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IMPORTANT ASPECTS OF THE SUKANYA SAMRIDDHI YOJANA: A PATHWAY TO WOMEN'S EMPOWERMENT

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Abstract:

In India, the dowry system and poverty were thought to be the main causes of female infanticide. It is also widely assumed that because men are capable of conducting extensive agricultural labor and manufacturing jobs, they are typically the family's principal source of income. People clearly used to regard female children as a financial burden. The Government of India implements separate female welfare initiatives in order to eliminate gender inequities and modify people's attitudes. Sukanya Samriddhi Yojana is one of them, and it is a small deposit system meant to fund female children's education and marriage expenses. Access to safe, simple, and affordable credit and other financial services for the poor and vulnerable groups is acknowledged as an essential prerequisite for accelerating growth and development and reducing income inequality and poverty. The Sukanya Samriddhi Yojana (SSY) scheme can readily develop all groups of society and contribute to the goal of financial inclusion. The goal of financial inclusion is to provide banking and financial services in a fair, transparent, and unbiased manner at a reasonable cost to large segments of the disadvantaged and low-income population. The best part is that this scheme is available in post offices and numerous banks, which benefits both educated and uneducated members of society. The benefit of this program is that at the age of 21, the entire money can be withdrawn, and partial withdrawals are also available. Sukanya Samriddhi Yojana is a National Mission for Financial Inclusion based on "Beti Bachao Beti Padhao," or inclusive growth, to ensure affordable access to financial services such as banking/savings, education, health, marriage, and equality. It was launched on January 22, 2015 by Shri. Narendra Modi. The proposed literature study would aid in focusing on the important aspects of the Sukanya Samriddhi Yojana, that leads to special initiative towards the women empowerment on the notion of financial inclusion.

Keywords: Sukanya Samriddhi Yojana, Financial inclusion, Key aspects of SSY and economical impact.

Introduction:

Different authors have described savings worldwide in different ways. For instance, an account is opened in any financial institution to increase net wealth (Kennickell, 1996). The usage of credit services and remittances is the topic of saving behavior research. Furthermore, current disposable income and predicted future income are the most important factors of saving. The reasons for saving were classified into three categories. The first cause is due to short-term fiscal imbalances. The second reason is preventative, in that economies are characterized by future uncertainty. The third factor is generational shift. Household saving behavior is driven by a variety of reasons, such as saving for retirement and saving for children. Previous research has shown that parents save for their children while keeping future demands in mind, such as education and wedding fees, which can be rather significant. Furthermore, parents nowadays accept responsibility for purchasing a property for their children, such as a house, which stimulates them to invest. We had to take into account all three motivations for saving, namely generational renewal, and attempted to examine respondents' perspectives of the determinants of savings in the Sukanya Samriddhi Account (SSA) program. The SSA's goal is to encourage the parents of a girl under the age of 10 to save for their daughter's education and wedding expenses. The literature on the situation of girls in India has confirmed that girls are discriminated against in different ways in different areas such as health care and education. Son preference (a clear gender bias in reporting children) is a widespread phenomenon in all Indian societies. According to the most recent Union Budget for 2023, the government intends to significantly widen the Sukanya Samriddhi Yojana and other minor savings programs. In order to pay its fiscal deficit in Budget 2023, the government is



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likely to rely on small savings programs, which have the potential to generate about Rs 5 lakh crore. The government can actively promote programs like the Sukanya Samriddhi Yojana (SSY) by actively encouraging new registrations.

Literature Review:

