



Financing to Women beneficiaries in Uttarakhand -A Footstep Towards Developmental Plan

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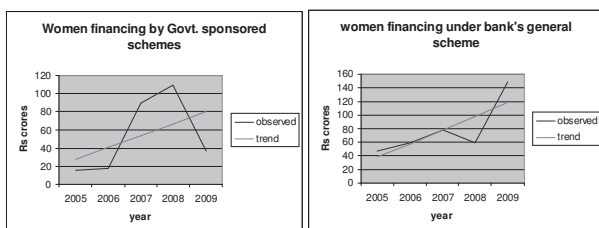
Introduction

Uttarakhand, the 27th state of India was engraved out of Uttar Pradesh in 2000 mainly to satisfy the demands of the development of the area and to bring the people in to the national mainstream. It is bordered by Tibet to the north, Nepal to the east, the state of Himachal Pradesh to the west and the plains of Uttar Pradesh to the south. Uttarakhand presently has 13 districts and is geographically diverse- with fertile plains in the south to the Himalayan ranges that mark its northern border.

The large scale out-migration of men in search of employment in the plains or in the army has led to a demographic imbalance in the region. While men predominate in urban areas, the interior rural districts are amongst the few in all of India that contain significant female majorities (Rawat, 2004). Interestingly, for the state created to satisfy the demands of the holistic development of the area and to bring the people in to the national mainstream, the quality of life of women, particularly in the remote hill areas, has not improved. These women share the same plight being shared by their counterparts in other rural areas of India, but the magnitude of their drudgery is very high due to a tough terrain, adverse weather conditions, scarcity of agricultural land, and paucity of basic facilities like water, electricity, health, fuel, and fodder. (Nautiyal, 2009). It is being felt increasingly that women's subordination and exploitation is a result of their powerlessness in patriarchal society—hence the need for empowerment. Empowerment is a complex

term and may be measured in terms of women's freedom to shape their lives, their control over resources, their access to basic facilities, their level of political participation, their ability to take their own decisions and get them accepted by family and society and their ability to remove hindrances in their path to progress. (Zainab Rehman 2007). In an interesting study, Sekhar (2007) found that women's participation in the rural economy in Uttarakhand is significant. In the state, young men generally migrate to the plains in search of employment, whereas women are left behind to cultivate the land and take care of the children and the older generation. One option to reduce the drudgery of women in agriculture is to identify alternative economic activities that are viable given the economic, social, and institutional constraints. Amartya Sen (1999) makes a compelling case for the notion that societies need to see women less as passive recipients of help, and more as dynamic promoters of social transformation, a view strongly buttressed by a body of evidence suggesting that the education, employment and ownership rights of women have a powerful influence on their ability to control their environment and contribute to economic development.

Availability and effective utilization of resources, awareness and active participation of the people and coordinated efforts are some of the major factors influencing success of implementation of any plan for development. Women can contribute in the developmental process through their economic



participation by getting proper economic opportunity, educational attainment, political empowerment, better health standards, higher social recognition etc. Access to credit by women from the formal sector is an important indicator of economic opportunity. In this paper we are concerned with economic opportunity of women and focus particularly on the opportunity through

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bank financing to women beneficiaries with reference to Uttarakhand. Our objectives are (i) to find the trend in women financing by the banks since 2005 (ii) to find the relationship between women credit accounts and bank branches according type of branches based on the divisions based to the category of regions. In a landmark research work titled “Building Inclusive Financial Sectors for Development” (2006), more popularly known as the Blue Book, the United Nations (UN) had raised the basic question:” Why are so many bankable people unbanked?” Now the very basic question that comes is ‘Who needs to be included and why?’ The access of financial inclusion is in trying to ensure that a range of appropriate financial services is available to every individual and enabling them to understand and access those services.

