

THE TRINITY ACT: HOW BETTER CONNECT WITH CREDIT DISPENSATION, INCREMENTAL SAVINGS THROUGH PMJDY AND HIGHER PARTICIPATION SHARE IN MGNREGA IS USHERING IN SUSTAINABLE EMPOWERMENT OF WOMEN ACROSS STRATA AND STATES!

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According to RBI's latest report 'Deposits with Scheduled Commercial Banks – March 2023 (BSR 2)' the overall deposits of SCB increased by 10.2%, incremental annual deposits of Rs 17.6 lakh crore. Interestingly, though the share of individuals in total deposits declined during the year, the share of women customers in total deposits continued to increase to 20.5% in the year ending Mar'23. This has been possible owing to the Government efforts towards women empowerment. **Overall the per capita women deposits increased by Rs 4618 in the last five years.** Rural areas are the major source of women deposits. **The share of women deposits in overall rural deposits has increased in post pandemic period to 30% in FY23 from 25% in FY19 (pre-pandemic year).** Further, of the incremental deposits between FY19 and FY23, women deposits accounted for 26% at all India level. The share is again highest in case of rural areas, with women deposits accounting for 41% of the incremental rural deposits during the same period. **Bank-group wise figures shows that the RRBs continue to be the major contributors in increased women deposits share.** Women deposits account for 50% share in incremental deposits in RRBs during FY19 and FY23.

RBI has also provided with the age wise distribution this time which shows that customers in the age-group of 40-60 years account for 37% (or Rs 34.7 lakh crore) of the deposits by individuals (Rs 94.7 lakh crore). Meanwhile, total deposits by senior citizens (age 60 and above) amounted to Rs 36.2 lakh crore which represents 38% of the individuals' deposits and 19.6% of the overall deposits during the year. Within this, **women account for 39% (or Rs 37.0 lakh crore) of the individual deposits. Total deposits by senior women citizens (age 60 and above) amounted to Rs 13.2 lakh crore which represents 36% of the individual women deposits and 7.2% of the overall deposits during the year.**

State wise per capita change in women deposits shows that **Goa, Karnataka, Haryana, Kerala, Uttarakhand, Gujarat, HP, Punjab and Maharashtra have witnessed more than Rs 10,000 change in the last five years.**

The credit BSR also shows improvement in the **share of women in credit to individuals, which has increased by 4.7% in the last nine years (women share in FY15: 18.3%).** The data further shows that **incremental credit of Rs 10.3 lakh crore has disbursed to 7.6 crore new women customers during the period.** Sector-wise credit to women customers indicates that credit has increased in almost all major heads like Agri, Industry (manufacturing) and Trade during FY19-FY23. However, share of women in personal loans segment has remained the same. Incrementally, share of credit to women in total credit has increased to 25.4% during FY19-FY23, with Agriculture, Education and Trade contributing the most.

Lastly, we also looked at the state-wise rate of participation of women (women person-days out of the total in percentage) under MGNREGS during FY23 which indicates while almost all major states have women participation of more than 33%, in some of the states it was less than national average of 57.4%. On the other hand, currently 55% of total PMJDY beneficiaries are women. **State-wise data of women beneficiaries (by extrapolating the Mar-21 numbers), when plotting against the MGNREGS women participation suggests that in southern states both the shares are more than national average.** Further, in **states where women participation in MGNREGS is low, women beneficiaries in PMJDY are also low.** This indicates a positive correlation between two modes of women empowerment. Thus, efforts should be made to include more women in MGNREGS so that all women are brought under the formal banking system.

PER CAPITA WOMEN DEPOSITS INCREASED BY RS 4600 IN FIVE YEARS

- ◆ According to RBI’s latest report ‘Deposits with Scheduled Commercial Banks – March 2023 (BSR 2)’ the overall deposits of SCBs increased by 10.2%, incremental deposits of Rs 17.6 lakh crore. Interestingly, though the share of individuals in total deposits declined during the year, the share of women customers in total deposits continued to increase to 20.5% in the year ending Mar’23.
- ◆ Population-group wise data indicates that rural areas are the major source of women deposits. The share of women deposits in overall rural deposits has increased in post pandemic period to 30% in FY23 from 25% in FY19 (pre-pandemic year).
- ◆ Of the incremental deposits between FY19 and FY23, women deposits accounted for 26% at all India level. This share is highest in case of rural areas, with women deposits accounting for 41% of the incremental rural deposits during the same period.
- ◆ Interestingly, the per capita women deposits increased by Rs 4618 in the last five years, with maximum increase registered in the urban areas.

