

## **A study of Financial Inclusion of Domestic Help and the Impact of Rising Prices on their Spending in Pune City**

**<sup>1</sup>Prof. Sonal Apte**

Assistant Professor and Research Scholar

Brihan Maharashtra College of Commerce (Autonomous),  
Pune

### **Abstract**

Domestic Help- these words have become synonymous with Indian Households. These helpers seem to have become indispensable, thanks to the rising middle-income group and their maddening work schedules. Domestic Help can be defined as persons who have been hired to perform varied tasks in the household like, laundry, cleaning, mopping, dusting, cooking, childcare or elder care. They are available through online portals, agencies or by word of mouth in a residential complex.

Many of them are seen today clad in crisp sarees, colourful salwar suits, carrying their handbags and going on a 9 to 5 duty. They are either flaunting their cell phones or racing their shiny motorbikes. On the other hand, they face pressing problems like family squabbles, alcoholism, illiteracy, death of a partner which forces them to step out and be financially independent.

They are well versed with technology as most of them make online transactions (use G-pay) have bank accounts, make calls and listen to music on their phones. This also builds confidence in them and makes them negotiate with the households for their wages/salaries. Since they are indispensable, most often than not, households give in to their demands.

This paper is a humble attempt to examine the purchasing power, saving habits, loans procured etc. It attempts to delve deeper into their spending habits on account of rising Inflation against the backdrop of the various government schemes being announced for them under financial inclusivity.

**Key words:** Domestic Help, Rising Prices, Spending, Financial Inclusivity

## Introduction

Pune is the second largest city in the state of Maharashtra. Sixty-two percent of the population in Pune is under 30 years, with a literacy rate of 86 percent. Pune city's nominal GDP for 2022-23 was Rs.4,18,104 crores with a high Per Capita Income of Rs.3,36,503 crores. Pune has recorded a Local Purchasing Power Index (LPI) of over 150. Purchasing Power Index reflects relative affordability of goods and services within a city based on the average net salary. The reasons for this impressive performance is due to the presence of a strong economy, an industrial hub, and a new start up hub in recent years with information technology, engineering and automotive companies sprouting.

Given the demographic and economic conditions, it is common that in Pune every household will have both the partners working. With pressing time schedules it is natural to have some sort of assistance at home and therefore the need for domestic help

The presence of a house help has many benefits, the elders at home do not feel neglected if the earning members of the family leave at 8am and are back by 8 pm, household chores can be taken of, it helps the working professional to continue exceling in their field of specialization, the needs of the children are looked into and the list continues

With the women workforce in the domestic help increasing, Pune presents a bright picture of women empowerment and independence.

A study conducted on Living and Working Conditions of Female Domestic Workers in Pune City by *Pokale, Aarati B.; Gothankar, Jayashree S.; Pore, Prasad D.* also concludes with working and living conditions of these FDWs are not as pitiful as depicted in previous studies. However, benefits accorded to the formal sector workers are lacking here like fixed days off, pension, and maternity leave.

## **Objectives of the Study**

1. To study the impact of rising prices on the spending of domestic help in Pune city.
2. To explore various Government schemes of Financial Inclusion for the women domestic help.

## **Research Methodology**

The current descriptive research involves Secondary and Primary Data. Reliable sources were employed to collect data from secondary sources. Authentic articles from Research gate, Google scholar were cited. Factual data was collected through search engines and websites. Journals and research magazines were also referred to.

Primary data was collected from women domestic help. A structured questionnaire was prepared and an aided method of filling up the questionnaire was used. 100 per cent satisfactory responses were elicited from the respondents.

## **Background of Domestic Help in Pune**

The International Labour Organisation (ILO) has defined domestic workers as ‘someone who carries out household work in private households in returns for wages’.

Women have become an integral part of the informal workforce too. In fact, when we talk about domestic help 80% are women. Poverty, illiteracy, lack of skills, migration, troubled domestic circumstances force them to seek employment.