However the concept has been perceived in different ways in different context. While there is a view that only access to credit is treated as financial inclusion, the others view it as all kinds of services extended by financial institutions. In this paper we stick to only the narrow concept of considering access to credit as financial inclusion and a step towards economic opportunity for an unbiased developmental strategy. We particularly focus on the trend of women financing and the distribution of financing based on divisions of branches of the banks in terms of regions.

Women Financing-The Case of Uttarakhand

In this section, at first the data regarding the loan disbursed to women since 2005 in the state under Government sponsored schemes is presented which is followed by the data on the loan disbursed to women by the banks under general scheme. In the study ‘banks’ refer to all Scheduled Commercial Banks including Regional Rural Banks Private Banks etc. The trend of the figures for the state as a whole is calculated through least square method to make a comparison for the achievement. The data for the overall financing is made in table 6 and compared with the trend. Table 1 presents the amount of loan disbursed to women under different Government sponsored schemes like SGSY (Swarn Jayanti Gram Swarajgar Yojna). PMEGP (Prime Minister Employment Generation Programme) Uttaranchal Sarvabhom Rojgar Yojna, etc. in the different districts of the state .

Table 2 gives the observed value as well as the calculated trend value for the Government sponsored schemes for the state as a whole. Chart 1 presents the deviation of the observed value from the trend. It

is found that while in 2005 and 2006 the observed values were less than the trend, in 2007 and 2008 amount of loan disbursed under Government sponsored schemes were high compared to the trend but again from 2009 there is a sharp decline in the observed value from the trend value. Table 3 presents the loans disbursed under banks general scheme districtwise. The calculated trend for the state as a whole and the observed value is presented in Table 4 where it is very clear that the observed values of women financing under bank’s general scheme in 2005 and 2009 is more whereas in 2006 and 2007 it almost converges with the trend and shows quite a low value compared to the trend in 2008. Chart II helps to capture this difference in the observed value and the trend diagrammatically. Table 5 presents the total amount of loan disbursed to women since 2005. It is observed that Dehradun, Udham Singh Nagar and Pithoragarh show an overall higher amount of disbursement in women loan compared to the other districts. Therefore in the subsequent section we try to find if there exists any kind of relation between the number of credit accounts and the type of branches based on the category of region to which they belong. Source State Level Bankers’ Committee, Uttarakhand. An asterisk (*) is used to identify the districts and the period where the amount is found to be less than the previous year. However, to take a look at the overall trend in women financing in the state, the observed and the calculated trend is presented in table 6. Chart III compares the observed value and the trend. It is understandable from Table 6 and Chart III that in 2005, 2006 and 2009 the observed values have been less than the trend. Otherwise, in 2007 and 2008 the values were above the trend.

Credit accounts and types of branches-a relation

In order to understand whether the share of the credit accounts have been uniform region wise i.e, rural, semi urban and urban regions, first we present the branch distribution taking rural and semi urban as one region and urban as a separate region and the number of women credit accounts for 2007, 2008 and 2009 in table 7. It is observed that there are urban branches in only four districts and all the other branches are concentrated in rural and semi urban areas. Moreover, in case of number of credit accounts of women, more concentration is observed in the districts having urban branches. To quantify such a relationship, we therefore find the correlation between the number of accounts and branches. In Table 8 we present the correlation matrix between the total women

Table 1: Amount of loan disbursed to women under Government sponsored schemes					
Districts	2005 March	2006 March	2007 March	2008 March	2009 March
Almora	95.84	123.68	102.58	119.91	146.41
Bageswar	27.01	38.93	70.46	54.59	52.44
Chamoli	109.05	191.25	164.30	215.00	396.51
Champawat	24.99	41.00	106.95	52.20	58.75
Dehradun	352.65	214.03	382.24	400.91	1780.62
Haridwar	316.00	242.86	161.55	103.10	97.00
Nainital	192.59	100.35	54.50	159.14	158.17
Pauri	82.54	144.84	105.56	100.63	149.15
Pithoragarh	42.21	49.67	7209.14	9050.00	167.47
Rudraprayag	88.33	161.19	211.66	186.14	122.40
Tehri	112.72	188.71	191.28	179.24	162.67
Udham Singh Nagar	120.00	135.00	183.19	221.86	153.90
Uttarkashi	7.00	104.69	58.14	83.29	137.56
Total	1570.93	1736.20	9001.55	10926.01	3583.05

Source: State Level Bankers' Committee, Uttarakhand.

