

INCLUDING THE EXCLUDED THROUGH FINANCIAL INCLUSION

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Abstract

Financial inclusion is delivery of banking services at an affordable cost to the vast sections of disadvantaged and low income groups. Unrestrained access to public goods and services is the sine qua non of an open and efficient society. As banking services are in the nature of public good, it is essential that availability of banking and payment services to the entire population without discrimination is the prime objective of the public policy. The present paper is an attempt by the authors to understand the perception of the beneficiaries in general towards the basic banking services accessibility in the study area. For the purpose of the study 22 different variables had identified, however after the pilot study only 13 variables considered for the study. For the study 400 respondents targeted in the study area, however 193 responses collected for the data analysis.

Key Word(s): Financial Inclusion, Business Correspondence, Perception.

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An overview

By financial inclusion, we mean delivery of financial services, including banking services and credit at an affordable cost to the vast sections of disadvantaged and low income groups. The various financial services would include access to savings, loans, insurance, payments and remittance facilities by the formal financial system to those who tend to be excluded. One of the key financial services that is of great relevance here is that of risk management or risk mitigation services visa-a vise economic shocks which may be an income shock via loss of income due to adverse weather conditions or natural disasters or an expenditure shock due to health emergencies or accidents leading to a high level of unexpected expenditure.

This aspect of financial inclusion is of vital importance in providing economic security to individuals and families. Financial inclusion is important simply because it is a necessary condition for sustaining equitable growth. There are few, if any, instances of an economy transiting from an agrarian system to post-industrial modern society without broad-based financial inclusion. As people having comfortable access to financial services, we all know from personal experience that economic opportunity is strongly intertwined with financial access. Such access is especially powerful for the poor as it provides them the opportunity to build savings, make investments and avail credit. Importantly, access to financial services also helps the poor insure themselves against income shocks and equips them to meet emergencies such as illness, death in the family or loss of employment. Needless to add, financial inclusion protects the poor from the clutches of the usurious money-lenders. There is another benefit of financial inclusion which we have yet to fully appreciate let alone exploit. Financial inclusion will make it possible for governments to make payments such as social security transfers, National Rural Employment Guarantee Programme (NREGA) wages in the bank accounts of beneficiaries through the Electric Benefit Transfers (EBT) method. This will minimize transaction costs including leakages. In parts of the country where such EBT has already taken off, the results are impressive and the experience of both payers and recipients is extremely satisfying. There are enormous benefits at the aggregate level too. The first and more obvious benefit is that financial inclusion provides an avenue for bringing the savings of the poor in to the formal financial intermediation system and channelizes them into investments. Second, the large number of low cost deposits will offer banks

and opportunity to reduce their dependencies on bulk deposits and help them to better manage both liquidity risk and asset-liability mismatches.

Financial Exclusion

It has been found that financial services are used only by a section of population. There is demand for these services but they have not been provided. Mostly, the excluded regions are rural and poor, where people live in harsh climatic conditions and hence, consequently it is difficult to provide these financial services. The features of financial exclusion are:

- ✓ No bank account
- ✓ No credit
- ✓ No savings
- ✓ No Payment and transfer system
- ✓ No Insurance
- ✓ No access to financial advice
- ✓ No realizable assets

As per the Census 2001, in India only 36% of the people use some kind of banking services. The Boston Consulting Group Report on financial inclusion in India also affirms that financial exclusion reflects the stark socioeconomic divide that characterizes the emerging markets (Sinha and Subramanian, 2007)¹. Among the excluded are the huge groups of viable customers for the banking sector, whose potential has been greatly undermined.

Review of Literature

Srinivasan L (2012)- The Philadelphia Character proclaims: “ Poverty anywhere constitute a threat to prosperity everywhere”. Therefore, Financial Inclusion is necessary for the nation. For banks, financial inclusion initiatives offer a great opportunity. The words of the noted economist C.K.Prahalad were very prophetic: There are posts of gold at the bottom of the pyramid!” Banks can see long-term profitability by looking at the bottom of the pyramid, rather than at the top, Financial Inclusion is not just a Corporate Social Responsibility but a viable business model too! ¹

Kuppan S (2012)- The main reason for financial exclusion is the lack of regular or substantial income. In most of the cases people with low income do not qualify for a loan. The proximity of the financial service is another fact. The loss is not only the transportation cost but also the loss of daily wages for a low income individual. Most of excluded consumers are not aware of bank's products, which are beneficial for them. Getting money for their financial requirements from a local money-lender is easier than getting loan from the bank. Most of the banks need collateral for their loans. It is very difficult for a low income individual to find collateral for the bank loan. Moreover, banks give more important to meeting their financial targets. So they focus on larger accounts. It is not profitable for banks to provide small loans and make a profit. Financial inclusion is a great step to alleviate poverty in India. But to achieve this, the government should provide a less perspective environment in which banks are free to pursue the innovations necessary to reach low income consumers and still make a profit. Financial service providers should learn more about the consumers and new business models for them.²

Maiti, S.K, Banerji Sudipti, Majumder .A, Sarkar. A (2012)- There were numbers of traditional and informal ways of forwarding credit before the emergence of the SHGs. All of them provide very little attention to the question of both empowerment and sustainability. Along with this there was a casual approach towards the accountability of the credits leading to adverse impact on both repayments as well as further outreach. The conclusion that emerges from this study is that SHGs are playing a vital role in the rural empowerment, although most of SHSs are formed as a female group.³

Badgar P.K (2012)- More than 65% of the Indian population is still 'unbanked' and does not have access to basic banking facilities. As a mission to sustain the economic development of the country it is imperative to these people to brought, initially, into the banking fold, which subsequently can act as a base for providing other services. The movement of financial inclusion has been one of the real hopes for inclusive growth. The poor and the excluded have successfully organized themselves in 25 lakh self help groups (SHGs). With the phenomenal growth recorded by microfinance in recent years- 62% p.a in terms of number of unique clients and 88% p.a in terms of portfolio over the past five years and around 27 million borrowers accounts, the SHG linkage programme has achieved a phenomenal growth over the years but there is still a larger segment of society that is denied access to financial services. SKS Microfinance Ltd., India's lone

listed microfinance lender has lost its position as the largest Indian microfinance institution. MFI give tiny loans to poor borrowers at a 24-36% rate of interest and source money from banks to do business.⁴

Singh Balbir (2012)- An inclusive growth will act as a source of empowerment and allow people to participate more effectively in the economic and social process. Banks that have global ambitions must meet local aspirations. Financial access will also attract global market players to our country that will result in increasing employment and business opportunities. If we look at the progress that has been achieved, banks are able to scale up and sustain their efforts. India is quite hopeful that the targets set by banks and objective of achieving universal financial inclusion is attainable.⁵