On the other hand, changing family structure, urbanization, educated women seeking employment requires someone to do household chores, all contribute to the increased demand for domestic workers.

Low wages, no weekly off, long working hours, no job security, lack of health and safety regulations are the fears they have to face every single day.

Most of them come from strata ‘below the poverty line’ and are migrants from other states like Belgaum, Assam, Bengal etc. They are the sole bread winners of their family.

<sup>1</sup>Prof.Sonal Apte, Assistant Professor & Research Scholar, Brihan Maharashtra College of Commerce, Pune

## Government Schemes for Financial Inclusion

The Central Government formulates policies and provides financial assistance for Women Empowerment through the Ministry of Women and Child Development.

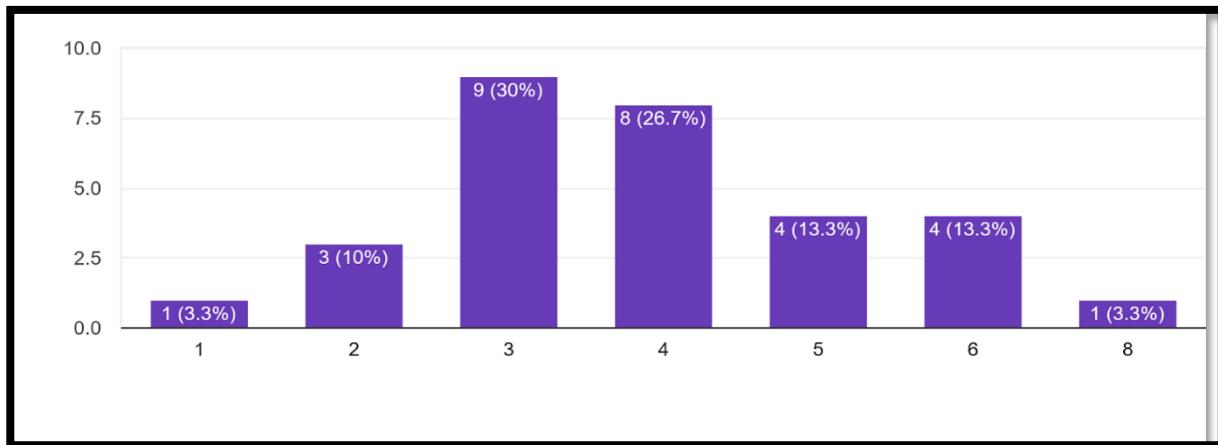
The State Governments are responsible for implementing these programmes and schemes at the grass root level. The state governments can also devise their own initiatives for women's empowerment by mobilising their own resources.

Some of the schemes are listed below:

- **Swaadhar Gruh Yojana** – a centrally sponsored scheme for women in difficult circumstances, implemented by state governments.
- **Mahila Samridhi Yojana** in Maharashtra. It provides loans to women, focusing on their educational, economic and social development.
- **Mukhyamantri – Majhi Ladki Bahin Yojana**. It aims to provide financial assistance and economic freedom to women aged 21 to 65 years.
- **Beti Bachao Beti Padhao**. It aims to address the declining child sex ratio and empower girls and women.

These and many other schemes like One Stop Centre, Women Helpline, Ujjawala, Stand Up India, Pradhan mantra Matru Vandana Yojana, Dena Shakti Scheme, are addressing various aspects of women's empowerment, including grievance Redressal and support services.

