

Financial inclusion: A study on street vendors of Mayurbhanj district

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Abstract- Many street vendors lost income due to Covid pandemic's ongoing lockdown period. State and Indian Governments Announce Financial Packages, Relief Funds to a street vendor. The Government of India has several financial inclusion programs in place. Growing financial position of street vendors. Cash transfer and PMSV Nidhi funds are It goes directly to your bank account, and that's what polls and reports from some news channels say. Many street vendors across the country did not receive cash benefits from relief funds. the most important the reason is that many street vendors do not have bank accounts, and some do not register accounts. Local government sales license. my research financial inclusion through frequency of financial services, A time of pandemic affecting the economic stability and livelihoods of street vendors. This data was collected Through secondary sources such as websites, news channels, newspapers and government statistics report and primary sources such as random sampling on 60 street vendors of baripada town, mayurbhnaj district.

INTRODUCTION

Finance has become an essential part of the economy, not only for the national economy, but also for the development of society. To that end, not only developing and underdeveloped countries, but also developed countries need robust financial systems to achieve sustainable growth. Through financial inclusion, we can achieve equitable and inclusive growth for our nations. Financial inclusion is the provision of affordable, adequate and timely financial services to vulnerable groups, such as low-income individuals and vulnerable groups without access to basic banking services. The process of economic growth must seek to involve all sectors of society. This is especially true if the economy is on a high-growth trajectory. Lack of access to financial services for small/ marginal vendors and weaker sections of the society has been recognized as a serious threat to economic progress, especially in developing countries.

The recent developments in banking technology have transformed banking from the traditional brick and mortar infrastructure like staffed branches to a system supplemented by other channels like automated teller machines (ATM), credit/debit cards, online money transaction, internet banking, etc. The moot point, however, is that access to such technology is restricted only to certain segments of the society. The concept of financial inclusion in Baripada, Mayurbhanj is highly getting success, various current innovated activities are being helped by the increasing level of the upcoming of financial facilities, with banking institutions, cooperatives, microfinance, and mobile money facilities. But during the crisis of lockdown the town faced the most crucial time to access their financial instrument on the way to make them survive and this leads the street vendor to move their financial sources to the informal way such as cash transaction for their purchase and sales and also they used their financial investment through the unorganised heads with facing the most high rate of interest and declining standard of living.

STREET VENDOR BACKGROUND

Street vendors were divided into three categories. First, sellers are people who make regular sales in a particular space. Second, vendors are people who are not engaged in regular selling business with no specific location, such as vendors who sell their goods at weekly bazaars. His third type of vendor is a mobile street vendor. Thus, street vendors are stationary and occupy space on sidewalks and other public spaces. Or even move in the sense of moving from one place to another, in the sense of carrying goods in a wheelbarrow, bicycle, or basket on one's head. Products can be sold on mobile buses, etc. (same as above). The share of this segment of the urban economy has grown rapidly around the world in recent

decades. Moreover, street vending is one of the means of survival for India's urban poor, which, unsurprisingly, has thrived for many years. For example, in Orissa, the influx of people from small towns and villages has greatly increased the number of street vendors. Street vendors are one of the most marginalized, poorest and most vulnerable sectors of the urban informal labour market. Street selling is seen as a thriving business due to its ability to adapt to the changing demands of urban society, but this category of self-employed has not yet been given legal legitimacy. Several factors contribute to this situation, most notably access to formal credit. It can be argued that financial inclusion and inclusive growth together create opportunities for self-employment and reduce poverty and unemployment, but easy access to formal credit institutions is a barrier. According to newspaper reports, street vending accounts for 14% of all urban employment and 42% of informal employment. A survey conducted among street vendors in his 10 cities in India found that his average daily income for street vendors was his Rs 141.220. Multiple sources are personal savings, moneylenders, cooperatives, friends and relatives, and wholesalers. The main source of funding for street vendors was their own savings.

City information: Demographic profile and financial inclusion initiatives

This chapter is divided into two main sections. First, a brief background of the city was discussed. This includes demographic profiles, sociocultural and economic characteristics, and government responses to street vendor issues. Second, the socioeconomic profile of street vendors (the main respondents of the survey) in 29 wards in Baripada city was widely discussed based on field data. According to a preliminary report from the 2011 Indian Census, Baripada has a population of 110,058, of which 57,008 are male and 53,050 are female. The city of Baripada has 110,058 inhabitants. The city/metrocity population is 116,874, of which 60,535 are male and 56,339 are female. Also, in the education sector, there are a total of 89,421 illiterate people in Baripada city, of which 48,388 are men and 41,033 are women. Baripada City has an average literacy rate of 89.31% with male and female literacy rates of 93.45 and 84.88 respectively.