Banerjee Soumya, Banarjee Shivaji & Biswas Debasis (2012)- In order to make financial inclusion successful, a win-win solution set is to be provided to both the parties- the provider and beneficiary. In other words it should be a viable investment alternative to the financial institutions and should also be an attractive one to the borrowers. Financial inclusion is a strategy to achieve the inclusive growth provided it is supported by various factors like real initiatives from and financial institutions, technological development, financial literacy and so on. The role of Central Government and RBI regarding policy making and role of state governments with respect to land settlement rights, providing economic and social infrastructure etc. are very crucial. The time has come to implement policies and schemes adopted by various authorities for rural India to uplift its standards of living and to include it within the periphery of basic financial services. Attempts therefore should be made at the grass root level to implement those ideas keeping in mind the panoramic view of inclusive growth prevailing in India.⁶

Chakrabarty Nirmal Kumar (2012)- Linking UID number to a universal, accessible, and affordable micropayments model can transform the access the poor have to banking services in the country. This transformation, ultimately, aims at empowering every individual in India. The utility of using UID (Aadhar) are very much effective for the users in different spheres. Some critics and activists argued that personal information included in UID data base may be misused by others. Some defense experts also opposed UID and claim that the database may be hacked by unscrupulous persons for their personal benefit as the data base is to be linked to other database-

like bank, telephone companies. Considering all, this UID project and its effect on financial inclusion is a dream project in India and “Every Good Project should have some small Dark Side”.⁷

Banarjee Arindam & Saraswat Pranav(2012)- Keeping in view of the vastness, and diversity of India, financial inclusion is a large responsibility. The expectations are huge. With proper initiative, and the help of technology only this target can be achieved. Good news is the process has started, and bad news is lot is to be done.⁸

Iqbal Alam Badar (2012)- Micro- finance is a promising alternative which offers funds at the door steps of the poor and weaker section of the population in rural areas. For this system to operate upon, it has to have very low defaults. The success of micro-finance is based upon local mechanism that offers a great deal of flexibility that allows for lending decisions based on knowledge about specific individuals. What immediately required is to strengthen the voice of borrowers and curb that of national and global capital? As the global recession hits investment potential and opportunities elsewhere in the world, lending to India’s poor population could be extremely attractive options for private firms from the developed economies.⁹

Singh Dinesh Kumar(2012)- As the poverty levels decline and households have greater levels of discretionary incomes, they will be first time financial savers. They will therefore, need to have easy access to formal financial systems to get into the banking habit. Banks will need to innovate and devise newer methods of including such customers into their fold. Innovation in the form of business facilitators and correspondents will be needed for banks to increase their outreach for banks to ensure financial inclusion. Financial inclusion is a great step to alleviate poverty in India. But to achieve this, the government should provide a less perspective environment in which banks are free to pursue the innovations necessary to reach low income consumers and still make a profit. Financial service providers should learn more about the consumers and new business models to reach them. New entrants to the banking, system need households at their doorstep. There has been a burst of entrepreneurship across the country, spanning rural, semi-urban and urban areas. This has to be nurtured and financed. It is only through growth of enterprises across all sizes that competition will be fostered. With the increasing liberalization and higher economic growth, the role of the banking sector is poised to increase in the financing pattern of economic activities within the country. Financial inclusion will strengthen financial deepening and provide

resources to the banks to expand credit delivery. Thus; financial inclusion will lead to financial development in our country which will help to accelerate economic growth.¹⁰

Chikodikar Makarand (2012)- The objective of 'inclusive growth with stability' emphasized in the Eleventh Plan (2007-2012) is not possible without achieving universal Financial Inclusion. The concept of 'inclusion' should be seen as a process of including the excluded as agents whose participation is essential in the very design of the development process, and not simply as welfare targets of development programmes. The banks will really have to gear up in the near future for successful implementation of Financial Inclusion plans. If they are successful in executing the plans, then India can be a role model to the world. Thus, Financial Inclusion is no longer a policy choice today but a policy compulsion.¹¹

Sen Kr. Parmal & Saha Indrani (2012)- The banks would have to develop specific strategies to make bigger outreach of dynamic formalized banking services, in order to support financial inclusion. If the financial inclusion is to be taken forward to its logical conclusion, it would be necessary to ensure at least one member in every rural and urban family has a bank account and that various financial entitlements are directly credited so as to minimize leakages. There are quite a lot of challenges that need the concentrated efforts from the banks, mutual funds, NGOs, micro finance institutions, the RBI, the Government- to ensure, easy, expedient and cost-effective delivery of financial services to the population at large, to the remotest areas in our country. Once the comprehensive financial inclusion is completed, the real beat up on rural eradication can be taken up in the right direction.¹²

Chattopadhyay Ashok (2012)- The need for financial inclusion in India perhaps required to be implemented at the earliest and rank next to the priority list of basic infrastructure like good health, sanitation and hygiene. Most of our villages are not having bank branches and still using local post offices for keeping their money in either post office savings schemes or term deposits. Even where the banks and insurance companies have opened their branches, this is used by the rich and influential people depriving others of getting the benefits of such facilities. To such people net transfer, credit cards, plastic money etc. are weird words having no practical meaning to them.¹³

Objective of the study

- ✓ To study the various financial inclusion initiatives taken by the various banks
- ✓ To study the ground reality in the study area and point out the gap area if any
- ✓ To study the impact of financial inclusion in rural Odisha specially in the district of Ganjam, Odisha

Limitation of the study

- ✓ The study is limited to selected rural customers in the district of Ganjam, Odisha only.
- ✓ The sample size is limited and it may not give the opinion all the customers.
- ✓ The period of study is 3 months i.e January 2012 to March 2012

Sampling plan and Research Methodology

In support to the objective of the research there is a primary research through questionnaire administration method in the field through stratified random sampling method and to analyze the data and derive results from it simple average method is used. For this purpose more and more rural customers and others were interviewed. 400 respondents were targeted however finally 193 response received, this includes 106 male and remaining female.

Findings of the study

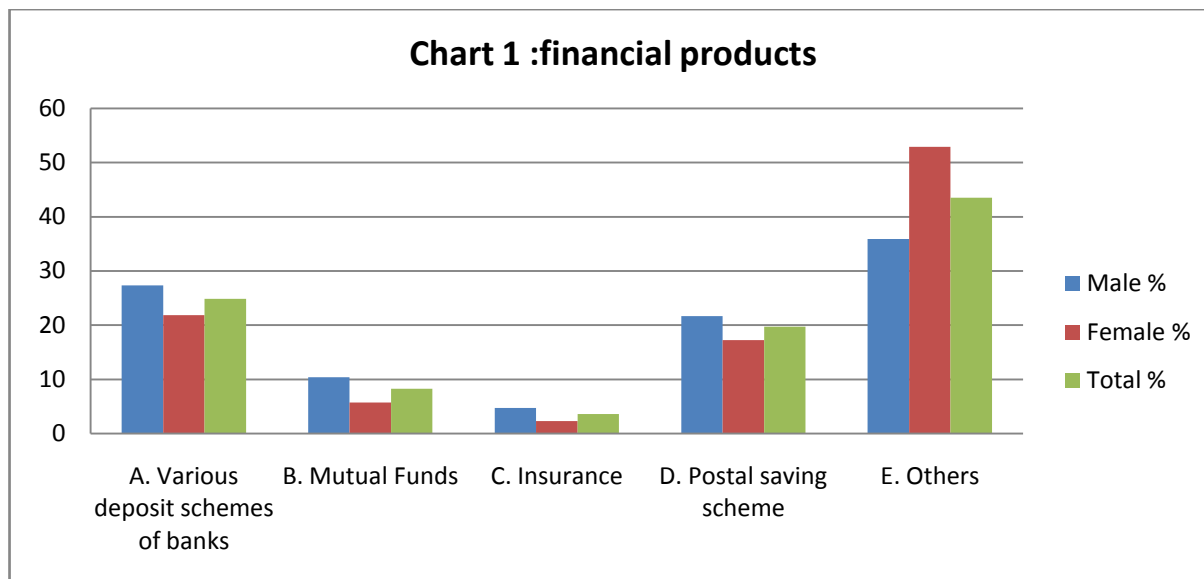
1. Which of the following financial products are you availing?