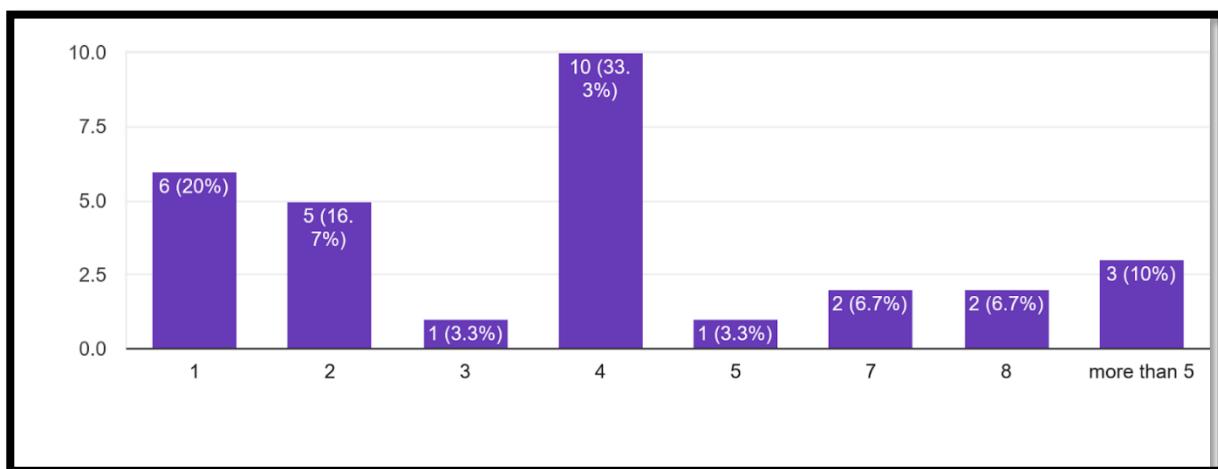
## Data Analysis: Impact of rising prices on the spending of Domestic Help in Pune City.



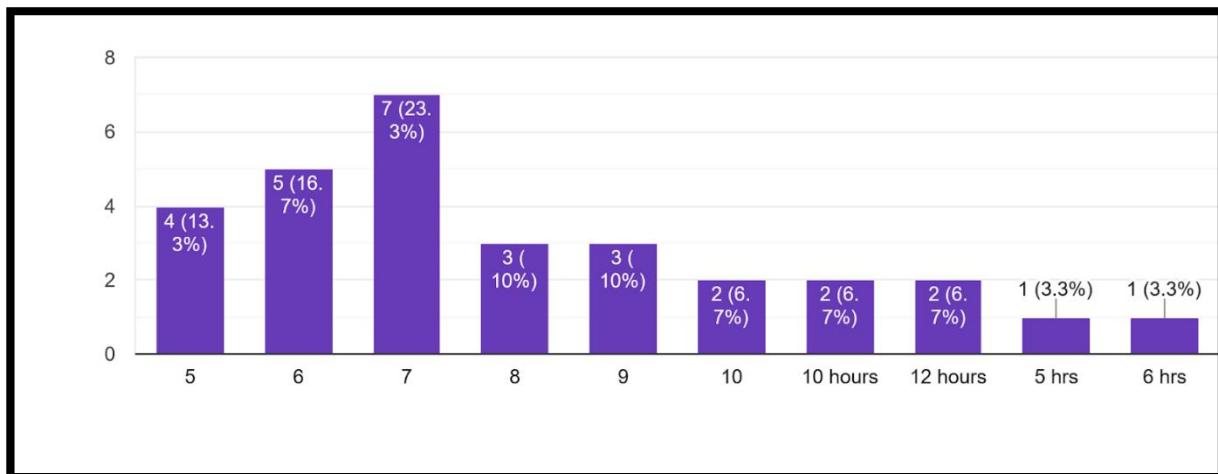
**Fig 1: Nuclear families show that the average family size is 3 members.**



