

IMPACT OF FINANCIAL INCLUSION ON DAILY WAGE EARNERS WITH REFERENCE TO BHOPAL

Dharini Raje Sisodia*

Dr. Priyanka Rawal**

ABSTRACT

Financial Inclusion was came up to be the best way to deliver financial service to the low income group of society.it is been stated that for the public good, banking services is been Introduced so to keep in mind that all the banking and payment services should be available to the entire population without any hindrance and discrimination in order to justify the prime objective of public policy to serve equal rights .Financial Inclusion Serve a major role in availability of all the banking services at an economical price to the vast section of the society. On 28 August 2014 Prime Minister of India Narendra Modi had announced the scheme PMJDY (PradhānMantrī Jana DhanYōjanā) as India's mission towards to ensure access of all sought of financial services to stream line the financial Inclusion. The paper acknowledges the access of Financial Services and impact of Financial Inclusion on daily wage earners of Bhopal city.

Keywords: Financial Inclusion, Daily Wages Worker, Banking Services, RBI,

* **Faculty, IPER, Bhopal, India**

** **Faculty, Jagran Lakecity University, Bhopal, India**

Introduction:

Financial Inclusion is the valuable step towards the process of ensuring viable access of financial product and services shall be available to all the section of the society with special context to weaker section of the society , those who are belong to lower income group in specific to provide them affordable cost and transparent manner by mainstream institution player.. Many Initiative are been formulated to encourage the financial inclusion. Several initiative are been implemented by nationalised bank as well as Regional rural bank in order make lower section group to be parallel with main stream banking and make sure to provide all the banking services at concessional rate . Introduction of lead bank schemes , providing bank licencing keeping in mind the Rural and semi-Rural Branches requirement to overcome the issues of non-availability of banking services to weaker.

RBI being an extreme body plays a vital role in formulation and implementation of FinancialInclusion. Modern banking vision of RBI is to create 600 million new customers till 2020 and serve them with modern pro banking in India. All the banks in India is been advised by the RBI to provide Basic Saving Banks Deposits (BSBD) Accounts, in order to facilitate Relaxed and Simplifies Norms of KYC for hassle free Account Opening Process, To cover un banks villages simplification of branch authorization is been initiated to certain the participation of all Public and Private banks, Even from April 2010 every bank have to submit Board Approver three year FIP (Financial Inclusion Plan).

Review of Literature

As per Indian Institute of banking and finance, ‘the purpose of financial inclusion is to provide banking services to vast section of low income group and Disadvantage group at an affordable price. For the public good it is necessary to have better Banking services, it is a necessity to provide banking and payment services to the mass without favouritism in order to attain the prime objective of the public policy.

As per the Former Deputy Governor of Reserve Bank of India Dr. K.C Chakrabarty Financial inclusion is the process of ensuring access of financial products and services to all the section of the society at affordable price in a transparent manner.

According to V.Leeladhar, Reserve bank of Indian Bulletin, Jan 2006 delivery of banking services at affordable price to major section of the society's especially vast section of low income groups.

According to financial inclusion committee "it's a process of ensuring access to encourage financial services and product needed by lower income group at an affordable cost in a transparent and fair manner"

According to M K Samantaray General manager , Reserve bank of India Guwahati Majority of Population still is deprive of formal payment system and financial market even financial marketing globalisation is taking steps a head still lack of knowledge and regulations are missing

From the article of Self Help Groups on Financial inclusion – The case study in District of Bankura. By Dr. Mnaiklal Adhikay Supravat Bagli used the multiple regression model as methodology for estimating the financial exclusion and for estimating a binary logic model is been adopted to access the formal credit process

The paper discussed about the financial Inclusion and how Socio Economic factor can be one of the traits to determine Financial Inclusion and exclusion .The study undergone and discussed in order to accelerate the inclusion the study suggested to implement the SGH BANKS / Co-operative society for making rural area population can get advantage of the Financial services and also curbing the hegemony of the Money lenders.

From the study regarding role of financial institution on financial inclusion periodical study is been conducted by the author Mr. Joseph Massey. For Fostering financial inclusion these financial institution play a major role .the major behind low financial inclusion is lack of financial literacy.