BANK-GROUP WISE

- ◆ If we further dissect the data on the basis of bank-group wise figures, it is clear that the RRBs continue to be the major contributors in increased women deposits share. Women deposits account for 50% share in incremental deposits in RRBs during FY19 and FY23.
- ◆ Meanwhile, the per capita increase in women deposits in the last five years has been driven by private banks.

AGE-WISE DISTRIBUTION

- ◆ Age-wise distribution of total deposits given by RBI shows that customers in the age-group of 40-60 years account for 37% (or Rs 34.7 lakh crore) of the deposits by individuals (excluding HUF) of Rs 94.7 lakh crore. Meanwhile, total deposits by senior citizens (age 60 and above) amounted to Rs 36.2 lakh crore which represents 38% of the individuals’ deposits and 19.6% of the overall deposits during the year.
- ◆ Within this, women account for 39% (or Rs 37.0 lakh crore) of the individual deposits. Total deposits by senior women citizens (age 60 and above) amounted to Rs 13.2 lakh crore which represents 36% of the individual women deposits and 7.2% of the overall deposits during the year.

Share of Women Deposits to total Deposits (Population groups)				
Pop Group	Share			Incremental Share
	FY23	FY19	Change	FY23 over FY19
Rural	30%	25%	5%	41%
Semi-urban	26%	22%	4%	34%
Urban	23%	21%	3%	29%
Metropolitan	17%	15%	2%	20%
All India	21%	18%	2%	26%

Source: RBI; SBI Research

Population Group wise Percapita Women Deposits (Rs)			
Pop Group	FY23	FY19	Change
Rural	18563	15976	2587
Semi-urban	29563	25942	3621
Urban	61738	51980	9758
Metropolitan	84320	83434	886
All India	42503	37885	4618

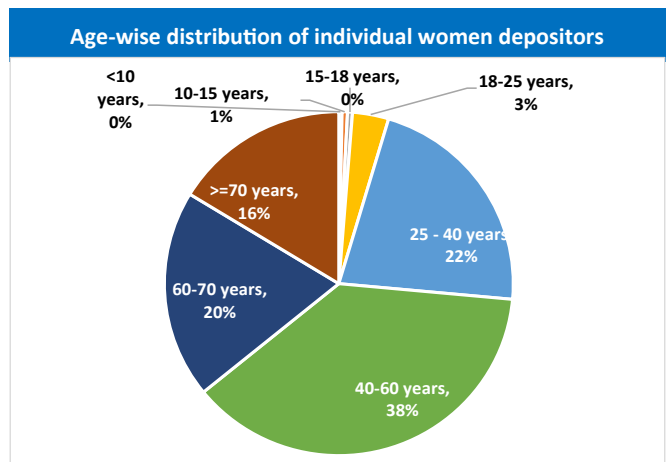
Source: RBI; SBI Research

Share of Women Deposits to total Deposits (Bank groups)				
Bank Group	Share			Incremental Share
	FY23	FY19	Change	FY23 over FY19
Public Sector Banks	23%	21%	2%	29%
Foreign Banks	3%	2%	1%	5%
Regional Rural Banks	34%	27%	7%	50%
Private Sector Banks	18%	13%	4%	24%
Small Finance Bank	27%	20%	7%	29%
All India	21%	18%	2%	26%

Source: RBI; SBI Research

Bank Group wise Percapita Women Deposits (Rs)			
Bank Group	FY23	FY19	Change
Public Sector Banks	44893	39991	4902
Foreign Banks	128978	171206	-42228
Regional Rural Banks	16196	13457	2739
Private Sector Banks	70444	51081	19363
Small Finance Bank	16795	12447	4347
All India	42503	37885	4618

Source: RBI; SBI Research



Source: RBI, SBI Research

STATE WISE

- ◆ State-wise analysis indicates that women have more than 35% share in incremental deposits between FY23 and FY19 in states like HP, WB, Punjab, Andhra Pradesh and Bihar. Meanwhile, Maharashtra, Karnataka, Gujarat, Telangana lie at the other end with low share of women deposits in respective incremental deposits.
- ◆ However, when we look at per capita change in women deposits, Goa, Karnataka, Haryana, Kerala, Uttarakhand, Gujarat, HP, Punjab and Maharashtra have witnessed more than Rs 10,000 change in the last five years.

