CBDC. Also, the cost of printing, transporting and storing paper currency can be substantially reduced.

- **Need of the hour:** If the private currencies gain recognition, national currencies with limited convertibility are likely to come under some kind of threat. CBDCs thus become the need of the hour.
- **Volatility:** CBDCs, being the legal tender by Central Bank, will not witness any volatility as in the case of cryptocurrencies.
- **Easy tracking of currency:** With the introduction of CBDC in a nation, its central bank would be able to keep a track of the exact location of every unit of the currency.
- **Curbing Crime:** Criminal activities can be easily spotted and ended such as terror funding, money laundering, and so forth
- **Scope in Trade:** Foreign trade transactions could be speeded up between countries adopting a CBDC.

How does the government define virtual digital assets?

- In the explanatory memorandum of the Finance Bill, the government stated, "To define the term "virtual digital asset", a new clause (47A) is proposed to be inserted to section 2 of the Act.
- As per the proposed new clause, a virtual digital asset is proposed to mean any information or code or number or token (not being Indian currency or any foreign currency), generated through cryptographic means or otherwise, providing a digital representation of value which is exchanged with or without consideration, with the promise or representation of having inherent value, or functions as a store of value or a unit of account and includes its use in any financial transaction or investment, but not limited to, investment schemes and can be transferred, stored or traded electronically.
- Non fungible token and; any other token of similar nature are included in the definition.



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EMPOWERING RURAL WOMEN

Chapter 5: Rural Women: Integral for AatmaNirbhar Bharat

What is women empowerment?

It is closely aligned with female empowerment – a fundamental human right that's also key to achieving a more peaceful, prosperous world. Gender equality is a basic human right, and it is also fundamental to having a peaceful, prosperous world.

But girls and women continue to face significant challenges all around the world. Women are typically underrepresented in power and decision-making roles. They receive unequal pay for equal work, and they often face legal and other barriers that affect their opportunities at work. In the India, girls and women are often seen as less valuable than boys. Instead of being sent to school, they are often made to do domestic work at home or are married off for a dowry before they are adults. As many as 12 million underage girls are married every year.

Why is it important to empower girl or women?

- Empowering women is essential to the health and social development of families, communities and countries.
- A key part of this empowerment is through education. Girls who are educated can pursue meaningful work and contribute to their country's economy later in life. They are also four times less likely to get married young when they have eight years of education, meaning that they and their families are healthier.
- The empowerment and autonomy of women and the improvement of their political, social, economic and health status is a highly important end in itself.
- The full participation and partnership of both women and men is required in productive and reproductive life, including shared responsibilities for the care and nurturing of children and maintenance of the household.
- In all parts of the world, women are facing threats to their lives, health and well-being as a result of being overburdened with work and of their lack of power and influence.
- In most regions of the world, women receive less formal education than men, and at the same time, women's own knowledge, abilities and coping mechanisms often go unrecognized. The power relations that impede women's attainment of healthy and fulfilling lives operate at many levels of society, from the most personal to the highly public.

5.1: Life cycle vulnerabilities of rural women

Life cycle vulnerabilities refers to vulnerabilities a woman has to go through at different stages of life from "womb to tomb". Rural women are specifically more vulnerable due to higher life cycle vulnerabilities.

- **Girl child in Womb**
 - Son meta preference (less opportunity to come to the world)
 - easy availability of Preconception sex selection facilities may be a catalyst in the declining child sex ratio
- **Infant**
 - In a study conducted by the Centre for Social Research, Haryana, fear of violence against women is a major cause of female foeticide.
 - Neglect of health care need of girl child.
- **Adolescent**
 - Disparity in education – female literacy ~ 65%; male literacy ~ 80% (2011 census)
 - Educational opportunity is further restricted for girl child due to problems of transportation, patriarchy etc.
 - Child marriage
 - Males get more medical care compared to girls