Table-1

Variables	Male	%	Female	%	Total	%
A. Various deposit schemes of banks	29	27.35	19	21.83	48	24.87
B. Mutual Funds	11	10.37	5	5.74	16	8.29
C. Insurance	5	4.71	2	2.30	7	3.63
D. Postal saving	23	21.69	15	17.24	38	19.70

scheme						
E. Others	38	35.88	46	52.89	84	43.51
Total	106	100	87	100	193	100

Source: Compiled from field survey



Source: Table-1

Interpretation: Answering to this 24.87% respondents prefer various deposit schemes of banks, 8.29% of respondents prefer the mutual funds, 3.63% prefer the insurance, 19.70 prefer postal saving scheme and rest belonging to other category. From the male side 35.88% prefer other, 21.69% prefer postal saving scheme, 4.71% for insurance, 10.37% for mutual funds and 27.35% for various deposit schemes and same for the female were 52.89%, 17.24%, 2.30%, 5.74% and 21.83% respectively. In all majorities prefer for bank deposits, postal saving schemes and others. The preference for mutual funds and insurance is less among the respondents.

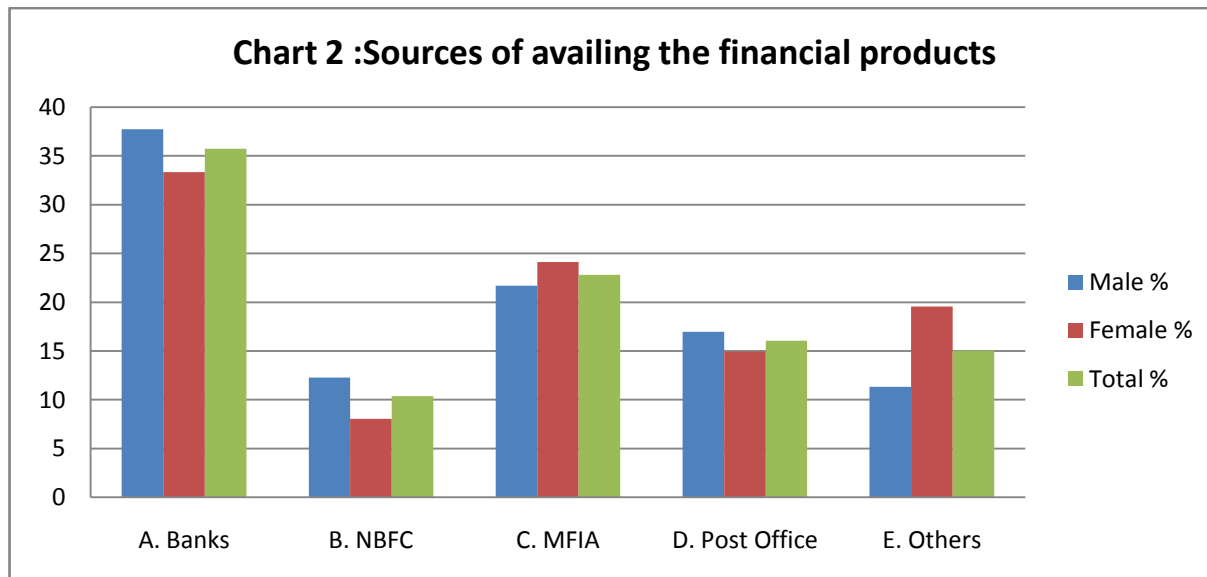
2. From whom are you availing the financial products?

Table-2

Source	Male	%	Female	%	Total	%
A. Banks	40	37.73	29	33.33	69	35.75
B. NBFC	13	12.26	7	8.04	20	10.36
C. MFIA	23	21.70	21	24.13	44	22.80
D. Post Office	18	16.98	13	14.94	31	16.06
E. Others	12	11.33	17	19.56	29	15.03

Total	106	100	87	100	193	100
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Source: Compiled from field survey



Source: Table-2

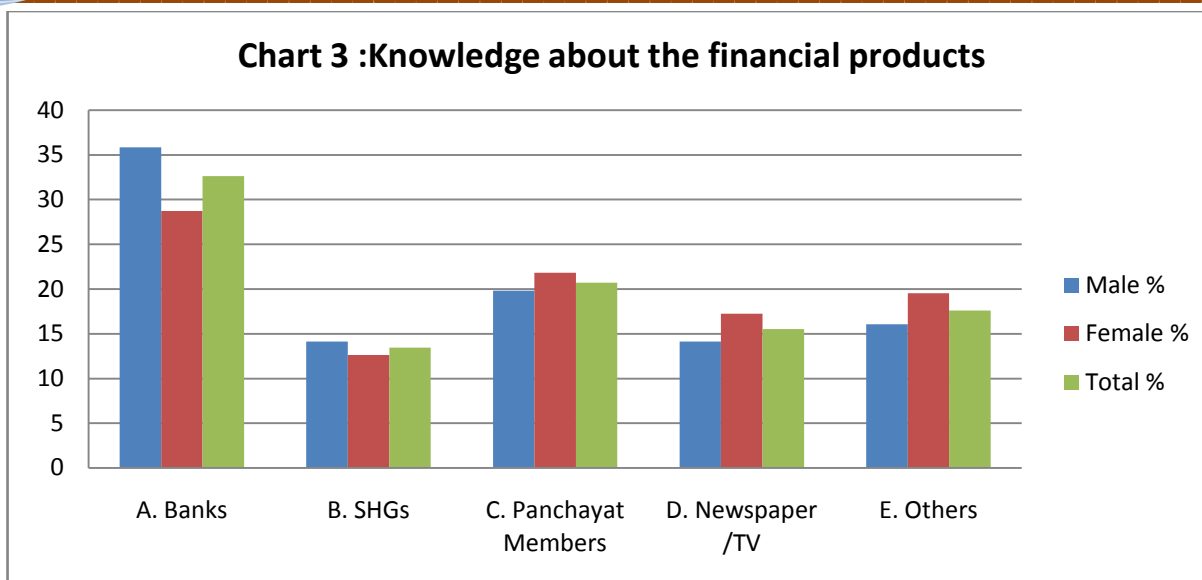
Interpretation: Joining to this question 35.75% prefer the source as bank, 10.36% prefer for NBFC, 22.80% for MFIA, 16.06% for post office, 15.03% for others. In case of female respondents 19.56% prefer for others, 14.94% prefer for post office, 24.13% prefer for MFIA, 8.04% prefer for NBFC, 33.33% prefer to the banks. The same for the female were 11.33%, 16.98%, 21.70%, 12.26% and 37.73%. Here majority prefers banks followed by MFIA