WOMEN SHARE IN HOUSEHOLD CREDIT HAS INCREASED BY 4.7% IN LAST 9-YEARS

- ◆ Recently, RBI also released the ‘Quarterly Basic Statistical Returns (BSR)-1: Outstanding Credit of Scheduled Commercial Banks (SCBs), March 2023’, which highlights that the overall bank credit growth continues to grow in double-digits in FY23. Metropolitan branches led the credit expansion and accounted for 52% of the incremental credit during FY19-FY23; lending by rural, semi-urban and urban bank branches also recorded double-digit growth during the period.
- ◆ The report interestingly highlighted that share of credit to women borrowers (10.2 crore accounts) continue to increase further to 23% in bank loans to individuals during FY23.
- ◆ If we look at the data from FY15, it indicates that the share of women in credit to individuals has increased by 4.7% (women share in FY15: 18.3%) and incremental credit of Rs 10.3 lakh crore has been disbursed to 7.6 crore new women customers.
- ◆ Sector-wise credit to women customers indicates that credit has increased in almost all major heads like Agri, Industry (manufacturing) and Trade during FY19-FY23. However, share of women in personal loans segment has remained the same. Incrementally, share of credit to women in total credit has increased to 25.4% during FY19-FY23, with Agriculture, Education and Trade contributing the most.

State wise Per capita women deposits (Rs)			
State	FY23	FY19	Change
Goa	105191	78962	26229
Karnataka	55537	40689	14849
Haryana	72649	58107	14542
Kerala	43543	31598	11945
Uttarakhand	57027	45535	11492
Gujarat	59751	48342	11409
Himachal Pradesh	66123	54849	11274
Punjab	62099	50848	11252
Maharashtra	61404	51199	10205
Telangana	49685	40563	9122
Andhra Pradesh	28211	21767	6444
Chhattisgarh	29080	23083	5997
Rajasthan	36758	31860	4898
Uttar Pradesh	33369	30209	3160
Tamil Nadu	36621	34461	2159
Jharkhand	30279	28536	1743
West Bengal	38249	36695	1554
Bihar	19241	17831	1410
Chandigarh	108713	107503	1210
Odisha	29552	28551	1001
Madhya Pradesh	31574	31113	461
ALL-INDIA	42503	37885	4618

Source: RBI; SBI Research

Women Share (%) in Household Sector Credit to Individuals		
Year	Outstanding Credit	Incremental Credit
2014-15	18.3%	8.9%
2015-16	18.7%	22.1%
2016-17	19.5%	25.6%
2017-18	20.6%	26.9%
2018-19	21.1%	24.9%
2019-20	22.1%	29.0%
2020-21	22.7%	27.7%
2021-22	22.5%	21.8%
2022-23	22.9%	24.9%