- 2% of the female population is absolute anemic.
- **As adults –**
 - Huge economic opportunity gap
 - Female labour force participation rate ~ 26% (Niti Aayog)
 - Gender pay gap ~ 34% (ILO)
 - Glass ceiling
 - Feminization of informal sector and de-feminization of formal sector.
 - Political backwardness
 - female representation in Parliament ~ 99th in the world
 - Lok Sabha ~ 12%; Rajya Sabha ~ 11%.
 - Practice of “Sarpanch Pati” in village panchayats.
 - Socially – triple burden comes on rural women – homemaking + agriculture (due to male migration) and child upbringing.
- **Married**
 - Exorbitant dowry demand
 - 12% of the female population of the country suffers from repeated pregnancy (80% of their productive life is spent in pregnancy) & lack of nutrition.
 - High Maternal Mortality Rate in India
- **Old age**
 - Desertion of old women is very high.
 - Health care needs of old ladies are neglected.
 - Violence against old women.

5.2: The COVID-19 pandemic has had a huge impact on women's work.

The pre-COVID-19 situation (for rural women)

1. Rural women faced crisis of regular employment

- According to National Labour Force Surveys, a quarter of adult rural women were in the labour force (or counted as “workers” in official data) in 2017-18
- However, time-use surveys from rural Karnataka by NGOs show that, although there were seasonal variations in work participation, almost all rural women came within the definition of “worker” in the harvest season.
- The above data suggests that rural women face a **crisis of regular employment**.
- In other words, when women are not reported as workers, it is because of the lack of employment opportunities rather than it being on account of any “withdrawal” from the labour force

2. Paid work outside home

- Another feature of rural women's work, is that women from all sections of the peasantry, with some regional exceptions, participate in paid work outside the home
- Thus, while thinking of the potential workforce, we need to include women from almost all sections of rural households and not just women from rural labour or manual worker households.

3. Age differentiated aspiration amongst rural women

- A third feature is that **younger and more educated women** are often not seeking work because they **aspire to skilled non-agricultural work**, whereas older women are more willing to engage in manual labour.

4. Wage Inequality

- A fourth feature of rural India is that **women's wages are rarely equal to men's wages**, with a few exceptions. The gap between female and male wages is highest for non-agricultural tasks — the new and growing source of employment.

5. Underestimation of women's work

- Counting all forms of work — economic activity and care work or work in cooking, cleaning, child care, elderly care — a woman's work day is exceedingly long
- It is estimated that the total hours worked by women (in economic activity and care) ranged from 61- 88 hours in the lean season, with a maximum of 91 hours (or 13 hours a day) in the peak season.
- No woman puts in less than a 60-hour work-week.

Impact of Pandemic & lockdown on rural women

- **Limited agricultural activity for women:**
 - There was increased tendency to use more family labour and less hired labour on account of fears of infection.
 - Therefore, though agricultural activity continued during lockdown employment available to women was limited.
- **Reduced income from agriculturally allied sectors**
 - For women across the country, incomes from the sale of milk to dairy cooperatives shrank because the demand for milk fell by at least 25% (as hotels and restaurants closed)
 - Among fishers, men could not go to sea, and women could not process or sell fish and fish products
- **Collapse of non-agricultural employment for women.**
 - Non-agricultural jobs came to a sudden halt as construction sites, brick kilns, petty stores and eateries, local factories and other enterprises shut down completely
 - In recent years, women have accounted for more than one-half of workers in public works, but no employment was available through the National Rural Employment Guarantee Scheme (NREGS) till late in April
 - Accredited Social Health Activists or ASHAs, 90% of whom are women, have become frontline health workers, although they are not recognised as “workers” or paid a regular wage.
- **Effect on Women's health & nutrition**
 - During the lockdown period the burden of care work mounted.
 - With all members of the family at home, and children out of school, the tasks of cooking, cleaning, child care and elderly care increased
- **Disproportionate impact of lockdown on rural women jobs**
 - Among rural casual workers 71% of women lost their jobs after the lockdown; the figure was 59% for men.
 - Data from the Centre for Monitoring Indian Economy (CMIE) also suggest that job losses in April 2020, as compared to April 2019, were larger for rural women than men.
- **Inadequate attention** has been paid to the consequences of the pandemic for women workers and on the design of specific policies and programmes to assist women workers.