From the article Financial Inclusion: The way Forward by MR. N.K Maini, Deputy Managing Director, SIDBI .He how financing is cross linked with Responsible Finance Initiative. To make sure MFIs adopt and practice good corporate governance for managing Micro Finance operation

SIDBI has been playing an active role impressing upon its partners. Under the surveillance Code of conduct, Promoting responsible finance would be a major intervention by SIDBI with support of World Bank.

As a part of financial initiative, to promote more responsible lending practice SIDBI Initiated the process of developing of a forums for lender consist of key MFI lenders for leveraging support to all MFIs across the sector .

From the Article, Financial Inclusion: Innovative approaches MR. M V Nair, Author of the article did and experimental study .He discussed about the concept of branchless banking, even this concept of branchless banking was initially launched in Chandauli district in state of Uttar Pradesh and then in Wardha District in Maharashtra and 8 more Districts of Andhra Pradesh . This facility also been Facilitated to the migrants workers living in Mumbai, Karaikudi in Tamil Nadu and Chandigarh City.

Research Design and Methodology

Objective:

The Following Study examines financial inclusion Impact on Daily wages worker (earner) at Bhopal Madhya Pradesh.

Purpose of the study: To discover whether Financial services reaching the low income group or not and specially those who earn daily wages. This Study will help government institution as well as Financial Institution in and around Bhopal how far income group segment utilizing services under financial inclusion low.

Scope of the Study:

The Study is been under Taken in Bhopal District of Madhya Pradesh. The scope is restricted to only daily wages earner located to Bhopal

Research Design

Research Design Pedagogy is specified with Procedure and method to acquire the required information. Adopted Design here is exploratory as well as descriptive research. This research is

been conducted to extract information about Financial Inclusion accessibility of Daily wages earner. For this study 210 is considered as a sample size and for this purpose Questionnaire was been taken to collect the data.

Sampling

Sampling plan is the integral component of research Design. It fulfils three basic question of the research: what is the sample unit, what should be the sample size and what sought of sample procedure shell are implemented. As its Impossible to study census of entire universe as well as account of limitation of money and time .hence the sample represents the entire population

Sampling method

For the study Random Sampling was been used as study is not restricted to one industry .daily wages were work in almost every sector.

Sampling tool

For collection of data Questionnaire was used as mainly because this method provides timely feedback from the respondents. So that respondents feel free to disclose all necessary detail while filling up a questionnaire.

Sample size

The sample size who responded is 200

Sampling unit

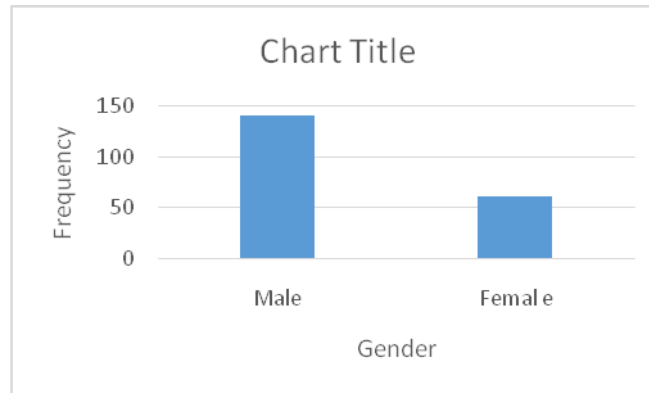
Daily wage earners

Data analysis and interpretation

Analysis of Questionnaire (Collected from the daily wage earners of Bhopal Districts)

	Frequenc y	Percentage
Male	140	70
Female	60	30

Table 1: Gender

Graph 1: Number of male and female daily wage earners utilizing financial inclusion services**Analysis:**

From the above Graph it is been observed that out of population of 200 , 140 are male and just 60 female daily wages earner were utilizing Financial Inclusion Services .

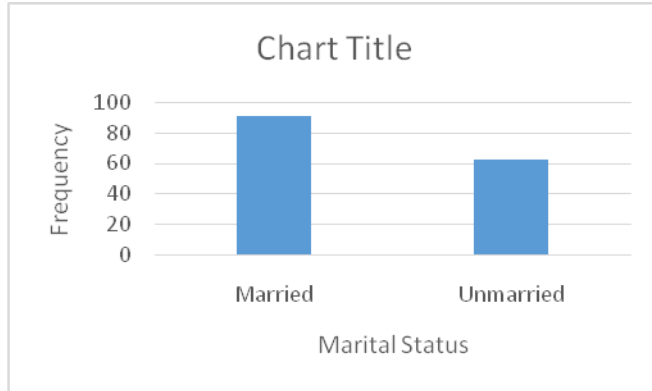
Inference:

From the analysis 70 percent are male and 30 percent are female respondents are utilizing financial inclusion services.