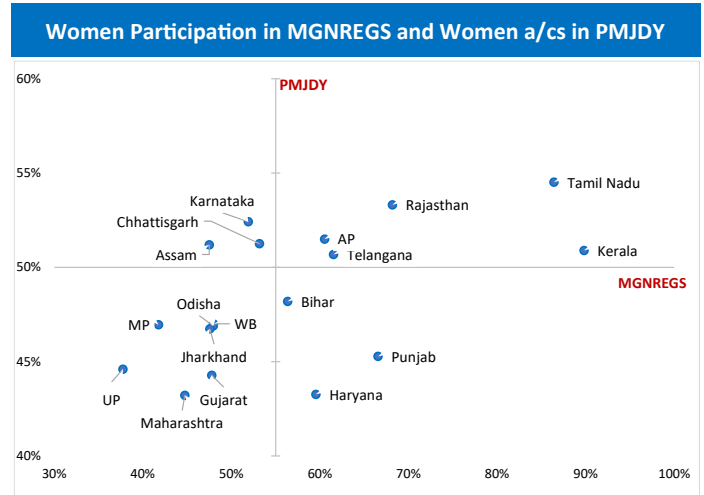
Source: RBI, SBI Research

Women Share in incremental credit to Individuals_Outstanding			
Sectors	Share		Incremental Share FY23/FY19
	FY23	FY19	
I. AGRICULTURE	29.9%	23.3%	44.8%
II. INDUSTRY	23.5%	21.1%	29.4%
1. Mining & Quarrying	13.8%	15.9%	3.3%
2. Manufacturing & Processing	28.7%	26.6%	31.9%
3. Electricity, Gas & Water	5.2%	6.0%	8.0%
4. Construction	8.4%	12.2%	-79.4%
III. TRANSPORT OPERATORS	13.8%	12.3%	26.3%
IV. PROFESSIONAL AND OTHER SERVICES	21.4%	20.4%	23.1%
V. PERSONAL LOANS	20.5%	20.6%	20.4%
1. Housing	22.9%	23.5%	22.2%
2. Consumer Durables	15.9%	19.9%	13.3%
3. Vehicles	17.2%	16.3%	18.2%
4. Education	35.9%	31.9%	48.9%
5. Personal Credit Cards	12.1%	11.0%	13.2%
6. Other Personal Loans	18.1%	16.8%	19.1%
VI. TRADE	30.1%	23.1%	40.0%
VII. FINANCE	24.6%	15.0%	28.0%
VIII. ALL OTHERS	20.7%	20.4%	21.4%
TOTAL CREDIT	22.9%	21.1%	25.4%

Source: RBI, SBI Research

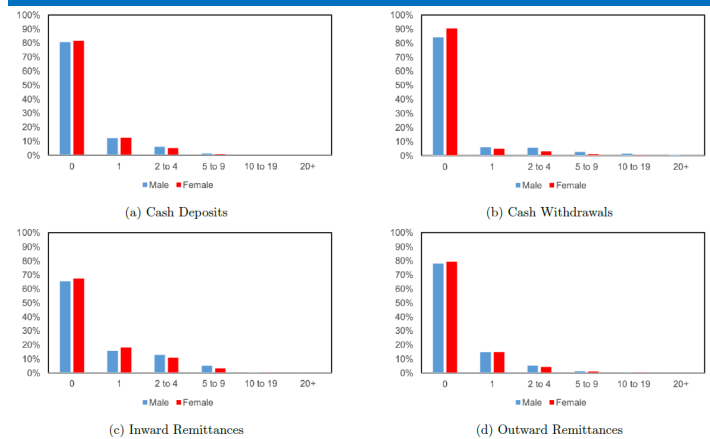
WOMEN PARTICIPATION IN MGNREGS & WOMEN BENEFICIARIES IN PMJDY

- ◆ Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005, requires that priority shall be given to women in such a way that at least one-third of the beneficiaries shall be women who have registered and re-requested for work. The state-wise rate of participation of women (women person-days out of the total in percentage) under MGNREGS during FY23 indicates while almost all major states have women participation of more than 33%, in some of the states it was less than national average of 57.4%.
- ◆ On the other hand the objective of PMJDY is to ensure access to various financial services to the excluded sections i.e. weaker sections & low income groups particularly women. Currently 55% of total PMJDY beneficiaries are women. State-wise data of women beneficiaries (by extrapolating the Mar-21 numbers), when plotting against the MGNREGS women participation suggests that in southern states both the shares are more than national average. In states where women participation in MGNREGS is low, women beneficiaries in PMJDY are also low. This indicates a positive correlation between the two modes of women empowerment.
- ◆ Apart from this, the research done by Ghosh, et. al. (2022) indicates that while on average, the increase in monthly balance is higher for males, the rate of monthly growth in the account balance is lower for males relative to females suggesting that the balance maintained by females should converge over time to that of male account holders. Along similar lines, the fraction of accounts maintaining a positive balance also grows at a higher rate for females.
- ◆ We believe that both MGNREGS and PMJDY help in women empowerment to a greater extent.



Source: SBI Research

Distribution of the frequency of banking transactions among males and females



Source: SBI Research

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