Table 2: The observed and the trend values for Government sponsored schemes					
Year	2005	2006	2007	2008	2009
Total	15.70	17.36	90.01	109.26	35.83
Trend	27.21	40.42	53.63	66.84	80.05

Note: Trend has been calculated using least square method.

Table 3: Amount of loan disbursed to women under Bank's general schemes					
Districts	2005 March	2006 March	2007 March	2008 March	2009 March
Almora	187.29	293.29	350.79	197.86	309.84
Bageswar	38.07	74.45	71.15	68.83	49.95
Chamoli	236.53	416.42	197.03	192.00	235.44
Champawat	14.64	41.00	140.62	65.12	222.65
Dehradun	748.34	1281.62	2838.56	2031.61	9710.5
Haridwar	296.00	1235.83	2586.50	71.10	45.00
Nainital	876.21	189.46	66.10	516.08	903.21
Pauri	305.12	445.53	410.13	455.22	646.01
Pithoragarh	70.59	49.47	232.65	541.25	987.98
Rudraprayag	208.37	338.08	114.81	253.38	316.54
Tehri	102.34	241.82	116.44	324.39	192.76
Udham Singh Nagar	1615.00	1217.91	655.63	1040.17	1095.61
Uttarkashi	4.00	31.19	51.70	63.48	85.12
Total	4702.5	5856.07	7832.11	5820.49	14800.61

Source: State Level Bankers' Committee, Uttarakhand.

Table 4: The observed and the trend values for Bank's General scheme					
Year	2005	2006	2007	2008	2009
Total	47.02	58.56	78.32	58.20	148.00
Trend	37.7	57.86	78.02	98.18	118.34

Table 5: Total Amount of loan disbursed to women beneficiaries					
Districts	2005 March	2006 March	2007 March	2008 March	2009 March
Almora	283.13	416.97	453.37	317.77*	456.25
Bageswar	65.08	113.38	141.61	123.42*	102.39*
Chamoli	343.59	607.67	361.33*	407.00	631.95
Champawat	39.63	82.00	247.57	117.32	281.4
Dehradun	1100.60	1495.65	3220.80	2432.52*	11491.12*
Haridwar	612.00	1478.69	2748.05	174.20*	142.00*
Nainital	1058.89	289.81*	120.60*	675.22	1061.38
Pauri	387.66	590.37	515.69*	555.85	795.16
Pithoragarh	112.80	99.14*	7441.79	9591.25	1155.45
Rudraprayag	296.70	499.27	326.47*	439.52	438.94*
Tehri	216.47	430.53	307.72*	503.63	355.43*
Udham Singh Nagar	1735.00	1352.91*	838.82*	1262.03	1249.51*
Uttarkashi	11.00	135.88	109.84*	146.77	222.68
Total	6262.55	7592.27	16833.66	16746.50	18383.66

Table 6: Total financing to women in Uttarakhand since 2005 and the trend					
Year	2005	2006	2007	2008	2009
Total	62.62	75.92	168.33	167.46	183.83
Trend	64.85	98.24	131.63	165.02	198.41