5.3: Women as Farmers

Women are the backbone of the rural economy, especially in developing countries. They make up almost half of the world's farmers, and over the last few decades, they have broadened their involvement in agriculture. The number of female-headed households has also increased as more men have migrated to cities. As the primary caregivers to families and communities, women provide food and nutrition; they are the human link between the farm and the table.

India's agricultural industry, which employs 80 to 100 million women, cannot survive without their labour. From preparing the land, selecting seeds, preparing and sowing to transplanting the seedlings, applying manure/fertilisers/pesticides and then harvesting, winnowing and threshing, women work harder and longer than male farmers. Despite their hard labour in the field, women are not officially counted as farmers, and are either labelled “agricultural labourers” or “cultivators”.

Agriculture can be an important engine of growth and poverty reduction. But the sector is underperforming in many countries in part because women, who are often a crucial resource in agriculture and the rural economy, face constraints that reduce their productivity. Rural women often manage complex households and pursue multiple livelihood strategies. Their activities typically include producing agricultural crops, tending animals, processing and preparing food, working for wages in agricultural or other rural enterprises, collecting fuel and water, engaging in trade and marketing, caring for family members and maintaining their homes. Many of these activities are not defined as “economically active employment” in national accounts but they are essential to the wellbeing of rural households.

Critical Issues

- **Women and unpaid household responsibilities:** Women are generally less able than men to participate in economic opportunities because they face a work burden that men do not. In most societies, women are responsible for most of the household and child-rearing activities as well rearing of small livestock, although norms differ by culture and over time. This additional work burden is unpaid and limits women’s capacity to engage in income-earning activities, which often require a minimum fixed time before being profitable. Furthermore, the nature of tasks, such as caring for children and elderly household members, requires women to stay near the home, thus limiting options to work for a wage.
- **Gender differences within Agriculture market:** Intra-household inequality can also weaken a woman’s position also outside of the home (Kapadia, 1993 and 1995). Women are over-represented in jobs characterized by low wages, high job insecurity and generally poor labour standards. When women have limited decision-making ability within the household or low access to resources and household income, they are more likely to accept lower wages. Kantor (2008) notes that, for most women in northern India, labour market participation is a survival strategy for the household, not a means of improving standards of living or voice in the household.
- **Lack of ownership of land:** As many as 87 per cent of women do not own their land; only 12.7 per cent of them do. There are two primary reasons for the alarmingly low number:
 - One, land being a state subject is not governed by the constitution under a uniform law that applies equally to all citizens but rather is governed by personal religious laws, which tend to discriminate against women when it comes to land inheritance.
 - Second, the cultural aspect of the deep-rooted biases that hinder women’s ownership of land in patriarchal societies cannot be discounted.

The Way Forward

- An ‘inclusive transformative agricultural policy’ should aim at gender-specific interventions to raise productivity of small farm holdings, integrate women as active agents in rural transformation, and engage men and women in extension services with gender expertise.
- An increased work burden with lower compensation is a key factor responsible for their marginalisation. It is important to have **gender-friendly tools and machinery** for various farm operations. Most farm machinery is difficult for women to operate. Manufacturers should be incentivised to come up with better solutions. Farm machinery banks and custom hiring centres promoted by many State governments can be roped in to **provide subsidised rental services** to women farmers.
- **Equalising access to productive resources** for female and male farmers could increase agricultural output in developing countries by as much as 2.5% to 4%. Krishi Vigyan Kendras in every district can be assigned an additional task to **educate and train women farmers** about innovative technology along with extension services.
- Providing women with **access to secure land** is key to incentivising the majority of India’s women farmers. This, coupled with the need to make **investments to improve harvests**, will result in increased productivity and improve household food security and nutrition. Land-owning women’s offspring thus receive better nourishment and have better health

indicators. Land-owning mothers also tend to invest in their children's education. Ultimately, this is a win-win situation all around — for the farmer, her family and the larger ecosystem. With security of tenure, female farmers should be provided with the three critical driving factors — the incentive, the security, as well as the opportunity — to invest in the land they harvest. Security of land tenure also presents advantages for landlords by removing the fear of losing their land ownership.

