Chapter - I
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INTRODUCTION

The Constitution of India has guaranteed the right of equality to all its citizens irrespective of their sex, caste, creed and religion. Indian democracy right from the days of Independence has been thriving on these basic principles for the last more than six decades. The national movement under the leadership of Mahatma Gandhi was one of the first attempts to draw Indian women out of restricted circles of domestic life into equal role with men. Writing in 'Young Indian' in 1918, Gandhi ji said, “Woman is the companion of man gifted with equal mental capacities. She has the right to participate in the minutest details of the activities of man. She has the same right of freedom and liberty as he”.

The Constitution of India not only provides for equal rights and privileges for women and men but also for making special provisions for women. A series of special legislations have been enacted from time to time for raising the status of women in the country. The five year plans have consistently placed special emphasis on providing minimum health facilities integrated with family welfare and nutrition for women and children, acceleration of women’s education, their increase in labour force and welfare services for women in need. Various welfare and development schemes have been introduced to improve the living conditions of women and increase their access to and control over material and social resources. (A resource is anything that can be used or accessed to take care of a need, e.g., time, talent, knowledge, skills, values, attitudes, energy and money).

Over the recent past, spread of education, increased urbanization and advancement in technology have generated social awakening among women which has helped in breaking the old customs and taboos of restrictions. Women have started asserting for their rights at par with men. Despite all these development measures and the constitutional legal guarantees, women have still lagged behind men in almost all the sectors. Women in India have to struggle to establish an identity and create a life space in social as well as work organizations even today.
At the grass root level, whatever freedom women have acquired is perceived as a bonus bestowed upon them by a generous society, mainly men at the helm of affairs. While women occupy almost all kinds of public places and offices today and are outnumbering men in educational institutions both as students and teachers, they continue to be marginalized by men who usually choose to be women’s spokespersons.

Gillis-Donovan and Moynihan-Brandt (1990) revealed that the cultural tradition that places women and men in different social positions, with gender based definitions of work and home responsibilities, plays a large part in keeping the women’s work invisible. Historically, women’s work responsibilities outside the home were secondary to their obligation to manage and organize the domestic, emotional and social life of the family. Moreover, the work which women perform inside the house is often unpaid, ‘invisible’ and unaccounted; and by virtue of being outside the monetized economy, the economic contribution of women’s activities has also been typically undervalued. The strength of traditional family roles has kept the work that women do for family far from being acknowledged. Family responsibilities based on gender play a large part in establishing the work environment (Lyman et al., 1985). Men organize their living around the demands of their work and women may downplay their contribution and accept - even encourage - minimum recognition (Hood, 1986). This strategy, generally, applies to all characters of women like daughters, wives, mothers and grandmothers (Ponthieu and Caudill, 1993).

Men’s contribution to their family’s economic well-being has been mainly in the realm of paid employment, while women’s contribution have been more broadly based, including a mix of paid employment and unpaid family work. Her unpaid family work which includes various household activities such as food preparation, house cleaning, laundry, caring for the dependent children and ill or elderly family members, assisting in a spouse’s work, etc. contribute directly or indirectly to the family’s economic well-being and managing family finances (Voydanoff, 1990).

One of the important requirements of living human beings is happy family life besides happy and satisfactory workplace. Women play an
important role in making happy and healthy families, and in turn a strong nation. Our late Prime Minister, Pt. Jawaharlal Nehru once observed, “In order to awaken people, it is the women who have to be awakened, once she is on the move, the household moves, the village moves and the community moves. Women are the pivot around which the family, the society and the whole community moves.” Any improvement in the standard of living has to start from home and eventually it is the women who uplift the standard of living of home. This is determined by the way she runs the home, the kind of food she prepares and the degree of knowledge/skill she uses and care with which she carries out her duties and responsibilities as housewife.

Unlike women in previous generations, when many believed they could rely on their parents or spouse to provide for their financial security, today’s women are taking charge of this monetary destiny amid a significant set of societal changes.

Results of the Microsoft Money 98 Survey on the American women and their finances show that seventy-seven per cent of women are primarily responsible for day-to-day management of personal finances (banking, bills, budgeting, etc.), whereas sixty-one per cent women are responsible for their household’s long-term financial planning, fourteen per cent share the task with their spouse or partner and in the case of only nineteen per cent women’s spouse or partner carries primary responsibility for long-term financial aims. Twenty-eight per cent of the women have the highest confidence of achieving the long-term financial goals.