Table 2: Marital status of financial inclusion service users

	Frequency	Percentage
Married	91	59.5
Unmarried	62	40.5

Graph 2: Marital status of financial inclusion service users

**Analysis:**

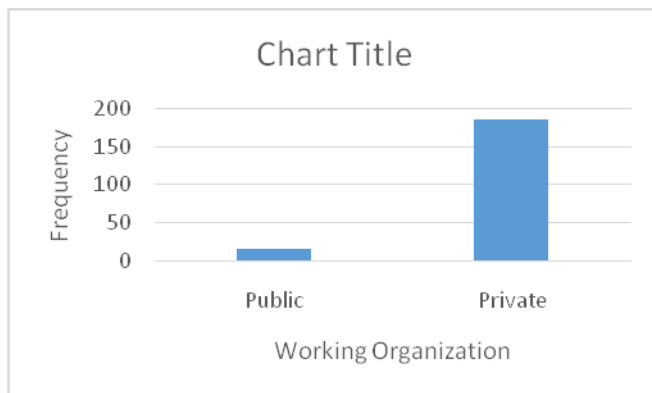
From the following table, we can see 91 married daily wages earner and 62 unmarried daily wages earner are utilizing financial inclusion services.

Inference:

From the analysis it is seen that more percentage of married daily wage earners utilizing financial inclusion services when compared with unmarried daily wages.

Table 3: Working organisation

	Frequency	Percentage
Public	15	7.5
Private	185	92.5

Graph 03: No. of Employee working with Public Sector and Private Sector Organization

Analysis:

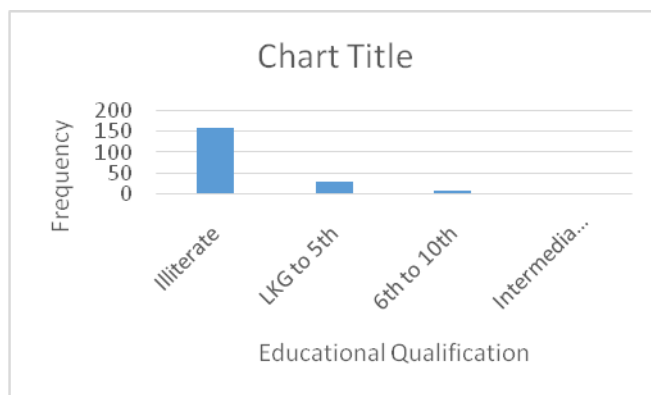
From above graph out of all respondent 15 working with public organisation and other 185 respondent working with private organization

Inference:

From the analysis 7.5 percent respondent are working with Public organization who are utilizing the services and 92.5 percent respondent working with private organization who are utilizing the financial inclusion services.

Table 4: Educational Qualification

	Frequency	Percentage
Illiterate	159	79.5
LKG to 5 th	30	15
6 th to 10 th	8	4
Intermediate and above	3	1.5

Graph 4: Educational Qualification of the Daily wages worker**Analysis:**

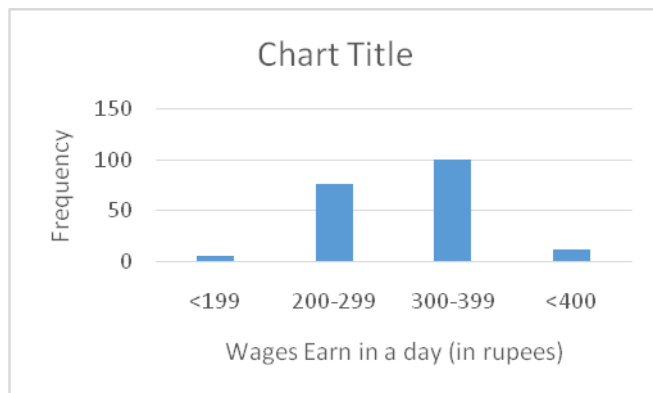
From the following table out of 200 Respondent 159 Are illiterate other 30 Respondent are having education between LKG to 5th. 8 Respondents having qualification between 6th to 10th class and 3 Respondent are qualified up to Intermediate or above.