Reserve Bank of India Bulletin update on “Financial inclusion and millennium development goals” has indicated strongly that “The central bank (i.e., the Reserve Bank of India or RBI) has taken certain steps for financial inclusion, for example: introduction of no-frills accounts and provision for general credit cards with overdraft facilities”(Thorat U, 2006). In an Interdisciplinary Research Journal article titled “Role of banking sector on financial inclusion development in India: An analysis” confirms that “Informal arrangements do exist in the region, which are not adequate to achieve the expected results in terms of financial inclusion” (Tamilarasu A, 2014). One more issue addressed in an article “Account Holder’s Satisfaction towards Sukanya Samriddhi Account of Postal Department With Special Reference To Coimbatore City” confirms that “This scheme is especially for Indian parents and guardians to design for girl’s higher education or marriage needs so that her financial needs won’t be a burden to the family” (Venkatachalam, V, 2016). Another important mention through a national journal article, “Investors attitudes towards post office deposit schemes” relates that “The post office has long been known as an average to train the habit of carefulness and savings among the agricultural workers” (Ganapathi, R., & Malar, S. A., 2010). While addressing the issues on women empowerment mentioned on the topic, “Taking the power out of empowerment: an experiential account” from the book titled “Development in Practice” signifies that “women empowerment is a radical approach to transform power relations in favor of female gender that leads to better gender equality”(Batliwala, S., 2007). A national report published by Rangarajan Committee (2008), “Report of the committee on financial inclusion” from Government of India indicates that, “Accomplishing complete financial inclusion does not just determine the issues identified with financial structure, rather its centre is annulling the condition of social exclusion” (Dasgupta, R. 2009). From internationally recognized leading authors, on “Female empowerment: Further evidence from a commitment savings product in the Philippines World Development International Book Publication, “Empowerment-as a multidimensional concept and illustrates proliferation of end results and Owning a bank account improves financial well-being of women” (Ashraf, N., Karlan, D., & Yin, W. 2010). One more highlight from an eminent author, “IPA women’s economic empowerment through financial inclusion: A review of existing evidence and remaining knowledge gaps. New Haven, CT: Innovations for Poverty Action.” mentions “Women empowerment enables to make their life choices, which in turn effectively improves their well-being. Gender equality and women empowerment are essential for global progress and it can be enhanced by providing affordable financial services to women” (Holloway, K., Niazi, Z., & Rouse, R. 2017). On the study of “Equity and women’s higher education”, from Journal of Higher Education International Journal various studies over the years, has mentioned that a categorical emphasis is the need for educating girls (Ahmad, K. 1979). Previous studies from, the authors on “Household savings motives” from the Journal of Consumer Affairs an International Journal had indicated that certain demographic factors affect the savings behavior of a household such as age and income (DeVaney, S. A., Anong, S. T., & Whirl, S. E. 2007). Officially savings is defined in his work titled, “Saving and permanent income: Evidence from the 1992 SCF from an International Journal, “Savings is considered as an enhancement in the value of net assets” (Kennickell 1995). On similar guidelines, (Palumbo, 1999) has mentioned about the uncertain medical expenses and precautionary saving near the end of the life cycle. International Conference Proceedings Savings behavior is affected by different types of uncertainty, for instance, income uncertainty. From the Harvard Education Review, titled "Improve the women: Mass schooling, female literacy, and worldwide social change" mentioned that "There are multiple benefits of educating girls, such as attaining a holistic development improved social status for them and many more" (LeVine, R., LeVine, S., & Schnell, B. 2001). In an American Economic Review titled “The life-cycle hypothesis of saving: Aggregate implication and tests” expresses that, “Major determinants of savings include current disposable income and anticipated future income”(Ando & Modigliani, 1963; Friedman, 1957). An International Journal on Financial literacy mentions the article that "Financial knowledge and best practice behavior.” It confirms both objective and subjective financial knowledge influence financial behavior, with subjective knowledge having a larger relative impact. Other variables that have a significant impact on



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financial behavior include financial satisfaction, income, education, age, race, and ethnicity (Robb & Woodyard, 2011; Xiao, Tang, Serido, & Shim, 2011).

Key aspects of SSY scheme are as follows:

1. A girl's under-10-year-old account must be opened by her natural or legal guardian.
 2. A 1000 rupee initial deposit followed by additional deposits in multiples of 100 rupees.
 3. A maximum of Rs. 150000 may be deposited per fiscal year.
 4. Deposits may be made up to 14 years after the account was first opened.
 5. Cash, demand drafts, or checks may be used to make the deposit.
 6. The Passbook feature.
 7. No deposit is required between the 15th and 21st years of the account.
 8. Paperwork needed to create an account girl's birth certificate, verification of parents'/guardians' identities and addresses.
 9. When a female becomes 18 years old, she can withdraw 50% of her deposit money for school or marriage.
 10. The account will mature twenty-one years after it was opened.
 11. The girl can manage the account after she turns 10 years old.
 12. If the girl kid moves to a location other than the city or locality where the account is located, the account may be transferred anyplace in India.
 13. A punishment of Rs. 50 per year will be imposed on an account if the required minimum deposit was not made in a given year.
 14. After the date of the girl's marriage, the account may not be operated.
 15. Upon presentation of the death certificate, the account must be terminated immediately in the event that the account holder passes away.
- The guardian of the account holder will get the remaining credit on the account as well as interest.
16. Income Tax deduction under Section 80C for contributions up to Rs. 1.5 lakh.
 17. The federal government will announce the interest rate once a year.
 18. The interest rates have been fixed at 8% p.a. for Q2 (July-September) of FY 2023–24.

Relevance of this study for society:

This study will benefit the society and its members at large. Providing information on securing funds for future could be the mainstream agenda in this informative study. This study will also ensure to top concern for those who want to address financial issues.



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- Also, this study will bring out necessary matching's of agencies whose missions match with the objective's financial savings advocacy programs or social-change projects.
- An aspiring savings customer or potential client may contact through this study in near future.
- It is more likely to create some savings agents to promote the SSY schemes through their hobbies and interests with a goal to reach at micro levels of the society.
- This study will broaden one's social network, raise awareness, or secure the support and may start with the savings on priority.

Indeed, this research will contribute to a person's financial ability to make life-changing decisions. It will also encourage self-growth, participation in savings for future and will lead a financially burden free life.

