

AVAILABILITY AND CONTROL OF THE FINANCIAL RESOURCES IN THE RURAL HOUSEHOLDS

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ABSTRACT

Resources are important for survival, growth and development. Financial resources are much more important for any individual or a household as they are important for living and to perform daily activities. Availability of the resources depends on the economic status of the family and also the location in which the family is living. This paper tried to study the availability of the financial resources in the selected rural households and assessed the gender differences existing in the households regarding the control of the financial resources. The results showed that more number of men had control over the financial resources compared to women. This showed that women were at a slightly disadvantaged position in the context of control over the financial resources mainly gained from the formal institutions like Banks.

KEYWORDS: Availability, Control, Financial, Resources, Rural, Households

INTRODUCTION

Resources are the major elements required to carry out any kind of work. The money available to an individual for spending in the form of cash, liquid securities and credit lines are called as financial resources. To lead a happy life, an individual or individuals of a household needs to become secured and have sufficient financial resources in order to be able to do work efficiently and sufficiently well to promote success.

Financial resources are used to carry out the main operations of a household/ business, like buying goods and services, and to carry out the long term and short term investments. A good financial resource management is important to achieve the goals of a household/ business. One should take care to avoid situations which lead to shortage of financial resources.

There are several sources of financial resources (Economic Point, 2015):

- The main activities of the business, like the sale of goods and services. (In this study the business means agriculture as the households selected for the study were dependent on farming)
- Capital Funding: Issues of shares and Capital contributions.
- External Sources: Savings, Sale of Assets, Rents, Bank loans, Self – Help Group loans, Loans from other sources like money lenders, chits etc.

This study mainly focuses on the financial resources used for and gained from the business (agriculture) and external sources.

Objectives of the study

- To study about the financial resource availability in the rural households.
- To assess the gender differences seen in the control of financial resources.

METHODOLOGY

An exploratory research method was used for the study in order to explore the existing financial resource availability and assess the gender differences existing regarding the financial resources in the selected rural households. The study was conducted in Aurepalle and Dokur villages of Mahbubnagar district, Telangana, India. The total number of households selected for the study was 112, out of which 66 households were taken from Aurepalle village and 46 households from Dokur village. One male and one female (the principal couple involved in decision making) from each household were selected and interviewed for the study. The households were selected using Simple Random sampling technique. A structured interview schedule was used to collect the data. The data collected was analysed using frequencies and percentages.

RESULTS AND DISCUSSION

The financial resources were savings (sources: banks, self-help groups and others) and loans (sources: institutions, government, money lenders and others).

Availability of Financial Resources

The availability of financial resources in the surveyed households will be described below in the Table 1.

Table 1: Financial Resource Availability and Gender Differences in the Control of the Resources

Resource	Availability (in households)	Control	
		Men	Women
Savings			
Banks	5 (4.46)	5 (4.46)	5 (4.46)
Self-Help Groups	80 (71.42)	44 (39.28)	80 (71.42)
Others	36 (32.14)	33 (29.46)	22 (19.64)
Loans			
Institutional Loans	64 (57.14)	58 (51.78)	25 (22.32)
From Govt. Schemes	3 (2.68)	2 (1.78)	2 (1.78)
Money Lenders	56 (50.00)	51 (45.53)	33 (29.46)
Any other (Friends/ relatives/ Neighbours/ etc)	48 (42.85)	48 (42.85)	25 (22.32)

(Figures in parenthesis indicate percentages)

Availability of Savings

The results showed that only 4.46 per cent of the households had savings in banks, 71.42 per cent had savings in

Self – Help Groups (SHG) and 32.14 per cent had savings in other sources like LIC, Chit fund companies and credits given to others. Out of the 32.14 per cent of savings saved in other sources, 66.66 per cent had savings in Life Insurance Corporation of India (LIC), 2.78 per cent had given credit to others, 27.78 per cent had savings in chit fund companies and another 2.78 per cent had savings both in LIC and Chit fund companies.

Some of the respondents expressed that they earned the financial resources required for their daily living by daily wages. They have their own agriculture, but whenever they sow a crop they had to bring credit and when they harvest and sell the crop, the money earned was used to clear the debts. Therefore they faced difficulty in saving money.