Inference:

From the analysis it is seen that 79.5 percent are illiterate, 15 percent are having qualification up to LKG to 5th, only 4 percent having qualification between 6 to 10th and those who are having qualification of Intermediate or above are just 1.5 percent

Table 5: Wage earning per day

	Frequency	Percentage
<199	5	2.6
200-299	75	39.6
300-399	99	52
<400	11	5.8

Graph 5: Daily wages earner income range**Analysis:**

From the following table, we can see out of 200 respondent 5 respondents getting daily wages Rs. 199 or less. 75 percent getting wages between 200 to 299 other 99 respondent getting wages between 300 to 399. Only 11 respondent getting daily wages more than Rs.400

Inference:

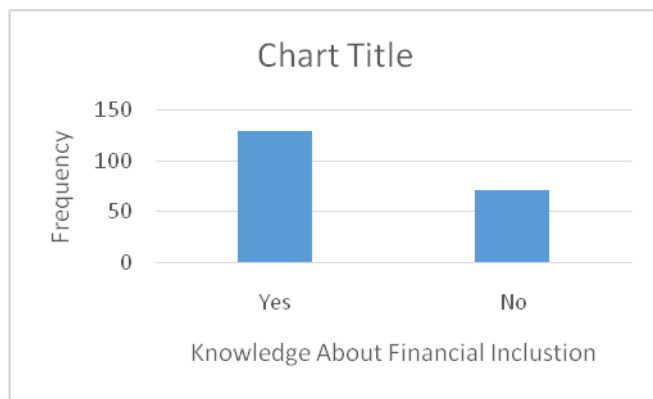
From the analysis it is seen that only 5 percent of total respondent get daily wages more than 400. Highest percentage i.e. 52 percent getting daily wages between 300 to 399 Rs .39.6

percentage of respondent getting wages between 200 to 299 RS whereas only 2.6 percent respondent getting daily wages below 199 Rs.

Table 6: Financial inclusion awareness

	Frequency	Percentage
Yes	129	64.5
No	71	35.5

Graph6: Awareness level towards financial inclusion of Daily Wage Earners



Analysis:

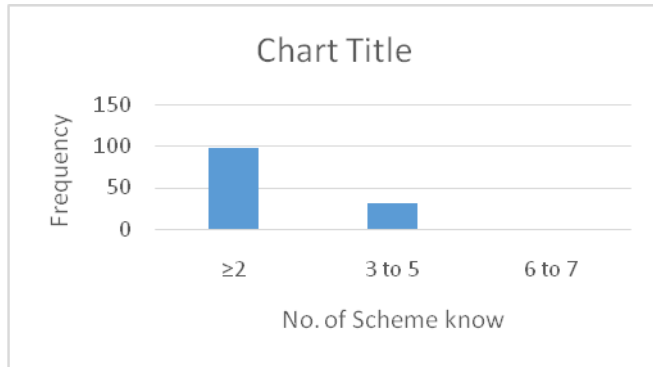
From the following table, we can see out of 200 respondents only 129 respondents are aware about financial inclusion.

Inference:

From the analysis we can analyse that only 64.5 percent know about financial inclusion.

Table 7: Number of Schemes That Daily Wage Earners Known

	Frequenc y	Percentage
≥ 2	98	76
3 to 5	31	24
6 to 7	0	0

**Analysis:**

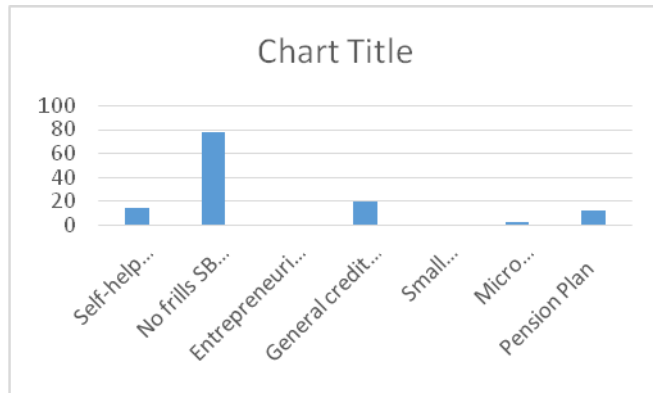
From the following table, out of 129 respondents who are aware of financial inclusion, 98 know only 2 or less than 2 Schemes under financial inclusion and 31 Respondent know only 3 to 5 Schemes.