Among the growing ranks of women who are taking more responsibility for household financial management, the stage has been set for advancement in all spheres of life. There is an impressive percentage of women who are setting the pace with good habits, but both disciplined money managers and those who are still struggling will benefit from the power of complete and integrated financial tools and smart financial guidance.

Though women are making progress in many arenas, still there is a long way to go to achieve equal representation. Almost universally, women
have failed to reach leading positions in major corporations and private sector organizations, irrespective of their abilities.

According to ILO report (1998), women represent more than forty per cent of the world’s labour force, yet their share of management positions remains unacceptably low. The higher the positions the more glaring is the gender gap. In the largest and most powerful organizations, the proportion of top positions going to women is generally 2 to 3 per cent.

For women with family responsibilities, their upward movement may be hampered as they juggle time to devote to both career and family. Women, who work, carry a double load as an employee and a housewife. They are supermoms playing varied roles and reconciling between tradition and modernity (Taisha, 2002). The breaking up of joint family system into emerging pattern of nuclear family without the supporting family structure has created the problem of balancing work and family life. With regard to roles within the family domain, attitudes towards the homemaker role did not vary across the life cycle. Commitment to this role appears to be higher among women than men.

It appears that even in the case of dual-career couples where both partners are equally qualified and working in professional jobs, the work devotion is more strongly developed among men, whereas the homemaker identity is relatively more strongly developed in women (Bhatnagar and Rajadhyaksha, 2002). Husbands or parents are generally of the opinion that a woman should work provided she could combine both her home and job commitments. While a man is free to play a game of tennis or badminton in the evening or to go to a bar for a drink or play cards, women have to complete the formalities of home responsibilities since there is no gender equality in India in real life situations.

There is no dearth of laws and policies for women’s welfare and raising their status in society. But these exist on the paper only and are seldom implemented effectively. No doubt, some women have reached very high positions in the public life but their number is countable only. India cannot progress till one-half of its population, i.e. women, is provided with equal access to participation and decision-making in social, political and economic life of the nation.
India is in a developing phase and there is a socio-economic change in the economy. As we have entered into a new century, more families will continue to face economic and non-economic challenges stimulated by technological advances. Developing and maintaining financial competency for all ages will continue to be a concern of society. Inflationary pressures, high interest rates, changing life styles, materialism, impact of globalization and the gradual deregulation of financial institutions have created an environment in which family finance management has assumed great significance irrespective of the fact that family may be rich or poor.

The income of the family may be same but the pattern of spending it varies from family to family and individual to individual in spite of having identical needs and desires. Unlimited desires coupled with scarcity of funds compel for the need to manage the available resources for the optimal outcome. When it is scarce, however, careful management is necessary to get the most from the money you have. Financial planning or management is, therefore, an integral part of the family living. It is very important to maintain a stable financial household and is intimately interwoven into the fabric of management itself. Good financial planning and ability helps in avoiding financial crisis and achieving the definite goals.

Financial management may be defined as planning, controlling and evaluating the use of financial resources of the family for achieving the family goals. Planning involves developing a sequence of actions or behaviour within an overall organizational structure. Controlling involves checking the carrying out of the plan. It includes ascertaining where and to what extent progress is being made. Evaluation is concerned with assessing the final outcome of the plan.

Rising prices, ever shooting cost of living has put the families in tight spots because of which families are forced to cut and plan their budget. Besides it, increase in choices and impact of globalization is pushing the average Indian family to a point where living is not just a question of income but also of attitude. This makes the role of women crucial to enhance the growth of family. It is sarcastically said very often
that men are good at earning money and women are good at spending it. Today’s women are not just home makers but bread-winners too, so one can say they are good at earning money too.

Men and women tend to look at things differently. Women have been socialized to take care of others’ desires ahead of their own. Men are mainly task-oriented and they take a business like approach to most of the family situations. Women take decisions very calmly and patiently. When women take decisions regarding money available, credit and savings, they optimize their own and household’s welfare. Women’s control over decision-making is also seen as benefiting men through preventing leakage of households’ income to unproductive and harmful activities.