The savings done by women were mostly done in Self - Help Groups. As the amount that can be saved in SHG's per month is not too high and there were no strict formalities like in the banks or other sources, women felt saving in SHG's was beneficial and accessible compared to other sources. All these reasons made the women to show interest in saving money in SHG's.

Availability of Loans

About 57.14 per cent of the respondents had loans taken from banks or recognised institutions, 50.00 per cent had taken loans from money lenders, 42.85 per cent had taken loans from other sources which include chit fund companies, relatives or friends and very few i.e. 2.68 per cent had loans sanctioned under government schemes (Table 1).

Most of the respondent families were depending on agriculture and as banks provide good and easy loan facilities to farmers and at low interest rates, the respondents mostly showed interest in taking loans from banks for their agricultural needs.

The next preferred source for taking loans was money lenders. As money lenders were easily accessible, they were preferred by majority of the respondents to borrow loans. Another reason attributing to this is, as there won't be any difficult formalities like in banks; most of the respondents preferred taking loans from the money lenders.

Gender Differences in Control over Financial Resources

The gender differences seen in the control over savings are described in this section.

Gender Differences in Control over Savings

Equal percentage (4.46%) of men and women had control over the savings done in banks. This means that both the family and female were involved in decision making regarding the savings done in banks. This scenario was opposite in the case of savings done in SHG's. Women had an upper hand in controlling and deciding about the savings done in the SHG's.

Men were dominant in having a control over the savings done in other sources like LIC, Chit fund companies etc. There was not very huge gender differences seen in the control over the savings from all the three sources. This is because most of the decisions regarding the savings related to household and agricultural purposes were taken up jointly.

Gender Differences in Control over Loans

The results (Table 1) showed that more percentage (51.78%) of men had control over loans taken from institutions when compared to women (22.32%). As women were uneducated and do not go out to other towns or places which has

institutions like banks, their access to financial resources and services provided by different institutions like banks was less compared to men. As they had no proper access, their control ability also was less.

Equal number of men and women (1.78%) had control over the loans taken from SHG's. This also showed that a joint decision was made regarding these. But an important point to note us thought men were not accessible to SHG's (as SHG's comprise only of women), they had the control over the resources gained from them. But this is opposite in the case of women when related to control over saving in banks (the relation is described in the above paragraph).

Even in the case of money lenders, more number of men (45.53%) had control over the loans taken from money lenders, when compared to women (29.46%). Few women expressed that had an easy access to loans that can be taken from money lenders. This was because the money lenders were available within the village, whereas banks were not available. But the women were not allowed to take money from money lenders without the permission of their husbands if the amount was huge as men were the ones who paid the debts back.

The respondents (both men and women) also borrowed loans from other sources like friends/ relatives/ neighbours etc. In the case of other loan giving sources. Even in this case, more percentage of men (42.85%) had control over the loans taken from other sources, when compared to women (22.32%). These were some of the results gained from the study related to the gender differences in the control over the financial resources in the rural households surveyed under the study.

CONCLUSIONS

The results showed that the availability of resources within the surveyed households was less. This showed that the surveyed households were not a financially stable position. There is a link between the availability of financial resources in a household and their well-beings. Some developmental programmes can be taken up by Government to help the individuals and families to generate more financial resources required for an improved living.

The study results also showed that majority (71.42%) of the households had savings in SHG's followed by LIC, chit fund companies and banks. Majority of the households (57.15%) had loans borrowed from formal institutions like banks. Very few households had got loans from government schemes, Government can take up some initiatives to provide loans at lower interest rates to rural people, without a gender bias, so that it would be beneficial to them. The results also showed that women were at a slightly disadvantaged position in the case of control over financial resources. Lack of education and knowledge on current issues, male-dominance, traditions, customs, beliefs, ownership of assets, no income earned, mobility issues and confining themselves to household works were some of the barriers which hindered the women's access and control over different financial resources like savings and loans. Strategic interventions are required to sensitise the rural community and out of the beneficial interventions, the concept of SHG's is one of the effective tools for mobilising and motivating the rural women. Not only the women, men also should be helped through some developmental programmes and initiatives, so that both men and women can work together and become financially stable and become successful in running their family.

REFERENCES

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