3. How did you come to know about the financial products, which you are availing?

Table-3

Source	Male	%	Female	%	Total	%
A. Banks	38	35.84	25	28.73	63	32.64
B. SHGs	15	14.15	11	12.64	26	13.47
C. Panchayat Members	21	19.81	19	21.84	40	20.73
D. Newspaper /TV	15	14.15	15	17.24	30	15.54
E. Others	17	16.05	17	19.55	34	17.62
Total	106	100	87	100	193	100

Source: Compiled from field survey



Source: Table-3

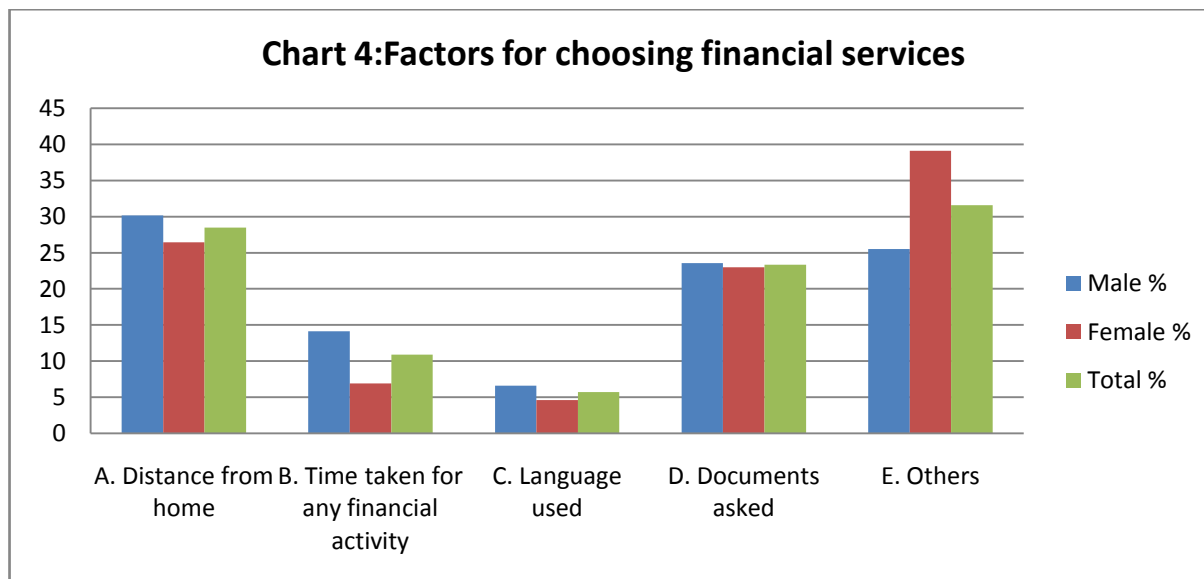
Interpretation: Responding to the source of information for various financial products, the response of the male were 35.84% says bank, 14.15% from SHGs, 19.81% from Panchayat members, 14.15% from news paper/TV and 16.05% from others. The same for the female were 28.73%, 12.64%, 21.84%, 17.24% and 19.55% respectively. Taking male and female together, 32.64% believes the source were banks, followed by 20.73% from Panchayat members, 17.62% from others and rest from news paper/TV and SHGs.

4. Which of the following factors are important to you while choosing a financial service provider?

Table-4

Factors	Male	%	Female	%	Total	%
A. Distance from home	32	30.18	23	26.43	55	28.50
B. Time taken for any financial activity	15	14.15	6	6.89	21	10.88
C. Language used	7	6.60	4	4.59	11	5.70
D. Documents asked	25	23.58	20	22.98	45	23.32
E. Others	27	25.49	34	39.11	61	31.6
Total	106	100	87	100	193	100

Source: Compiled from field survey



Source: Table-4

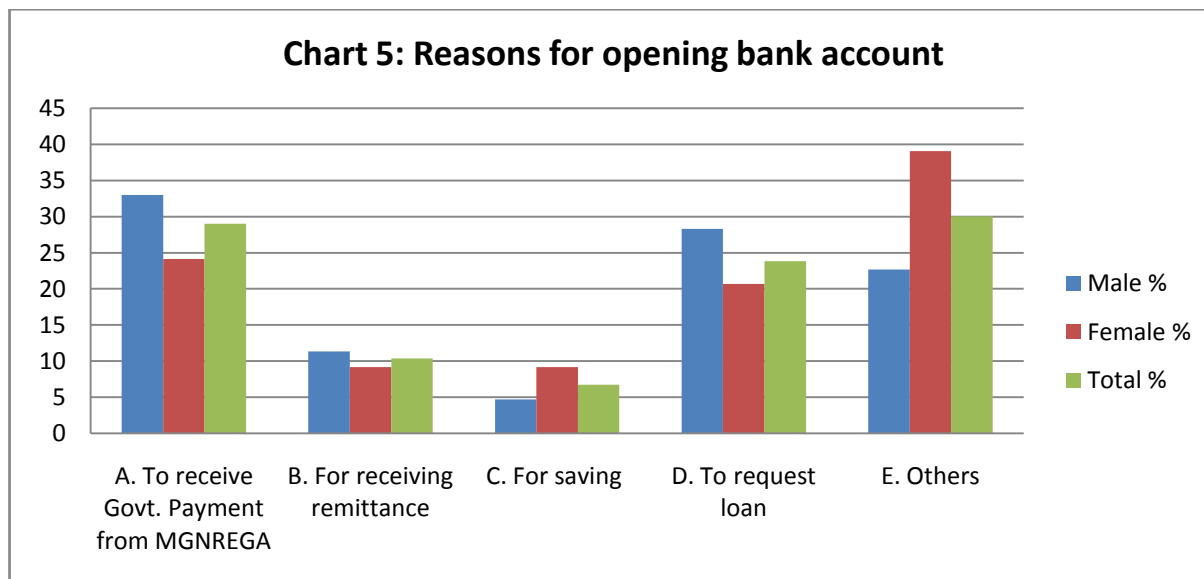
Interpretation: Participating to this question in total 28.50% believes the distance from home, followed by 23.32% feels for the documents, 10.88% for time taken for any financial activity 5.70% for language used and rest for others. In case of female 39.11% for other reasons, 22.98% for documents asked for, 4.59% for language used, 6.89% for time taken for any financial activity and 26.43% for distance from home. The same for male were 25.49%, 23.58%, 6.60%, 14.15% and 30.18%. In overall distance, documents and other factors plays an important role.

