

Financial Inclusion of Unorganised Labourers of Kamrup District in Assam- A Much Needed Approach

Sangita Das¹, Dr. Prashanta Sharma²

¹Assistant Professor, Golaghat Commerce College, Golaghat, Assam, India

²Professor, Department of Commerce, Gauhati University, Guwahati, Assam

Abstract:

Financial inclusion has become a prime concern for the society now-a-days. It has huge impact in recovering the downfall of GDP in any country by contributing a huge share in the process of growth and development of the economy. Though government has been providing good impetus to bring all the segment of the society under one umbrella of financial inclusion, still some portions are yet to get the benefit. Unorganised labourers are one amongst them. Poverty, lack of education, non-willingness to know ongoing events of society are the chief characteristics of these labourers. In India more than 90% of the population are working on unorganised sector. But majority of them are still far behind the arena of financial inclusion. Through this research paper the researchers want to focus on different aspects of financial inclusion of unorganised labourers.

Keywords: Financial Inclusion, Unorganised labour, GDP etc.

Introduction:

Financial inclusion has always been playing a crucial part in the process of capital formation of a nation. A powerful financial system is the base of strong economy of any country. Indeed, a well-built financial system is the backbone of economy in developing countries like India. Financial inclusion is the process where effort is made to provide equivalent importance and opportunity to every person living in the society so that all can get the benefits of various financial products and services. Surprisingly, it is observed that the labourers working in unorganized sector have always been facing trouble in availing the benefits of various financial products and services because majority of the labourers are not well familiar with the concept of financial inclusion. Some of them do not have the basic concept of saving and investment. Though a few of them have opened accounts in bank but it is seen that mostly these accounts keep on inoperative mode because of not doing any transaction. As they do not have the knowledge of financial services, their hard-earned income is not utilized in proper way as a result they are often exploited in the hands of money lenders and usually fall in debt trap. Unawareness of various financial services lead to keep their money in their own hands even the existence of various financial institutions. Jeyabharathi and Amarjothi (2016) in their study pointed out that from 2011 to 2014 only 18% of the population have accounts in banks. Though government has formulated different schemes for these labourers but all these schemes have failed to remove the financial illiteracy of unorganised labourers. Inadequate income, high cost, lack of documentation, and physical access, lack of trust are the prime factors fuelling the financial illiteracy in India. Apart from that, the unorganised labourers do not

always have the regular flow of income as their income is very much dependent on the availability of work in a particular place.

REVIEW OF LITERATURE:

- Anand (2003) pointed out the significance of policy framework for growth and development of informal sector labourers in India
- David (1996) discussed found that the unorganised sector workers often face various problems including job insecurity, no legal protection, long working hours and wages related problems.
- P.Sarkar, Amir Jafar and Amitava Ghosh (2012) in their study discussed about the involvement of trade unions for safeguarding the informal sector workers
- N Uma Devi and Lingaraja Kasilingam (2018) in their paper provided suggestion on having a great scope for the unorganised labourers in different banking and financing activities. Initiatives should be taken over by monetary authorities and various financial institutions in the process of financial inclusion of these workers.
- Jayabharathi and Amarjothi (2016) in their paper said that financial inclusion of unorganised sector labourers will help in the process of growth and development of our economy more and more.

Research Gap:

From the above literature review it was found that though many studies have been carried on financial inclusion of unorganised labourers in different parts of the country, still there is a need to give focus on the unorganised labourers of Kamrup district in Assam.

Objective of the study:

1. To discuss about the financial behaviour of unorganized labourers of Kamrup district

Research Methodology:

The entire study is analytical and explorative in nature and the researchers have collected primary data with the help of a schedule.

Population of the study:

The population of the study consists of all the unorganized labourers of Assam.

Sample size:

The Researchers have used convenient sampling technique to select 50 unorganised labourers of Kamrup district.

Mode of data collection:

Schedule is used to collect the data from the unorganized labourers by conducting direct personal interview.

Data analysis and interpretation:

1. Age

The productivity and capability of the unorganized labourers always depend on their age.

Table-1

Age of unorganized labourers of Kamrup district

Age	No. of respondents
Below 20	5(10%)
20-40	33(66%)
40-60	11(22%)
Above 60	1(2%)
Total	50(100%)

Source: Field survey

From table-1 it is seen that the majority of the unorganized labourers of the Kamrup District i.e., 66% falls in 20-30 years of age.

2. Educational Qualification of unorganized labourers:

Education of the unorganized labourers is very important as the skill, efficiency, competency, and decisiveness is very much dependent on education.