FINANCIAL INCLUSION INITIATIVE

The SJSRY program has attempted to address this issue to some extent, but currently there are no employment or social security programs specifically for street vendors. And many providers are benefiting from it. The list of beneficiaries includes women in her BPL category who received loans from the Thrift and Credit Society established under the direction of the SJSRY program. Her SJSRY activities under KMC have been gaining momentum since 2005. The program began with the establishment of 110 self-help groups (SHGs) and four savings and credit associations. SHG consists of her 10-12 women in the BPL category. Each SHG has a state bank, secretary, president and cashier accounts. Each SHG member is required to deposit Rs 30 per month to the group for 6 consecutive months. After 6 months, loans will be requested by members within the group and these loans will only be offered to those who have a good reason to obtain these loans. H. For income generation and/or random purposes. The nominal interest rate is 10 months and he is 2%. When the NHG is almost a year old, in the revolving fund he receives 1000 rupees (on behalf of each member). Aside from Baripada's economy, SSG, sales zones will be partially restricted due to lockdown procedures during the crisis. This leads to huge unemployment, mainly to informal sectors like street vendors such as vegetable vendors, food vendors and some grocery stores. Etc

SIGNIFICANCE OF RESEARCH

In renewed growth of the economy of Baripada City due to improved financial inclusion scenarios, the city has faced a decline in recent years that has not only brought the economy to a halt but has also demonstrated the most dangerous form of financial exclusion. A lot of research is now being done on the financial situation of street vendors to give reasons and recommendations for getting out of the financial inclusion trap. Included in financial inclusion. In addition to many initiatives, city providers now use the financial services of the informal financial system. I need research on the following questions : What is the socio-economic situation of street vendors? Why are street vendors in Baripada City seeking financial exclusion? Why is the growth rate of street vendor financial inclusion shifting to financial exclusion? To what extent are street vendors leveraging financial

inclusion? What compelled them to stand in line for economic exclusion?

REVIEW OF LITERATURE

1. Das P.K (2010, June), The goal of financial inclusion is to expand the range of activities of the organized financial system to include low-income people and those who cannot be reached through the formal financial system, making them partners in national economic growth. .
2. Bihari S.C (2011), The authors reveal that banks have developed specific strategies to expand the range of financial inclusion services. The country's bank's main focus was on business correspondents to reach the unbanked.
3. Kumar (2011), We sought to understand the behaviors and determinants of financial inclusion in terms of accessibility to various financial services. The main findings of this paper show that deposit and loan penetration rates are positively correlated. In short, the main determinants of financial inclusion are income levels, local economic conditions, income-producing employment, and programs that promote banking activity.
4. Singh C. (2014), After 67 years as an independent state, India still lags behind in providing financial services to the masses, with nearly half of households still unbanked and almost 90% of villages unbanked. I don't use a bank. More importantly, people in these unbanked communities do not fully understand why they need bank accounts in the first place and why formal sector loans are more useful than informal sector loans. .
5. P. Vijaya Bhaskar (2014), Efforts towards financial inclusion should definitely be word of mouth. In this context, at least in the major languages, the need for colloquialism in all its forms (including legal forms) is imperative.
6. A. Balamurugant and C. Shabana and et.al (2019), Financial inclusion develops a performance foundation for the financial system and, through safe and easy access to bank loans, reduces the likelihood of poor people in society using it. A look at the marginalized and vulnerable within the formal banking sector understanding advises safe financial assets and various other resources in crisis situations. Underlying this understanding is the core philosophy of PMJDY, which has been adequately implemented, but the sustainability of the program is questionable.
7. Affandi H. and Malik Q.A. (2020), Financial education is therefore essential, providing knowledge to the poor to make financial decisions, choosing financial products that suit their wishes, and knowing how to use relevant media such as financial products and services. must have Many developing countries have taken several measures to promote financial literacy. Street vendors need to recognize the importance of financial literacy in financial institutions leading to financial inclusion. The study concludes that the majority of street vendors are unbanked and do not use financial products or services. The reason behind these financially excluded street vendors is lack of financial literacy, i.e. lack of knowledge of the financial products and services offered by financial institutions.
8. Singh A.(2020), The study will take action to provide technical support to community organizations, develop business models for providers to tap the market, and document and share best practices available in different regions of the country. It explains what you need.
9. Panicker R. & Shanthi P. (2020), Street vendors provide affordable food services to the poor and the homeless. Another aspect is the availability of local and regional foods at these kiosks. Street food vending machine mechanics provide food security to the poor and the city's daily bets. Urban street food survives because it not only creates jobs, but it also plays a role in providing affordable food for the urban population.
10. Panda S. and Sahoo A.(2022), aims to examine street vendor perceptions of digital payments and their impact on business performance. To address this purpose, data will be collected from his three Tier 2 cities in Orissa namely Cuttak, Kurda and Berhanpur using both structured questionnaire and interview techniques. Moreover, this empirical study incorporates both primary and secondary data to fully meet the above objectives.