5. What were the reasons that your household opened the account?

Table-5

Reasons	Male	%	Female	%	Total	%
A. To receive Govt. Payment from MGNREGA	35	33.01	21	24.13	56	29.02
B. For receiving remittance	12	11.32	8	9.19	20	10.36
C. For saving	5	4.71	8	9.19	13	6.74
D. To request loan	30	28.30	16	20.68	46	23.84
E. Others	24	22.66	34	39.08	58	30.04
Total	106	100	87	100	193	100

Source: Compiled from field survey



Source: Table-5

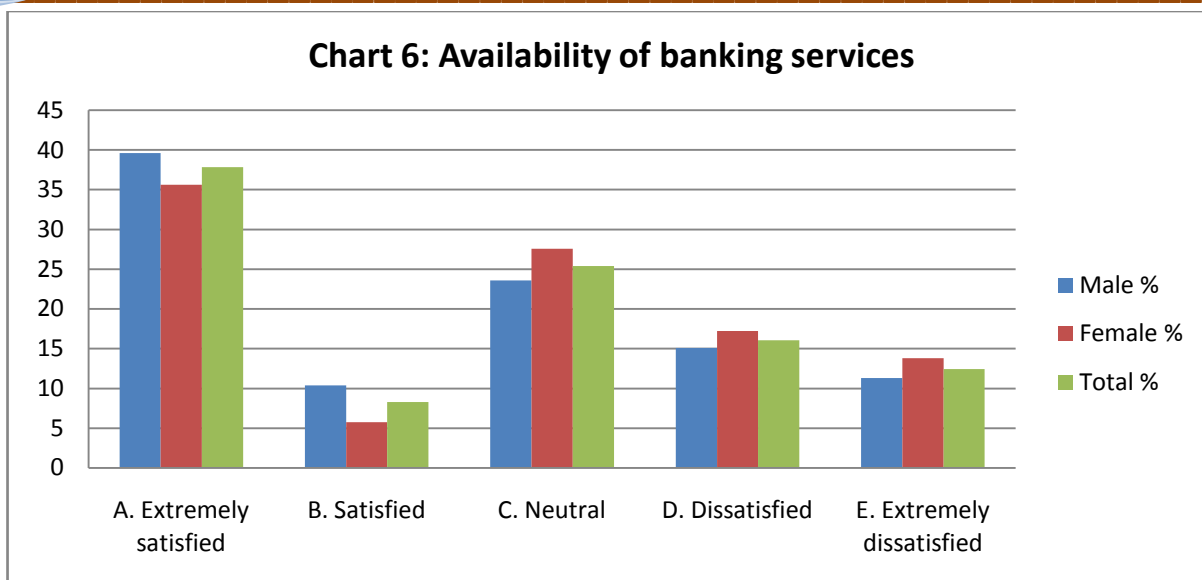
Interpretation: Initiating this 33.01% of male believes that to receive Govt. payment from MGNREGA, 11.32% for receiving remittance, 4.71% for savings, 28.30% for requesting loan, 22.66% for other reasons. Same in case of female 24.13%, 9.19%,9.19%,20.68% and 39.08% respectively. Taking male and female respondents together 30.04% believes for other reasons, followed by 29.02% for receiving Govt. payments from MGNREGA, 23.84% for loan, 10.36% for remittances and rest for savings.

6. Are you presently satisfied with the availability of banking/financial services at your disposal?

Table-6

Perception	Male	%	Female	%	Total	%
A. Extremely satisfied	42	39.62	31	35.63	73	37.82
B. Satisfied	11	10.38	5	5.75	16	8.29
C. Neutral	25	23.58	24	27.59	49	25.39
D. Dissatisfied	16	15.09	15	17.24	31	16.06
E. Extremely dissatisfied	12	11.33	12	13.79	24	12.44
Total	106	100	87	100	193	100

Source: Compiled from field survey



Source: Table-6

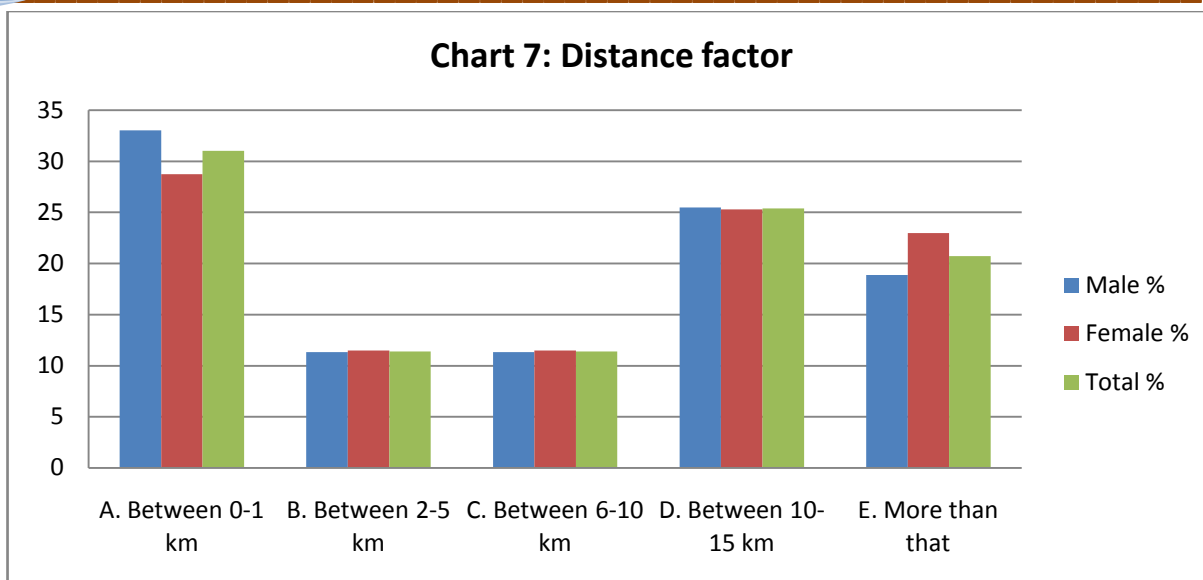
Interpretation: Responding to this question, 37.82% were extremely satisfied, 8.29% satisfied, 25.39% were neutral, 16.06% dissatisfied and 12.44% extremely dissatisfied. In case of female respondents 13.79% were extremely dissatisfied, 17.24% dissatisfied, 27.59% were neutral, 5.75% were satisfied, 35.63% were extremely satisfied. The same for the male were 11.33%, 15.09%, 23.58%, 10.38% and 39.62% respectively. Although proportionate of extremely satisfied scores more, however it seems there is long way to go considering the response of other side of the coin.

7. What is the distance you have to travel to avail of banking services like opening an account, depositing and withdrawing money?