5.4: Role of women self-help groups in uplifting the rural economy

Self-Help Groups (SHGs) are informal associations of people who choose to come together to find ways to improve their living conditions. It can be defined as self-governed, peer-controlled information group of people with similar socio-economic background and having a desire to collectively perform common purpose.

- **Financial Inclusion:** Priority Sector Lending norms and assurance of returns incentivize banks to lend to SHGs. The SHG-Bank linkage programme pioneered by NABARD has made access to credit easier and reduced the dependence on traditional money lenders and other non-institutional sources.
- **Alternate source of employment:** It eases dependency on agriculture by providing support in setting up micro-enterprises e.g., personalised business ventures like tailoring, grocery, and tool repair shops. For example, Kudumbashree in Kerala has helped in providing skill training and poverty eradication of women.
- **Banking literacy:** It encourages and motivates its members to save and act as a conduit for formal banking services to reach them.
- **Credit availability:** Bank credits are not easily accessible to individual poor, but by forming a SHG, there are make better prospects for bank credits. (often without collateral). Under the SHG-Bank linkage programme, many SHGs have become institutions of micro-credit.
- **The need to solve problems at the ground level:** India is a country that has diverse culture, traditions, historical backgrounds, etc. Therefore, it is difficult for the government to solve the socio-economic problems by itself. Thus, bringing together the people who face similar problems may be a game-changer for the Indian economy.
- **Rural poverty:** SHGs have become a vehicle to lift people from below poverty line, generate awareness about welfare and developmental schemes of government, monitor its implementation etc. For example, SHGs like SEWA, Lijjat papad promotes entrepreneurial culture among women.
- **Positive correlation between SHGs and poverty** can be inferred from the fact that southern states with high number of SHGs (71%) have average poverty rate at 9% as against nation's average of 21%.
- **Need based service enhance economy:** Commercial Banks and NABARD in collaboration with the State Government continuously innovated and designed new financial products for these groups. For example, Community managed resource centre (CMRC) under MAVIM was launched to provide financial and livelihood services to SHGs. CMRC is self-sustaining and provides need-based services.
- **Easier access to government schemes:** The government schemes are mostly meant for the marginalised sections of the society. The inclusion and identification of these people are highly difficult. If they are grouped together, it is easier for the government to identify those who are in need of assistance quickly and efficiently. It also prevents the exploitation and corruption of the government at the ground level.

Successful Examples of SHGs empowering Women:

- Lijjat Papad- successfully transformed lives of several women.
- SEWA under Ela Bhatt.
- Kudamshree initiative of Government of Kerala.

- TANWA (Tamil Nadu Women in Agriculture) programme of Government of Tamil Nadu.
- Shramik Bharadi in Uttar Pradesh.
- Andhra Pradesh Government programme of poverty alleviation by successful integration of women by SHG formation.

Challenges faced by SHG:

- There are about 1.2 lakh branches of banks in rural areas as opposed to 6 lakh villages in the country. There is a need to expand banking amenities further.
- Patriarchal mindset, primitive thinking and social obligations discourages women from participating in SHGs thus limiting their economic avenues.
- Members are not necessarily the neediest sections of the society.
- Male dominance at some stage and women turning to be pseudo leaders.
- Inadequate skills, especially in the rural areas.
- The pace of movement being very slow.
- State wise disparities very high in India, very less representation by Bihar, Jharkhand etc.