Note: Trend has been calculated using least square method

credit accounts in the years and the total branches across the districts. An important finding that comes out from the table is that there is a significant and high correlation (.833) between the total women credit accounts and the total number of branches in 2008 and moderately high correlation (.741) in 2009. Moreover for 2007 also the correlation is significant and moderately high (.649). Therefore, based on the results of table 8, we further try to find if any correlation favoritism (meaning 'bias' in general sense) exists for the types of branches and the credit accounts. Thus the correlation between total women credit accounts and rural and semi urban branches is carried for 2007, 2008 and 2009 and again correlation between women credit accounts and urban branches for those years are carried out separately. We observe in Table 9 that there is a low correlation between the total women credit accounts and the semi urban and rural branches at .280(low) for 2007, .438(low) for 2008 and .465(low) for 2009. On the other hand there is a moderately high correlation (.775) between total women credit accounts and urban branches in 2007, high correlation (.835) in 2008 and moderately high (.736) correlation in 2009. Though the urban branches are less in numbers compared to rural and semi urban branches in all the years but they show a stronger relationship with total women credit accounts in the state as a whole.

Conclusions and Suggestions

From the study firstly, we focus on the fact that observed value in women financing is higher compared to the trend in less number of years in the period of our study. It is therefore a matter of concern that women financing in the state is not even up to the expected trend in more years. Secondly, the correlation between credit accounts and number of branches is found to be quite high across the districts which is indicative of the fact that besides other factors, branch network expansion may help in increasing number of credit accounts for women. Thirdly, the low correlation between the credit accounts and rural and semi urban branches and high correlation between the accounts and the urban branches reveals that there exists a biasness based on the type of branch. It further leads us to conclude that urban branches are creating more credit accounts for women compared to their rural and semi urban branches taken together. With 76 percent women population living in rural Uttarakhand (census 2001) the paradox is well understood. Our study therefore points out that the trend in women

financing in Uttarakhand does not show a very healthy result and even out of these, the majority of the share of the credit has gone to the urban regions where urban women population of the state constitute only 14 percent. Therefore for a uniform developmental process in the state we need to concentrate more on the expansion of rural women credit through formal sector. However there may be various reasons for these low credit accounts of women in rural areas. Some of the reasons are · In availability of proper information. · Inaccessibility due to the distance of the branch from the home. · Inadequate collateral for

Table 7: Branch distribution and number of women credit accounts in 2007, 2008 and 2009

Districts	R and SU Br. 2007	R and SU Br. 2008	R and SU Br. 2009	Urban Br. 2007	Urban Br. 2008	Urban Br. 2009	No. of A/c 2007	No. of A/c 2008	No. of A/c 2009
Almora	90	96	99	00	00	00	5071	4541	5663
Bageswar	32	32	35	00	00	00	2230	1545	2536
Chamoli	50	56	59	00	00	00	6127	5978	6081
Champawat	28	31	32	00	00	00	1694	1406	1548
Dehradun	93	102	117	117	134	140	23850	20324	21076
Haridwar	84	90	97	47	54	59	1428	-	1421
Nainital	93	96	104	27	22	25	2016	4437	3171
Pauri	118	124	134	00	00	00	5309	4344	5562
Pithoragarh	66	71	71	00	00	00	5000	1406	5444
Rudraprayag	26	27	31	00	00	00	4227	4882	4897
Tehri	91	92	93	00	00	00	6182	7223	6529
Udham Singh Nagar	134	145	156	00	00	00	6781	9376	8239
Uttarkashi	36	36	36	4	4	4	5520	5737	1827
Total	941	998	1064	215	234	248	75435	71199	73994

Source: State Level Bankers' Committee, Uttarakhand. R:Rural, SU: Semi Urban, U: Urban, Br.:Branches, A/c:Accounts

Table 8 : Correlation matrix between total women credit accounts and total branches in the districts

Total women credit accounts	Total branches		
	2007	2008	2009
2007	.649*		
2008		.833*	
2009			.741*

the loan. · Known local money lenders while unknown banker. · Time consuming process in case of banks. To overcome such a situation the banks need to · Increase their branching network in rural and sub urban areas to give a better access to the women to use the banking facilities. · Arrange more and more camps in the villages to help the village women know about the different schemes of the banks. · Take very prompt action in dealing with such cases. · In order to overcome the problem of security in lending to women the name(s) of women to be compulsorily included in all property and land records.

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