Table-7

Distance	Male	%	Female	%	Total	%
A. Between 0-1 km	35	33.02	25	28.74	60	31.02
B. Between 2-5 km	12	11.32	10	11.49	22	11.40
C. Between 6-10 km	12	11.32	10	11.49	22	11.40
D. Between 10-15 km	27	25.47	22	25.29	49	25.39
E. More than that	20	18.87	20	22.99	40	20.72
Total	106	100	87	100	193	100

Source: Compiled from field survey



Source: Table-7

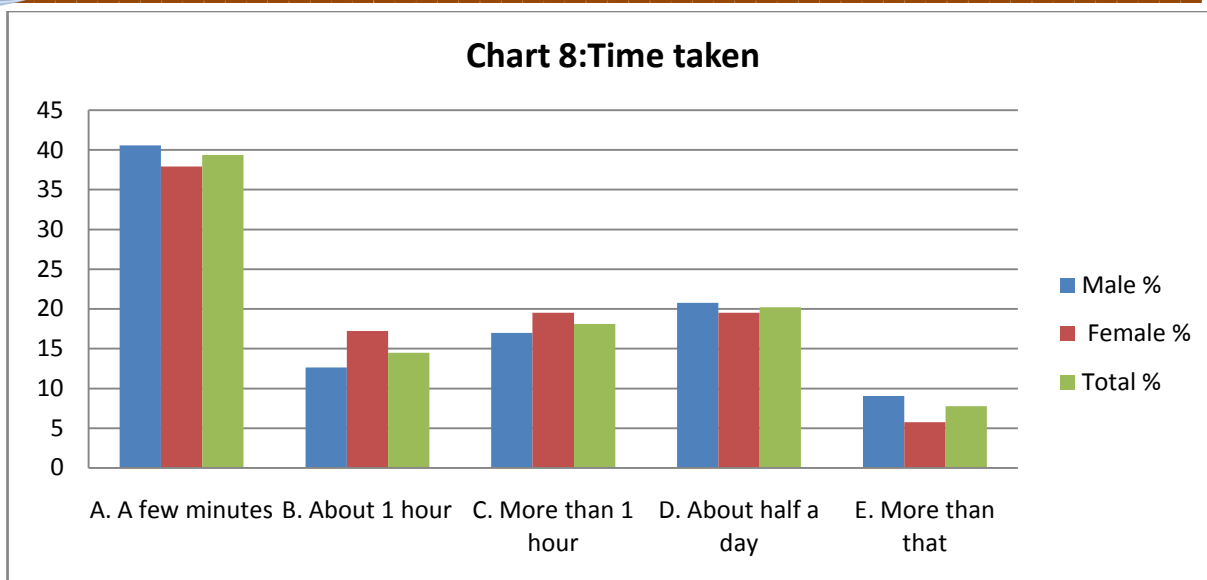
Interpretation: Joining to this question related to distance factor for conducting banking services, 31.02% travel between 0-1 km, 25.39% travel between 10-15 km, 20.72% travel even more than 15 km, 11.40% travel between 2-5 km and also incidentally same percentage travel between 6-10 km. From the male side 33.02% travel between 0-1 km, 11.32% travel between 2-5 km, same percentage travel between 6-10 km, 25.47% travel between 10-15 km, rest travel even more than that. The same for the female were 28.74%, 11.49%, 11.49%, 25.29% and 22.99% respectively. This seems that even today also the basic banking service to all the needy one is far away. It needs to improve a lot.

8. What is the time taken by you to complete your financial transaction?

Table-8

Time taken	Male	%	Female	%	Total	%
A. A few minutes	43	40.57	33	37.93	76	39.38
B. About 1 hour	13	12.65	15	17.24	28	14.51
C. More than 1 hour	18	16.98	17	19.54	35	18.13
D. About half a day	22	20.75	17	19.54	39	20.21
E. More than that	10	9.05	5	5.75	15	7.77
Total	106	100	87	100	193	100

Source: Compiled from field survey



Source: Table-8

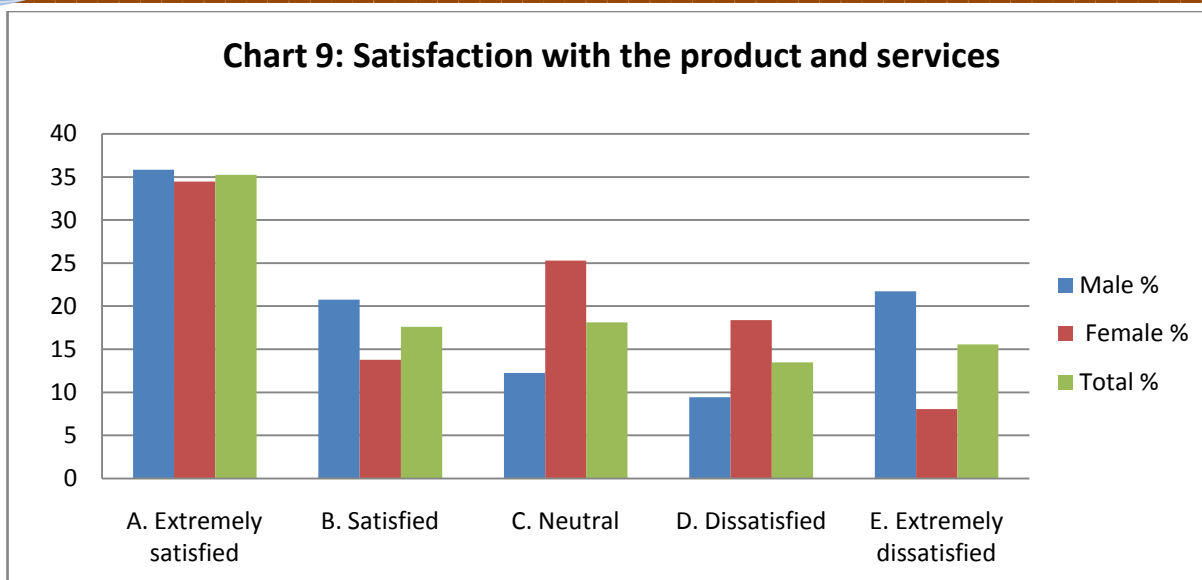
Interpretation: Joining to this, 39.38% of total respondents believe a few minutes, 14.51% believes about 1 hour, 18.13% for more than 1 hour, 20.21% about half a day and 7.77% believes even more than that. Considering female respondents, 5.75% takes more than half a day, 19.54% takes half a day, 19.54% more than 1 hour, 17.24% about 1 hour 37.93% believes in few minutes. The same for the male were 9.05%, 20.75%, 16.98%, 12.65% and 40.57% respectively. Majority believes that time taken for completing the transaction is few minutes.