SHG approach is an enabling, empowering, and bottom-up approach for rural development that has provided considerable economic and non-economic externalities to low-income households in developing countries. SHG approach is being hailed as a sustainable tool to combat poverty, combining a for-profit approach that is self-sustaining, and a poverty alleviation focus that empowers low-income households.

Chapter 6: Schemes and Policies by Government for Rural Women

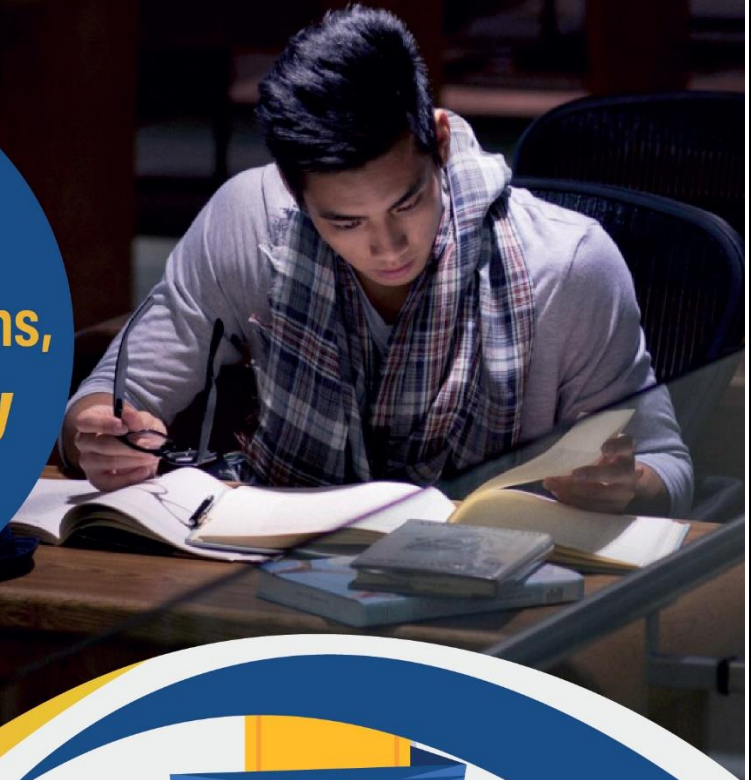
Schemes for	Scheme	Details
Safety and Security	Sambal is more concentrated on the safety and security of women.	
	Mission Shakti	National, State and District level Hubs for the empowerment of women, women helplines, one-stop centres, Sakhi Niwas or working women hostels, shakti sadans or homes for destitute and troubled women, crèches, etc. have been set up.
	Sakhi Centres or One Stop Centres (OSCs)	To protect rural women against violence and abuses, Sakhi Centres are established to facilitate a range of integrated services under one roof such as police facilitation, medical aid, legal aid and legal counselling, psycho-social counselling, temporary shelter, etc.
	Mahila Police Volunteer	To fight the crime against women through active volunteering
	Women's Helpline	Providing 24-hour emergency and non-emergency referral services.
	Swadhar Greh scheme	To provide rehabilitation to women affected by unforeseen circumstances
	Ujjawala scheme	To help in preventing women and children trafficking
Ease of Living	Nari Adalats	Faster alternative dispute resolution is provided and gender justice is ensured.
	Pradhan Mantri Ujjwala Yojana (PMUY)	Provides for LPG connections to women from Below Poverty Line (BPL) that played an important role in reducing indoor air pollution's impact on women.
	Jal Jeevan Mission	Helped decrease the drudgery of women and girls who previously had to walk long distances to fetch