**Fig 2: Monthly family earnings range between Rs.9000 & Rs.1,00,000**



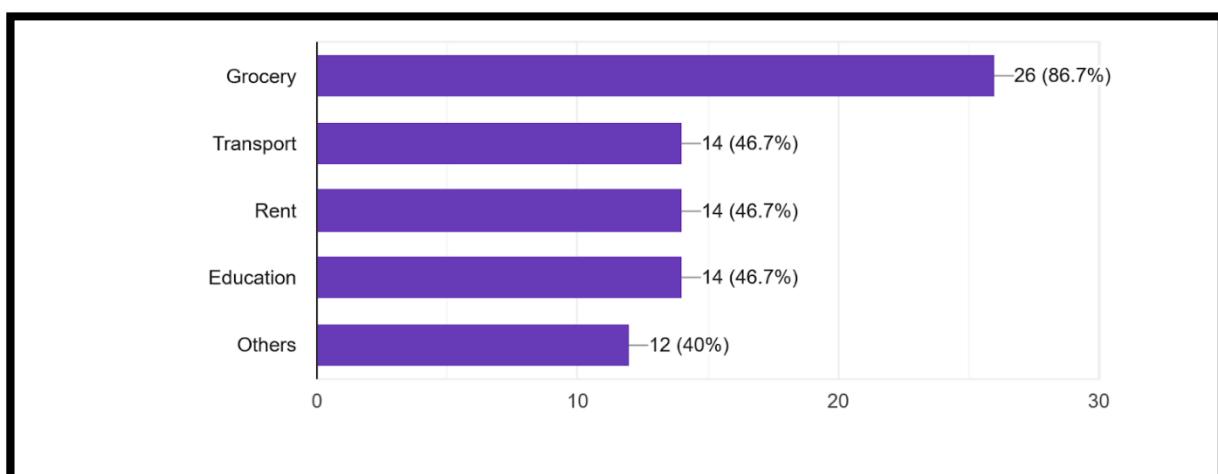
**Fig 3: Most women work in 4 houses a day.**



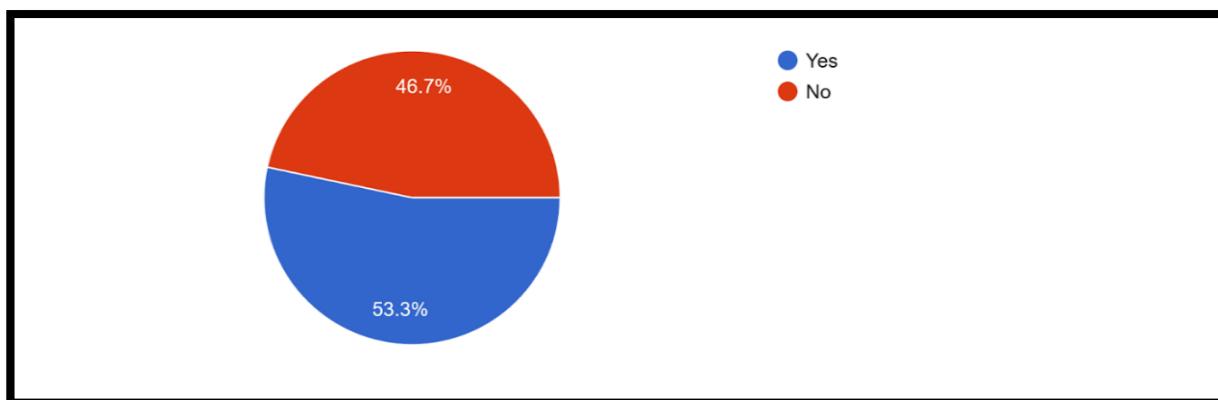
**Fig 4: Women Domestic Help, work for 7 hours.**