Advantages of Sukanya Samriddhi Yojana Investment:

Sukanya Samriddhi Yojana, which is part of Beti Bachao, Beti Padhao Yojana project, offers investors a variety of advantages. The following are some of the main Sukanya Samriddhi Yojana advantages:

High Interest Rate: When compared to other government-backed tax saving plans like PPF, SSY offers a greater fixed rate of return (currently 8% annually for Q2 FY (2023–24)).

Returns that are guaranteed: Since SSY is a government-backed program, it offers returns that are guaranteed.

Tax Benefits: Up to Rs. 1.5 lakh in annual tax deductions are offered by SSY under Section 80C.

Flexible Investment: A minimum deposit of Rs. 250 per year and a maximum deposit of Rs. 1.5 lakh per year are permitted. This ensures that people of all financial backgrounds can participate in the SSY scheme.

Good compounding interest rates: Sukanya Samriddhi Yojana (SSY) is a fantastic long-term investment strategy since it provides the benefit of annual compounding. As a result, even little investments will yield better long-term returns.

Convenient Transfer: In the event of the death of a parent or guardian managing the Sukanya Samriddhi Account, the SSY account can be easily transferred from one region of the country to another (bank/post office).

Few disadvantages of Sukanya Samriddhi Yojana Investment

The following are some of the main Sukanya Samriddhi Yojana disadvantages:

- 1) **Lock In Time or Period:** This account is not beneficial to short-term investors. The deposited sum will not mature for another 21 years. According to the scheme, one must deposit for 14 years before receiving maturity after 21 years. The account is only available to girls under the age of ten. However, a one-year exception is provided for fiscal year 2014-15.
- 2) **No. of accounts permitted:** A maximum of two accounts are permitted. Another limitation of this account is that an individual can only open two accounts for two girls. If he has three daughters, he is not eligible to open another account.
- 3) **Early Withdrawal:** When examining this account, keep in mind that premature withdrawal is not permitted unless the girl child dies or reaches the age of maturity.



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4) No online access: There is no online service. Another disadvantage is that money cannot be invested online at this time; only checks and DDs may be placed.

5) Interest Rates Are Subject to Change: The government will select the interest portion each year, which will be linked to government bonds. However, one should consider whether it can combat the rate of inflation. When compared to market-linked programs, returns can be modest.

Sukanya Samriddhi Yojana Offered by Banks

The list of public and private sector banks that are currently providing Sukanya Samriddhi Accounts for all qualified individuals are as below.-

1. HDFC Bank	2. Axis Bank	3. Punjab National Bank
4. Canara Bank	5. Union Bank of India	6. ICICI Bank
7. Central Bank of India	8. IDBI Bank	9. Canara Bank
10. Indian Bank	11. State Bank of India	12. Bank of Maharashtra
13. Punjab & Sind Bank	14. Indian Overseas Bank	15. UCO Bank
16. Bank of India	17. Bank of Baroda	

Sukanya Samriddhi Yojana and its impact on Indian Economy.

Sukanya Samriddhi Yojana (SSY) is an Indian government-backed savings scheme that was started in 2015 to promote the welfare and education of girls.

This scheme provides a competitive interest rate, tax advantages, and a maturity period of 21 years, making it a great long-term investment alternative for parents and guardians of young girls.

By boosting enrollment rates and developing financial literacy, the SSY has had a substantial impact on the Indian economy, fostering financial inclusion, mobilizing savings, and empowering girls.

This result demonstrates the necessity of investing in social welfare programs that encourage economic growth and development, particularly in emerging countries such as India, where such initiatives can have far-reaching consequences.

The mobilization of savings has been one of the most noticeable effects of the SSY on the Indian economy.

As of March 2022, approximately 3.68 crore SSY accounts had been opened, with a total deposit of INR 1.54 lakh crore.

These funds were mostly raised from households, which have historically been hesitant to invest in formal financial instruments.

Conclusion

The SSY attempts to improve the lives of Indian girls. With Sukanya Samriddhi Yojana perks such as tax breaks and high interest rates, the girl child is financially secure for the next 21 years. Such programs are accessible to the typical household because to their ease of application and low investment requirements. Joining the scheme may be the next best thing we can do to financially ensure our daughter's future. As a result, the SSY has assisted in channeling family savings into the formal banking sector, thereby strengthening the stability of the country's financial system and market



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liquidity. The SSY has also had a positive impact on India's education sector. This has increased household financial literacy, allowing people to make educated decisions regarding their financial destiny. Finally, the Sukanya Samriddhi Yojana has had a substantial impact on the Indian economy, encouraging financial inclusion, mobilizing savings, and empowering girls through increased enrollment rates and improved financial literacy. The SSY is a key component of the Beti Padhao, Beti Baachao (BPBB) initiative, which was established in 2015. The BPBB was expanded from 161 districts to 640 districts across the country in March 2018, transforming it into a pan-India program. The BPBB is intended to reduce the gender gap and empower women through education. SSY is intended to effect positive behavioral change in society toward the girl child. Thus, the success of these initiatives is significantly dependent on the extent to which Indian households are prepared to change their behavior and views about girls and women in general. To develop an inclusive and thriving economy, the government should continue to support and promote schemes like the SSY.

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