		<p>water. This helps the girls and women spend their time constructively by either going to school and studying or learning new vocational trades to earn a better livelihood.</p> <p>Mandates women's participation in the management of the water supply system in villages. Women's participation in 'Pani Samiti' or 'Village Water and Sanitation Committee' or surveillance committee has gone a long way in developing 'responsive and responsible' women leadership at the village level.</p>
	Mahila Shakti Kendra (MSK)	To empower rural women through community participation. Aims to facilitate inter-sectoral convergence of schemes and programs meant for women.
Health and nutrition	POSHAN Abhiyan	<p>Mission Poshan 2.0 is an integrated nutrition support programme that addresses the challenges of malnutrition in children, adolescent girls, pregnant women and nursing mothers through a strategic shift in nutrition content/delivery and by creating a convergent ecosystem to develop and promote practices that nurture health, wellness and immunity.</p> <p>Poshan 2.0 will bring 3 important programmes/schemes under its ambit, viz.,</p> <ul style="list-style-type: none"> • Anganwadi Services • Scheme for Adolescent Girls • Poshan Abhiyaan <p>Poshan 2.0 shall focus on</p> <ul style="list-style-type: none"> • Maternal Nutrition • Infant and Young Child Feeding Norms • Treatment of MAM/SAM • Wellness through AYUSH <p>Pillars of Poshan 2.0: Convergence, Governance, and Capacity-building</p>
	Pradhan Mantri Matru Vandana Yojana	Aims to provide maternity benefits to pregnant and lactating mothers.
	National Creche Scheme	Creche provisioning for working mothers
	Anaemia Mukh Bharat (AMB)	For accelerating the annual rate of decline of anaemia from one to three percentage points. The target groups for AMB are Children 6-59 months, 5-9 years, Adolescent Girls & Boys of 10-19 years, Women of Reproductive Age (15-49 years), pregnant Women and Lactating mothers.
Skill Development and Entrepreneurship	Mahila Kisan Sashaktikaran Pariyojana (MKSP)	<p>Focusses on skilling of rural women farmers - to empower women in agriculture and allied sectors by making systematic investments and enhance their participation and productivity in agriculture-based livelihoods and building the capacity around Sustainable Agriculture</p> <p>Non-Timber Forest Produce (NTFP)</p> <p>Value Chain Development.</p>

		Livestock interventions are integrated with both Sustainable Agriculture and NTFP projects.
	Pradhan Mantri Kaushal Vikas Yojana (PMKVY)	provides several short-duration skill training programmes for rural youth and women to earn their livelihood.
	Rural Self Employment Training Institutes (RSETI)	provides skill training in the production of products.
	The Start-Up Village Entrepreneurship Programme (SVEP)	implemented under Deendayal Antyodaya Yojana—National Rural Livelihoods Mission (DAY-NRLM) provides self-employment opportunities, financial assistance and training to create local community enterprises.
	Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)	A nationwide placement-linked skill training program for rural youth
	Stand-Up India Scheme	Aims at promoting entrepreneurship among women and SC and ST communities.
	Prime Minister's Employment Generation Programme (PMEGP)	A major credit-linked subsidy programme aimed at generating self-employment opportunities through the establishment of micro-enterprises in the non-farm sector.
	Mahila e-Haat	An online marketing platform to support women entrepreneurs in leveraging technology for showcasing products manufactured by them.
Financial Empowerment	Women Entrepreneurship Platform (WEP)	A platform to bring together various resources to facilitate the ease of entrepreneurial journey for women. It motivates aspiring entrepreneurs to start their businesses, provides knowledge and ecosystem support to women entrepreneurs to foster entrepreneurship and also provides hands-on support to entrepreneurs in setting and scaling up businesses.
	Pradhan Mantri MUDRA Yojana (PMMY)	Provides access to institutional finance to micro/small businesses, under which aspiring female entrepreneurs can now avail funds of up to Rs. 10 lakhs to start a small or micro-enterprise.
	Rashtriya Mahila Kosh (RMK)	an apex micro-finance organisation that provides micro-credit at concessional terms to poor women for various livelihood and income generating activities.
	Sukanya Samridhi Yojana (SSY)	has empowered many girls economically by opening their bank accounts.
Education	Beti Bachao Beti Padhao (BBBP) scheme	To generate awareness and improve the efficiency of welfare services intended for girls in India

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