9. Are you satisfied with the products/ services to meet your requirements?

Table-9

Perception	Male	%	Female	%	Total	%
A. Extremely satisfied	38	35.85	30	34.48	68	35.23
B. Satisfied	22	20.75	12	13.79	34	17.62
C. Neutral	13	12.26	22	25.29	35	18.13
D. Dissatisfied	10	9.43	16	18.39	26	13.47
E. Extremely dissatisfied	23	21.71	7	8.05	30	15.55
Total	106	100	87	193	193	100

Source: Compiled from field survey



Source: Table-9

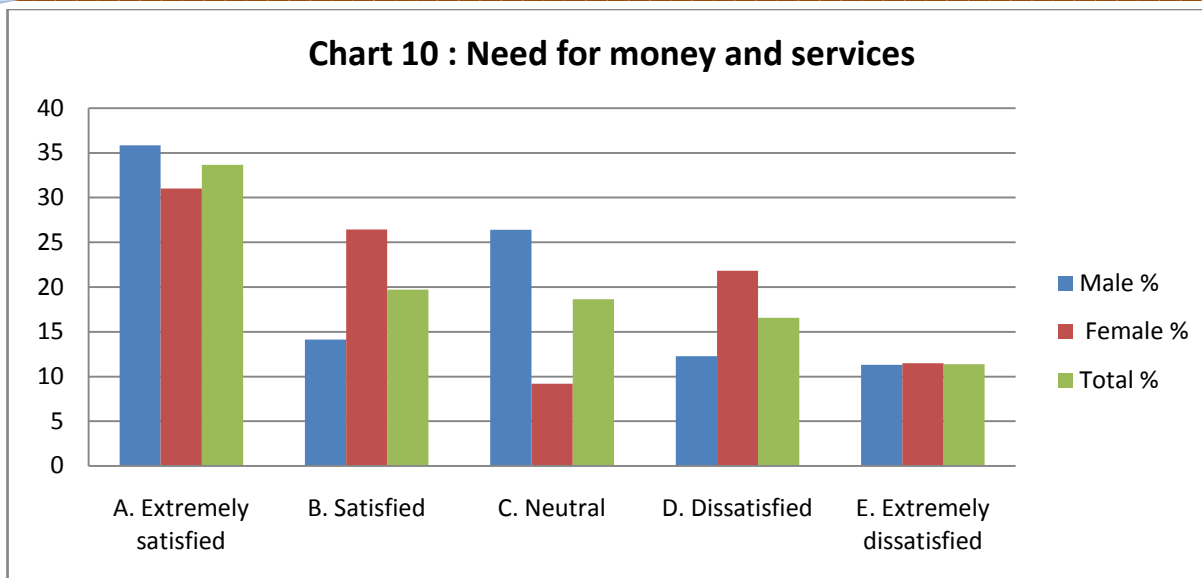
Interpretation: Answering to this the male respondents, 35.85% were extremely satisfied, 20.75% satisfied, 12.26% were neutral, 9.43% were dissatisfied, 21.71% were extremely dissatisfied. The same for the female were, 34.48%,13.79%,25.29%,18.39% and 8.05%. In overall, 15.55% were extremely dissatisfied, 13.47% were dissatisfied, 18.13% were neutral,17.62% were satisfied and rest were extremely satisfied.

10. In terms of your need for money/credit, are they able to fulfill the needs in time and in the amount you need?

Table-10

Perception	Male	%	Female	%	Total	%
A. Extremely satisfied	38	35.85	27	31.03	65	33.68
B. Satisfied	15	14.15	23	26.44	38	19.70
C. Neutral	28	26.42	8	9.20	36	18.65
D. Dissatisfied	13	12.26	19	21.84	32	16.58
E. Extremely dissatisfied	12	11.32	10	11.49	22	11.39
Total	106	100	87	100	193	100

Source: Compiled from field survey



Source: Table-10

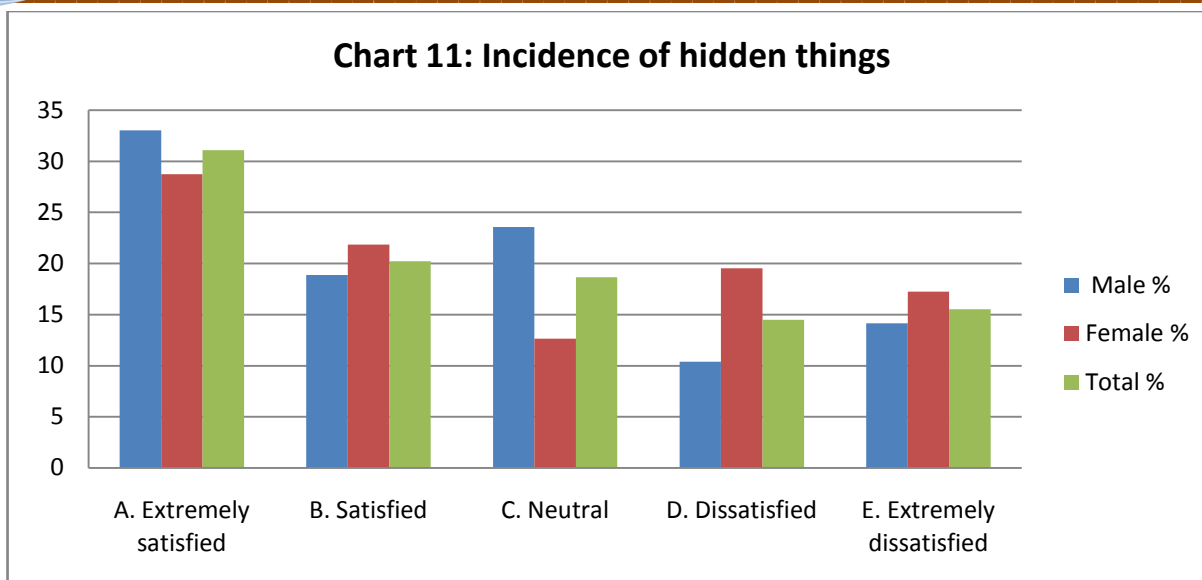
Interpretation: Responding to this 33.68% of the total respondents were extremely satisfied, 19.70% were satisfied, 18.65% were neutral, 16.58% were dissatisfied and 11.39% were extremely dissatisfied. In case of male 35.85% were extremely satisfied, followed by 26.42% were neutral, 14.15% were satisfied, 12.26% were dissatisfied and 11.32% were extremely dissatisfied and the same for the female were 31.03%, 9.20%, 26.44%, 22.84% and 11.49% respectively.

11. Do you find a high incidence of hidden things like charges, document requirements, etc?

Table-11

Perception	Male	%	Female	%	Total	%
A. Extremely satisfied	35	33.02	25	28.74	60	31.09
B. Satisfied	20	18.87	19	21.84	39	20.21
C. Neutral	25	23.58	11	12.64	36	18.65
D. Dissatisfied	11	10.38	17	19.54	28	14.51
E. Extremely dissatisfied	15	14.15	15	17.24	30	15.54
Total	106	100	87	100	193	100