To fulfil the family goals and improvement in the standard of living women’s contribution seems to be very important in the family finance management. In this context, particular emphasis needs to be laid to study the role of women in the family finance management and decision-making process. Also, to what extent women is contributing towards the economic well-being of the family and herself.

A number of studies have been conducted on the economic contribution of women to family income and financial management practices but not much work has been done on the participation of women in the family financial management. Thus, the present study is conceived with the following specific objectives:

**OBJECTIVES**

- To determine the financial management practices of families of different income groups.
- To study the comparative role of working and non-working women in the financial management practices of families.
- To study the problems faced by women with respect to family financial management.
- To study different factors affecting the role of women in family financial management.
- To find out the relationship between different socio-economic factors and the role played by women in family financial management.
HYPOTHESIS

The hypotheses formulated for the study are as follows:

- Contribution of women in family financial management falls with the rise in household income.
- The working women play more important role in family financial management as compared to the non-working women.
- Non-working women are more involved in the household activities/chores than the working women.
- The families falling in MIG category perform better in managing the family finance as compared to those in LIG and HIG categories.
- Mere earning of money and its contribution to the family income does not increase a woman’s power in administering the family resources, i.e., spending family income.
- Education level of the respondents is positively related to the role played by women in family finance management.

METHODOLOGY

The study is based mainly on the primary data which has been collected from two Class-I cities of Punjab, namely, Ludhiana and Patiala. As per 2001 census, the population of Ludhiana and Patiala cities was 13,95,053 and 3,23,309 respectively with their respective rankings at number one and fourth in the state of Punjab (Government of Punjab, 2002). These cities have been purposively selected since Patiala city mainly belongs to service class people and is relatively a historical city, while Ludhiana is the industrial hub of the state.

The sample of the study included 360 married women in all, 180 each from both Patiala and Ludhiana cities with their representation as 60 each (30 working and an equal number of non-working women) from the
LIG*, MIG**, HIG*** categories. Multistage random sampling technique was used to select the sample.

The respondents were contacted personally to collect the data. In order to ensure good response, a rapport was established with the respondent women. They were fully assured that information provided by them would be kept secret and would only be used for the purpose of this research. The questionnaires were filled in a single sitting with each respondent.

A well-structured descriptive questionnaire (Appendix-I) was used to collect the data. Before the actual data collection, it was pre-tested on 5 each working and non-working respondents. Necessary changes and suggestions on the basis of pre-testing were incorporated in the questionnaire before using it for actual data collection.

The questionnaire used for the study consists of four parts. The first part relates to general information including questions regarding personal and family’s background characteristics such as age, education, occupation, type of family, size of family, caste, religion, etc. The second part focuses on the sources of income of the head of the family and other family members, employment features of working respondents, working hours they put in their jobs and monthly income of family from all sources. The third part contains specific information which includes questions regarding financial management practices of the families of different income groups and role of women (both working and non-working) in the family’s financial management practices. Last part of the questionnaire pertains to the various types of problems faced by respondent women and the suggestions given by them for the effective use of family’s finance.

* LIG : Income up to Rs.1,80,000 (Zero income tax for women)
** MIG : Income between Rs.1,80,001 to Rs.5,00,000 (Income tax up to 20 per cent)
*** HIG : Income above Rs.5,00,000 (Income tax up to 30 per cent)
THE ANALYTICAL TOOLS

- For the purpose of analysis of data, suitable statistical tools like averages, percentages, standard deviation, coefficient of variation, student’s t-test etc. have been used.
- After collection of data, all the responses of the respondents were arranged systematically and master tables were prepared accordingly. From the master tables, various sub-tables were generated on the basis of objectives of the study.

SCHEME OF THE STUDY

The chapter scheme of the study is explained as below:

Chapter-I describes the importance of financial management, objectives and hypothesis of the study. It also highlights the methodology used for the study.

Chapter-II presents a detailed review of the existing literature.

Chapter-III highlights the general profile of respondent urban women (both working and non-working).

Chapter-IV discusses the contribution of women in the household income.

Chapter-V deals with the financial management practices of working and non-working women in the selected cities of Patiala and Ludhiana.

Chapter-VI discusses the problems of respondent women and includes the suggestions given by them.

Chapter-VII, being the last one, summarises the main findings of the study.
References