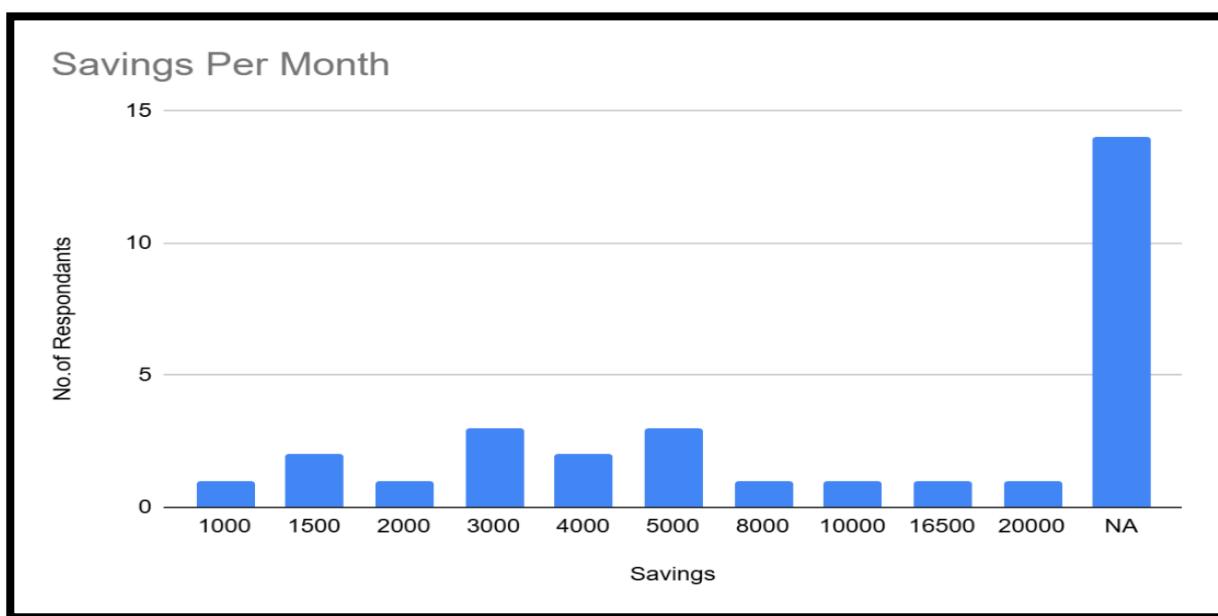
**Fig 5: Most domestic help is earning around ₹10,000 – ₹20,000**



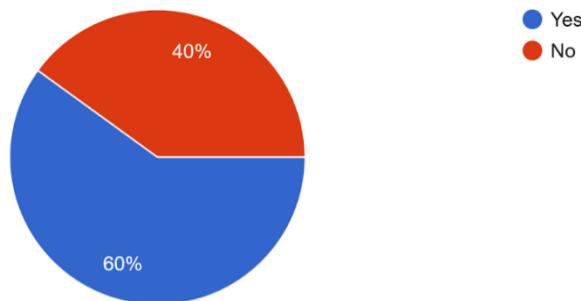
**Fig 6: Most of the income is spent on Grocery, milk, food grains, rent, electricity, education and other needs**



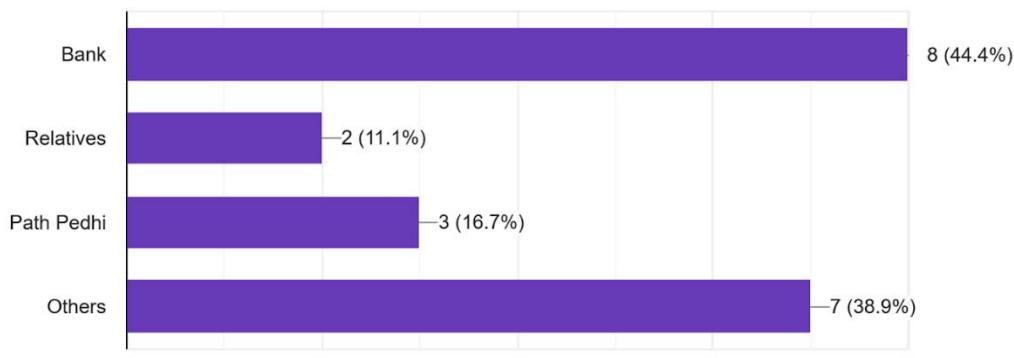
**Fig 7: 53% domestic help are able to save per month.**



