

## ATTENTIVENESS OF FINANCIAL INCLUSION AMONG RURAL PEOPLE WITH SPECIAL REFERENCE TO NILAMBUR AREA

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### ABSTRACT

This research work, was based on the awareness of the rural people, on financial inclusion, in Nilambur. As we know that, financial inclusion plays a very vital role, in the development of economic changes, in India. Financial inclusion means, including the community, that is excluded from financial services. This is very supportive for the people, who are not aware about the financial products and services, provided by the bank. This paper is on importance of rural people because, they are not aware on all the facilities provided by the financial institutions. Primary data has been collected, through interview schedule, taking into consideration of 60 respondents, from Nilambur area, by using judgment sampling.

**KEYWORDS:** Financial Inclusion, Financial Product, No Frills Account, Financial Attentiveness

### INTRODUCTION

Financial inclusion is a banking service, at an affordable cost to the vast sections of the underprivileged and low income group. It is a major tool, for the development and economic growth. As the banks render services for the good of the public, it is essential that, availability of banking and payment services, to the entire population, without discrimination is the prime objective of, public policy.

Financial inclusion, broadly refers to the delivery of banking and other financial services, to the people in rural villages, who had access to other services as they are not available in the villages.

The government of India and Reserve Bank of India, have been making a concentrated effort, to promote financial inclusion as one of the important national objectives, of the country. Some of the major efforts, made in the last five decades include – nationalization of banks, building up of robust branch network of scheduled commercial bank scheme, formation of self-help group, permitting business centers to be appointed by banks, to provide door step delivery of, banking services, zero balance in basic savings bank accounts, micro insurance plans etc. The fundamental objective of all these initiatives, is to reach a large section of the hitherto, financially excluded Indian population.

This concept broadens the resources based financial system, by developing a culture of savings, among large segment of rural population and plays its own role in the process of economic development. Further, by bringing low income groups, within the perimeter of formal banking sector, financial inclusion protects their financial wealth and other resources, in exigent circumstances.

### FINANCIAL INCLUSION

The Rangarajan Committee on Financial Inclusion in India (2008) defines financial inclusion as, “The process of ensuring access to financial services and timely and adequate credit, where needed, to vulnerable groups, such as weaker

sections and low-income groups, at an affordable cost.”

## FINANCIAL EXCLUSION

To understand the concept of financial inclusion, it is necessary to know the meaning of financial exclusion. This concept refers to a situation, where people encounter difficulties, in accessing and using financial services and products, in the mainstream market, that are the appropriate tool they need, to enable them to lead a normal life in the society.

## STATEMENT OF THE PROBLEM

Financial inclusion, is the process of ensuring financial access and timely and adequate credit, that is needed by helpless groups such as, weaker sections and low income groups, at an affordable cost. The banking or the financial services include, savings or deposits, loans or borrowings, payments or settlement and remittance facilities. Out of these services, if any one of the services is absent, the entire concept will be considered as incomplete or insufficient.

Recently, Many financial inclusion schemes have, hot attention in our economy. The attentiveness, of the schemes of financial inclusion is necessary. In a rural area there are many banks, that are functioning with advanced and innovative services. So, there is a scope to conduct “study inattentiveness of financial inclusion among rural people”.

## OBJECTIVES OF THE STUDY

- To study the attentiveness of the financial services provided by the bank.
- To identify the utilization level of financial services provided in nilambur.

## HYPOTHESIS

**Ho:** there is no significant differences between social, demographic features and awareness level of various government schemes.

**Ho:** there is no significant differences between the social, demographic features and awareness level of bank services.

## METHODOLOGY OF THE STUDY

The research methodology, adopted for carrying the study is mainly designed as a descriptive work. Participants in the study were people in Nilambur area, selected as per judgment sample. The datas were collected through a structured interview schedule. The study was mainly based on the primary, in which data was collected from 60 people. Tools used for data analysis was, ANOVA, T – Test, Percentage and the weighted mean score.

## DATA ANALYSIS AND FINDINGS

**Table 1: Type of Account Opening**

Type of Account	Respondents	Percentage
No Frill Account	7	11.7
Normal Account	53	88.3
<b>Total</b>	<b>60</b>	<b>100.0</b>

Source: Primary Data

**Table 2: Access to the Innovative Services**

Innovative Services	Yes	Percentage	No	Percentage	Total
ATM	56	93.3	4	6.7	60
Payment of bill	43	71.7	17	28.3	60
Online banking	42	70	18	30	60
Credit cards	53	88.3	7	11.7	60
Mobile banking	42	70	18	30	60

Source: Primary Data

**Table 3: Awareness about Interest Rate**

	Frequency	Percentage
Yes	35	58.3
No	25	41.7
<b>Total</b>	<b>60</b>	<b>100.0</b>

**Table 4: Descriptive Statistics on Attentiveness of Rural People towards the Various Government Schemes**

	N	Mean	Std. Deviation
No frill account	60	3.83	.827
Atal Pension Yojan	60	3.30	.869
PMJDY	60	3.42	.766
PMSBY	60	2.93	.756
PMJJBY	60	2.95	.769
Basicsavings deposit a/c	60	4.13	.676
<b>Total</b>	<b>60</b>	<b>20.5</b>	<b>4.663</b>