Source: Compiled from field survey



Source: Table-11

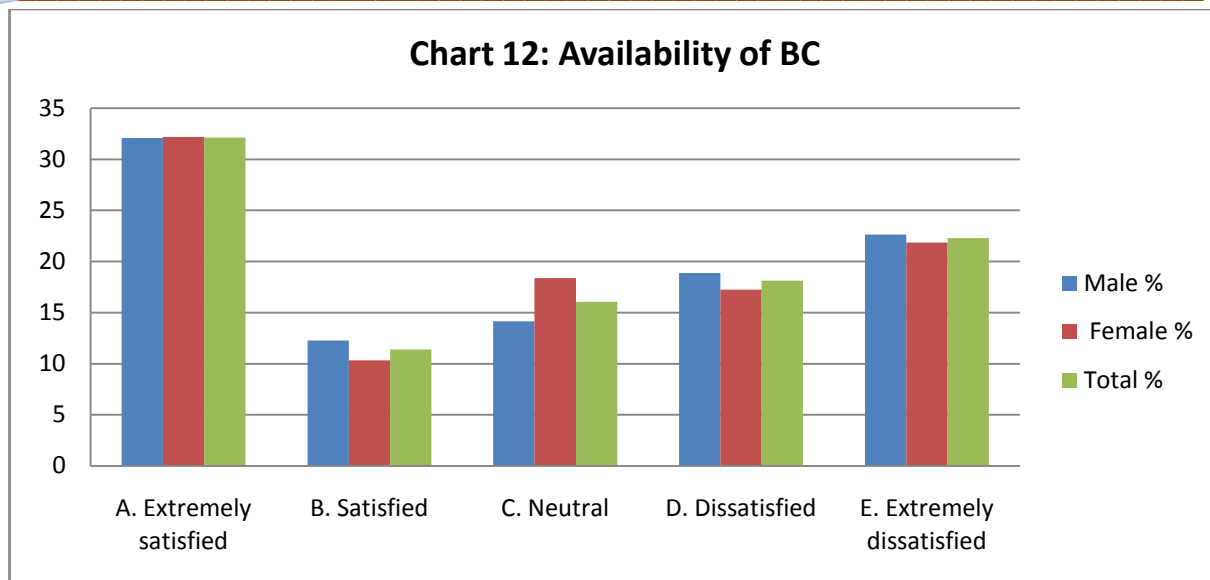
Interpretation: Answering to this, 28.74% of female were extremely satisfied, 21.84% were satisfied, 12.64% were neutral, 19.54% were dissatisfied and 17.24% were extremely dissatisfied. The same for the male counterpart were 33.02%, 18.87%, 23.58%, 10.38% and 14.15% respectively. The total response of male and female taken together were 31.09%, 20.21%, 18.65%, 14.51% and 15.54%. Majority seem to be extremely satisfied, however more improvement is needed.

12. Are you satisfied with the business correspondent available in your area/village?

Table-12

Perception	Male	%	Female	%	Total	%
A. Extremely satisfied	34	32.08	28	32.18	62	32.12
B. Satisfied	13	12.26	9	10.34	22	11.40
C. Neutral	15	14.15	16	18.39	31	16.06
D. Dissatisfied	20	18.87	15	17.24	35	18.13
E. Extremely dissatisfied	24	22.64	19	21.85	43	22.29
Total	106	100	87	100	193	100

Source: Compiled from field survey



Source: Table-12

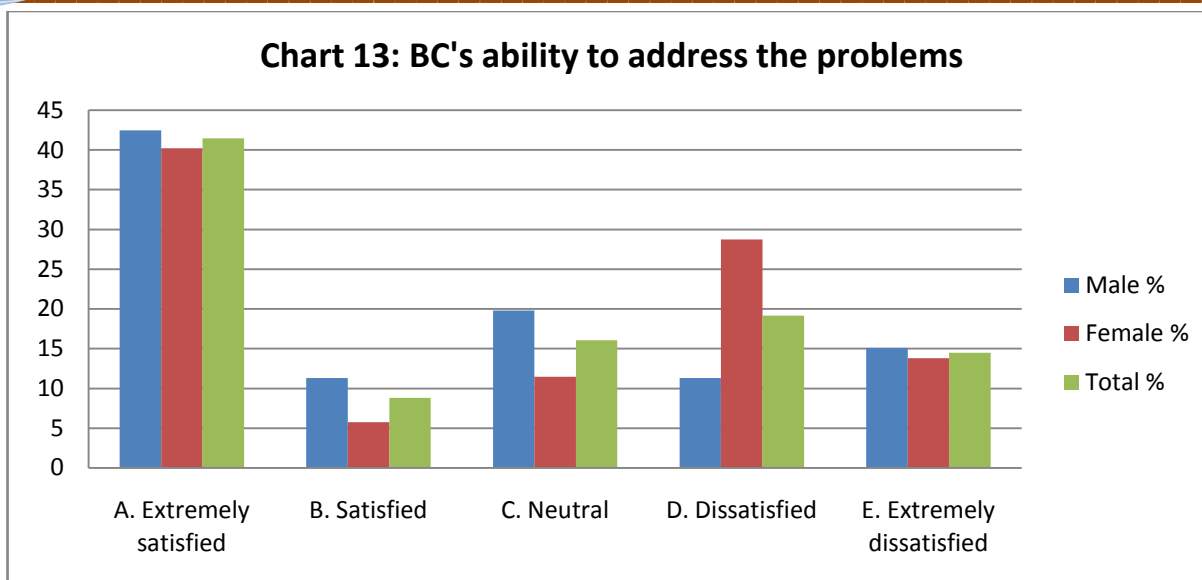
Interpretation: Responding to this 32.12% were extremely satisfied, 11.40% satisfied, 16.06% were neutral, 18.13% were dissatisfied and 22.29% were extremely dissatisfied. However, in case of male 22.64% were extremely dissatisfied, 18.87% were dissatisfied, 14.15% were neutral, 12.26% were satisfied and 32.08% were extremely satisfied. The same for the female respondents were 21.85%, 17.24%, 18.39%, 10.34% and 32.18% respectively.

13. Has the new method of business correspondents been able to address the problems faced by you?

Table-13

Perception	Male	%	Female	%	Total	%
A. Extremely satisfied	45	42.45	35	40.23	80	41.45
B. Satisfied	12	11.32	5	5.75	17	8.81
C. Neutral	21	19.81	10	11.49	31	16.06
D. Dissatisfied	12	11.32	25	28.74	37	19.17
E. Extremely dissatisfied	16	15.10	12	13.79	28	14.51
Total	106	100	87	100	193	100

Source: Compiled from field survey



Source: Table-13

Interpretation: Responding to this the male respondents, 42.45% were extremely satisfied, 11.32% satisfied, 19.81% were neutral, 11.32% were dissatisfied and 15.10% extremely dissatisfied. The same for the female respondents were 40.23%, 5.75%, 11.49%, 28.74% and 13.79% respectively. However taking perception of male and female together 14.51% were extremely dissatisfied, 19.17% were dissatisfied, 16.06% were neutral, 8.81% were satisfied and rest were extremely satisfied. This seems that majority believes that new method of Business Correspondent Model able to address the problems faced by the rural people. However, still there is long way to go.

Concluding Note

It is found that lack of regular and substantial income is one of the reasons for the financial exclusion. People with low income do not qualify for a loan. The proximity of the financial services is another fact. The loss is not only the transportation cost but also the loss of daily wages for a low income individual. Most of the excluded customers are not aware of the bank's products, which are beneficial for them. Getting money for their financial requirements from local lender is easier than getting a loan from the bank. Most of the banks need collateral for their loans. It is very difficult for low income individual to find collateral for a bank loan. Moreover, banks give more importance to meeting their financial targets. Considering the ground reality, lot of work to be done for including the rural people for the empowerment process in rural India.

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