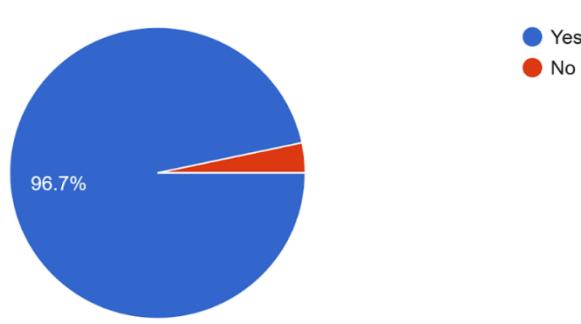
**Fig 8: The amount of savings varies.**



**Fig 9: 60% of them have taken loans.**

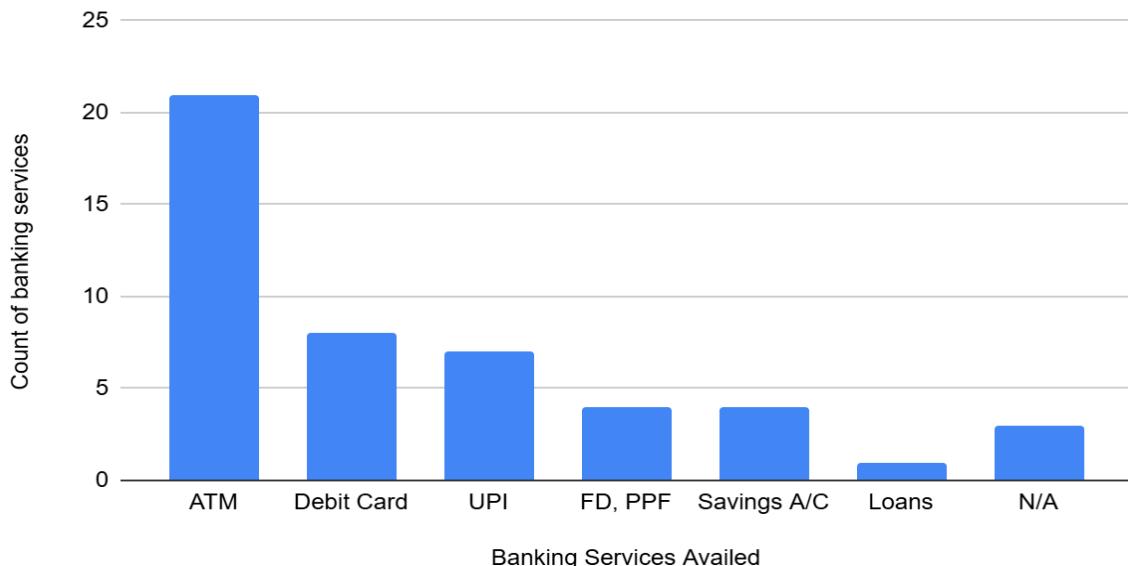


**Fig 10: Although most of the loans are taken from banks, some of them depend on the informal sources like Bhishis, Pathpedhis and employers.**