Inference:

Only 24 percent of respondent know 3 to 5 Schemes under financial inclusion and 76 percent of respondent know only 2 or less then to 2 schemes under financial inclusion schemes.

Table 8: Utilization of Schemes

	Frequency	Percentage
Self-help groups	15	11.6
No frills SB account	78	60.5
Entrepreneurial credit	0	0
General credit card income based	20	15.5
Small overdraft facility for general consumption	0	0
Micro insurance	3	8
Pension Plan	13	10.07

Graph 8: Number of schemes utilizing by the respondent**Analysis:**

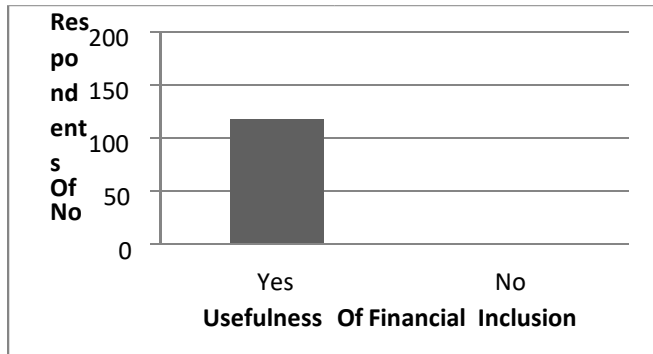
Out of 129 respondents, 78 of them are not aware about No frills saving bank account. 15 have awareness towards Self Help Groups, 20 respondents know about General Credit card, 3 respondents know about Micro Insurance, 13 respondents know about Pension Plan. None of them are aware about Entrepreneurial credit and Small overdraft Scheme Under financial Inclusion

Inference:

Only 24 percent of respondent know 3 to 5 Schemes under financial inclusion and 76 percent of respondent know only 2 or less then.

Table 9: Usefulness of schemes

	Frequency	Percentage
Yes	129	100
No	0	0

Graph 9: Whether The Financial Inclusion Services Are Useful Or Not.**Analysis**

From the graph we can say that the 100 percent respondent are Positive about Financial Inclusion services and ready to be benefited out of it.

Inference

From the analysis we can say that financial inclusion is very useful for daily wage earners.

Findings and Conclusion

1. 70% of male and 30% of female population is utilizing financial inclusion services.
2. It is seen that more percentage of married daily wage earners utilizing financial inclusion services when compared with unmarried daily wage earners.
3. 92.5% of daily wage earners are working in private sector organizations and only 7. % of daily wage earners is working in public sector organizations are utilizing financial inclusion services.
4. 79.5% are illiterates and 20.5% of the daily wage earners are literates.
5. Daily wage earners who earns rupees 300-399 was more interested in utilizing financial inclusion services, then rupees 200-299, <199 and >400 earners.
6. 76% of daily wage earners known about two schemes, 24 % of respondents known about 3 to 5 schemes, 0% of respondents know about 6 to 8 schemes
7. 60.5 percent respondent utilizing No frill Saving Bank Account services .11.6 percent taking help of self-help groups, only 15.5 and 8% utilizing micro Insurance and none of them is utilizing Entrepreneurial creditSmall overdraft facility for general consumption.

Among Daily Wages Earner it has been observed that financial inclusion is still untouched and many of the daily Wage Earners are deprived of basic Financial Inclusion Services Provided by banks .Humble Beginning is required to speed up the Pace of Financial Inclusion. In order to make Daily Wages Worker Educate about government initiative made for making every individual financially inclusive and a great deal of Publicity regarding existing Instruments for financial Inclusion is to be taken by the appropriate agencies which should make sure that every individual must be financially inclusive . Banks and Government Should make Endeavour like Opening outlets. From the above Study it is been concluded that these is need to educate and to create new instrument for daily wages earner, so that they can also be part of financial inclusion.

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