Table no. 2

Educational Qualification of unorganized labourers:

Educational qualification	No. of respondents
Nil	27(54%)
Up to 5 th standard	12(24%)
5 th -10 th	10(20%)
H.S.L.C and above	1(2%)
Total	50(100%)

Source: Field survey

From table-2 it is seen that in Kamrup district, majority of the unorganized labourers i.e., 54% are illiterate.

3. Bank accounts of Unorganized labourers:

To determine the financial behaviour, it is very much essential to know whether the unorganized labourers of Kamrup district save their money in bank or not.

Table no. 3

Statement of unorganized labourers regarding bank accounts

Whether they have bank account	Response of Unorganized labourers
Yes	24(48%)
No	26 (52%)
Total	50(100%)

Source: Field survey

From table-3 it is seen that 52% of the unorganized labourers of Kamrup district do not have bank account.

4. Status of bank account:

Table no. 4

Status of bank account

Whether their bank account is operative	Response of unorganized labourers
Yes	7 (31%)
No	17 (69%)
Total	24(100%)

Source: Field survey

From table-4 it is seen that majority of the unorganised laborer's (i.e., 69%) bank account is inoperative mode.

5. Monthly income of unorganized labourers:

Table-5

Monthly income of unorganised labourers

Monthly income Range in Rs.	Respondents
Less than 10,500	11 (22%)
10,500-16,500	37 (74%)
More than 16,500	2 (4%)
Total	50 (100%)

Source: Field survey

From the above table-5 it is seen that most of the unorganised labourers' (i.e., 74%) monthly income falls in between Rs. 10500-16,500. Most of their income is spent on consumption. There though 48% (table-3) of the labourers have bank account, most of these (69% in table-4) are not in operative mode. Apart from

that, to operate the bank accounts one needs to do some paper work. As most of the unorganised labourers are illiterate and they face lots of difficulties in opening and maintain bank accounts.

6. Saving pattern of unorganized labourers:

As majority of the unorganised labourers of Kamrup district do not have bank account, it is important to analyze the various ways of their savings.

Table no. 6
Means of savings of unorganized labourers

Ways of saving	Response of labourers
Banks and other financial institutions	6(12%)
Unorganised sources	31 (62%)
Self-help groups	13(26%)
Total	50(100%)

Source: Field survey

From table-6 it is observed that majority (i.e., 62%) of the unorganised labourers of Kamrup district rely on various unorganised sources to save their money because of less paper work and easy accessibility. 26% of them keep their savings with themselves.

7. Borrowing sources of unorganized labourers

Table no.7
Borrowing sources of unorganized labourers

Sources of borrowings	Response of labourers
Banks and other financial institutions	7(14%)
Unorganised sources	16(32%)
Self-help groups	27 (54%)
Total	50(100%)

Source: Field survey

From table-7 it is seen that 54% of the unorganised labourers of Kamrup district rely on self-help groups for borrowing money. 32% of them borrow from unorganised sources. Where, only 14% depend on bank and other financial institutions.

Findings:

- Majority of the unorganised labourers are belonged to 20-40 years
- 54% of the unorganised labourers have no education
- 52% labourers do not have bank account
- Only 31% labourers bank account is in operative mode (out of 24 unorganised labourers)
- Majority of the unorganised labourers' (i.e., 74%) monthly income falls in between Rs. 10500-16,500.
- Majority (62%) of the unorganised labourers of Kamrup district rely on various unorganised sources to save their money.
- 54% of the unorganised labourers of Kamrup district rely on self-help groups for borrowing money. A meagre portion i.e., 14% depend on bank and other financial institutions.

Conclusion:

The unorganised labourers are not aware of any financial benefit because of their financial illiteracy. Most of the time it is seen that the unorganised labourers show reluctance to know about financial matters as they earn limited income and most of their income spend on consumption. Government should take initiative that these unorganised labourers receive proper education and this will help the government to bring all the unorganised labourers under one umbrella of financial literacy.

References

- Anand, V. (2003), *Policy package for informal sector Development: Basic Assumptions*, Indian journal of economics, Vol. 84, No.333
- David (1996), *Unorganized women workers: Problems and Prospects*, discovery publishing House, New Delhi
- Devi and Kasilingam (2018), *Financial inclusion of unorganised labourers and small-scale traders*, SMART journal of business management studies 14 (2), 48-62, DOI: 10.5958/2321-2021-2012.2018.00017.9
- Sarkar, Jafar and Ghosh A. (2012), *Organizing the unorganized: Trade union response vis-à-vis the unorganized sector in India*, University of Burdwan
- T. Jayabharathi and Dr. P. Amarjothi. (2016) *Financial inclusion in unorganised/ informal labourers*, Vol 6, Issue 4, pp.8-10