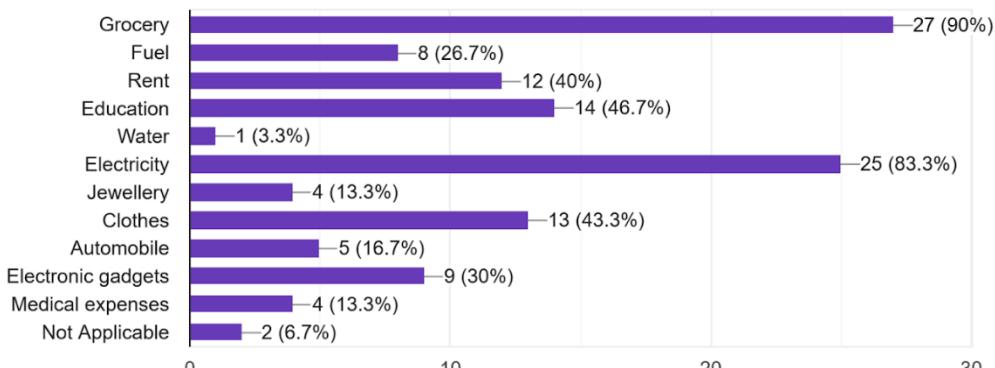


**Fig 11: 96.7% of the women have a bank account**

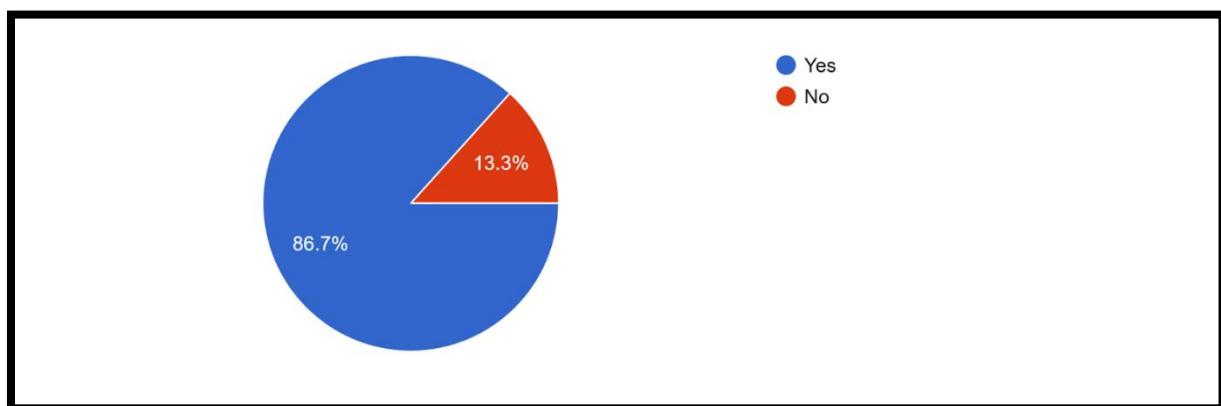
### Banking Services Availed



**Fig 12: Banking Services are being used. The most commonly used banking service is ATM, Debit cards**



**Fig 13: Rise in prices has impacted their spending, but spending on items like Grocery, Electricity, rent have gone up sizably.**



**Fig 14: 86.7% of the respondents are aware of the government schemes.**

## Findings

- Most of the domestic help are earning in the range of five thousand to forty thousand per month. An individual domestic help visits four houses in a day and works for 7 hours a day.
- The average number of family members of the domestic help are three, earning members are two, contributing to the family's earnings ranging between nine thousand and one lakh a month.
- Most of the income is spent on grocery, transport, rent, and education.
- 53.3% of the domestic help are able to save money, although the amount of savings varies from individual to individual. The savings range from rupees twenty thousand to rupees one thousand.
- 60% of domestic help have taken loans from different sources like banks, Bhishis, employers and Pathpedhis.
- Almost all of them avail banking services and have a savings bank account. Other banking services availed are Fixed Deposits, ATM/Debit cards, UPI.

- Rising prices have impacted their spending habits primarily on the following items
  - ✓ Grocery – though the prices have increased spending has also increased
  - ✓ Fuel - Increased
  - ✓ Rent – Increased
  - ✓ Electricity – Increased
  - ✓ Jewellery - Increased
  - ✓ Clothes - Increased
  - ✓ Automobiles- Increased
  - ✓ Electronic Gadgets - Increased
  - ✓ Medical Expenses - Increased
- All domestic help are aware of government support schemes. They were unable to name the schemes but are taking advantage/ benefit of the scheme. Some of them could not avail the benefit because they did not have a valid identity proof or ration card.
- Most of them are happy with these government schemes and are taking full advantage of them. However, some of them have expectations from the government which are as follows:
  - Waive off agricultural loans and agricultural produce should get a better price.
  - They want a house under the Pradhan Mantri Gramin Awas Yojana.
  - Education loans should be subsidised.
  - Curb Inflation.
  - Create more awareness about the schemes.
  - Simplify the procedures. Easy access to schemes.
  - Increase the amount given out per month under the Ladki Bahin Scheme.