Source: Computed from Primary Data

**Table 5: Descriptive Statistics on Attentiveness of Rural People towards the Banking Services**

	N	Mean	Std. Deviation
Passbook updation	60	4.12	.783
Overdraft	60	3.60	.924
Cheque/dd	60	3.82	.911
Deposit	60	4.34	.545
Charges on services	60	3.68	.873
Loans	60	3.97	.780
Net banking	60	3.53	1.040
Card use	60	4.43	.745
<b>Total</b>	<b>60</b>	<b>31.49</b>	<b>6.601</b>

Source: Computed from Primary Data

**Table 6: Descriptive Statistics on Utilization of Financial Services among Rural People**

	N	Mean	Std. Deviation
Banking hours	60	4.08	.671
ATM facilities	60	4.32	.873
Security	60	3.53	.911
Interest rate	60	3.32	.725
Quality	60	3.83	.693
Speed and efficiency	60	3.85	.659
Instructions and guidelines provided by the bank	60	3.72	.739
<b>Total</b>	<b>60</b>	<b>26.65</b>	<b>5.271</b>

Source: Computed from Primary Data

**Ho:** there is no significance difference between the demographic variables and awareness level, towards the various government schemes.

**Table 7: Difference in the Opinion by the Demographic Background of Respondents towards the Various Schemes of Government – ANOVA**

		Sum of Squares	Df	Mean Square	F	Sig.
Age	Between Groups	1.303	4	.326	1.333	.269
	Within Groups	13.439	55	.244		
	Total	14.743	59			
Education	Between Groups	2.053	4	.513	2.224	.078
	Within Groups	12.690	55	.231		
	Total	14.743	59			
Source of Income	Between Groups	.862	5	.172	.671	.647
	Within Groups	13.881	54	.257		
	Total	14.743	59			
Annual Income	Between Groups	.967	3	.322	1.311	.280
	Within Groups	13.775	56	.246		
	Total	14.743	59			
No. of Family	Between Groups	.977	3	.326	1.325	.275
	Within Groups	13.765	56	.246		
	Total	14.743	59			

**Source: Computed from primary data \* 5 percent level of significance**

**Ho:** there is no significance difference between the demographic variables and their awareness level towards the bank services.

**Table 8: Difference in the Opinion by the Demographic Variables of Respondents towards the Awareness Level of Bank Services – ANOVA**

		Sum of Squares	Df	Mean Square	F	Sig.
Age	Between Groups	1.989	4	.497	1.472	.223
	Within Groups	18.580	55	.338		
	Total	20.569	59			
Education	Between Groups	4.212	4	1.053	3.541	.012
	Within Groups	16.357	55	.297		
	Total	20.569	59			
Source of Income	Between Groups	1.817	5	.363	1.047	.400
	Within Groups	18.752	54	.347		
	Total	20.569	59			
Annual Income	Between Groups	2.307	3	.769	2.358	.081
	Within Groups	18.263	56	.326		
	Total	20.569	59			
No. of Family	Between Groups	.835	3	.278	.790	.505
	Within Groups	19.734	56	.352		
	Total	20.569	59			

**Source: Computed from primary data \* 5 percent level of significance**

The table reveals, the result of one way ANOVA, applied to find whether the mean scores vary, according to the demographic variables of the respondents towards the awareness level of bank's services. The calculated P value for age, source of income, annual income and no. of family shows that, there is no significant difference between the social-background of the respondents, towards the various government schemes. Here the p value, is greater than 0.05, so the null hypothesis is accepted.

In case of educated individual, null hypothesis was rejected and the p value was less than 0.05. So there was a significant difference, between the education and their awareness level, towards the banking services.

## SUGGESTIONS

- Banks should scrutinize the RBI norms and provide facilities as per the norms, which are not being followed by the banks. While the customers must be given prompt service and the bank officer should not have any fear in mind, to provide the facilities as per RBI norms, to the units going sick.
- For fair dealing with the customers, the staff should be cooperative, friendly and must be capable of understanding the problems of customers.
- The new schemes of financial inclusion should be known to rural people. So awareness programs should be conducted by Banks through SHGS and NREGA
- The internet banking facility must be made available in all the banks. Prompt dealing with permanent customers and speedy transaction without harassing the customers would enhance the image of the banks. An awareness of accessibility and facilities of internet banking also should be given to customers.
- More ATM coverage should be provided for the convenience of the customers. No limit is placed on cash withdrawals on ATM cards. Give an awareness class to the rural people about access of various financial services. Internet access should be available freely in bank counters.
- Customers generally complain that full knowledge is not provided to them. Thus the bank should properly disclose the features of the product and services to the customers. Moreover door to door services can also be introduced by the bank.
- The technology driven services with hi-tech facilities of electronic fund transfer and electronic mail services should be effectively utilized to satisfy the customers. The customers need to be informed about the type of forms used for each transaction and to respond to their queries and complaints.
- The charges for opening an account are high, so they should also be reduced. Banks should increase the rate of saving account.
- There is a need to improve the quality of service delivery in such areas as accuracy in customer account management and, excellent and cordial banker-customer relationships.

## CONCLUSIONS

The study entitled Attentiveness of financial inclusion among rural people, reveals that, all respondents were aware and availing the financial services. All the respondents have an account with the bank and had access to various services. Extend of financial inclusion, can be measured as a tool, for development of rural people, which includes the attentiveness of innovative financial services and utility. The study concludes that, there is no significant difference in attention of rural people, based on demographic features. PMJDY, PMSBY, PMJJBY schemes of financial Inclusion shows, a low attention, compared to other schemes. So it is clear that, the overall status of financial inclusion among rural people is good, but in some services, the status is low compared to other services.

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