- Expect more reservations
- Create more job opportunities and provide free education to all the children.

### Concluding Remarks

- The individual earnings of domestic help vary significantly as some of them continue to work even after they 50 years of age.
- Family Earning – it is observed that at least 2 members from the family are earning. There has been a sharp variation in family income ranging from as meagre as 9000 to 1,00,000 a month.
- Most of the domestic help have been placed through references. Once they enter a residential complex, word of mouth helps them get more opportunities.
- On an average domestic help are spending 7 hours outside their home.
- Most of them earn 20,000 rupees as domestic help. Since this is consuming their day, most of them do not have any other occupation.
- Spending – the foremost item on which spending's are the highest are grocery items that include vegetables milk, food grains etc. However, there are others like transport, education and rent. Despite this more than half of them are able to save every month.
- Loans – domestic help resort to both formal and informal sources of raising money.
- For some of the domestic help, rise in prices has not affected them at all, but others have cut down their spending on jewellery, clothes, automobiles etc. because expenditure on grocery, electricity, rent and education has gone up.

- Most of them are availing the benefit of Mukhyamantri – Majhi Ladki Bahin Yojana. Some of them avail benefits through Sanjay Gandhi Niradhar Yojana and Indira Gandhi National Widow Pension Scheme. Those who have the Kamgaar Card get their home utensils and children's uniform at a lower price.

## Suggestions

- There is been an increasing awareness of the Schemes to Support the Women Workforce in India. The problem lies in the implementation of the schemes which is marked by delays and documentation. If the government can simplify this more women can benefit from Government schemes.
- How the money received from these schemes is being used could be an interesting topic for further research. As of now the picture seems to be bright with women taking on the driver's seat and becoming independent. Back home problems if they are resolved, the plight of women improves and their lives shine with brilliance.

## References

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5. Search Engines were used to collect information.

## Annexure

A study of Financial Inclusion of Domestic Help and the Impact of Rising Prices on their Spending, in Pune city.

1. Name \*

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2. Age \*

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3. Number of family members \*

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4. Number of earning members \*

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5. Monthly Earnings \*

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Reference

Agency

7. Number of visits in a day \*

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8. How many hours do you work outside home? \*

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9. How much do you earn as domestic help? \*

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10. Besides domestic help, do you have any other occupation? \*

Yes

No

11. If Yes, specify \*

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12. How much do you earn from the alternate source? \*

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13. What do you spend your income on? \*

- Grocery
- Transport
- Rent
- Education
- Others

14. Are you able to save money? \*

- Yes
- No

15. If yes, How much per month? \*

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16. Do you get financial support from home? \*

- Yes
- No

17. If yes, what kind of support? \*

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18. Have you taken any loan? \*

Yes  
 No

19. If yes, what type of a loan? \*

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20. From where have you taken the loan?

- Bank
- Relatives
- Path Pedhi
- Others

21. Do you have a bank account? \*

- Yes
- No

22. If yes, do you avail any banking services? \*

- Yes
- No

23. Specify the banking services availed \*

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24. On which of the following items, has your spending increased in the last one year?

\*

- Grocery
- Fuel
- Rent
- Education
- Water
- Electricity
- Jewellery
- Clothes
- Automobile
- Electronic gadgets
- Medical expenses
- Not Applicable

25. Are you aware of any Government support scheme? \*

- Yes
- No

26. If yes, are you taking advantage of any such scheme? \*

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27. What are your expectations from Government Financial Schemes? \*

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