OBJECTIVES OF THE STUDY

1. To access banking services used by street vendors in Baripada City.
2. Survey perceptions of banking services available to street vendors.
3. Identify the problems faced by street vendors while availing banking services.

sources such as websites, news channels, newspapers and government statistical reports.

1. Socio-economic profile of street vendors:

Profile of the street vendors taken for the study In the study it is found that the majority of sample street vendors (Represent 83.33%) are from local area while (Represent 16.66%) are migrated from other states. The study revealed that majority of sample included in the age group of 15 to 30 representing 53.33% of the sample. The sex composition showed that 33.33% were females and 66.66% were males. 35% of the sample street vendors are stationary in nature while 65% are mobile vendors. The items sold by vendors consist of a variety of goods. The non-perishable items include clothes, metal utensils, plastic goods, leather goods and electronics etc. The perishable goods include vegetables, fruits, flowers, fish and cooked food.

METHODOLOGY OF THE STUDY

This study is descriptive and analytical in nature as it aims to describe the situation of street vendors in terms of accessibility to banking services in Baripada city, Mayurbanji district, Orissa. Field studies are conducted for research. A sample size of 60 is obtained and responses are collected in a structured timeline questionnaire. Researchers employed a convenient sampling method to determine the samples. The scheduled questionnaire consists of 20 questions. Quantitative methods are used to analyze the collected data. Secondary data were collected from secondary

Table 1: Profile of the Respondents:

Variable	Groups	No of Respondent	Percentage (%) to total
Respondent status	Local	50	83.33
	Migrated	10	16.66
	Total	60	100.00
Age	15-30	32	53.33
	30-45	16	26.66
	45-60	12	20.00
	>60	0	00.00
	Total	60	100.00
Gender	Male	40	66.33
	Female	20	33.66
	Total	60	100.00
Sales volume per day (Rs.)	Below Rs.500	47	78.33
	Rs. 500 - Rs.1000	13	21.66
	>Rs.1000	0	00.00
	Total	100	100.00
Mobility	Mobile	39	65.00
	Stationery	21	35.00
	Total	100	100.00
Type of product traded	Vegetables	13	21.66
	Flowers	4	6.66
	Fruits	7	11.66
	Electronics	2	3.33
	Household items	2	3.33
	Street foods	15	25.00
	Garments	2	3.33
	Tea shops	9	15.00
	Plastic items	1	1.66
	Non-veg items	5	8.33
	Total	60	100.00

Sources: Interview data from field work (Dec 2022)

A.To examine the objectives of To access banking services used by street vendors in Baripada City

Table 2: Extent to which street vendors are included financially (N=60)

Variables	Commercial banks	Micro finance	Co-operatives	RRBs	Mobile money	NBFCs	Pvt sources (like moneylenders, relatives etc)	NA
Accounts holders	30	0	12	15	0	10	0	03
Frequency	5	10	5	3	5	6	11	15
Availability (%) of finance	10%	20%	15%	10%	10%	24%	21%	-
Rate of interest	12% -24%	35%-65%	12%-25%	12%-18%	35%-100%	18%-75%	100%-400%	-

Source: Interview data from field work (Dec 2022)

Table 3: Reasons of having account (N=53)

Variables	Respondents	Male	Female	Total
Security	(35.08%) 20	14	06	20
Saving & Investment	(36.84%) 21	10	11	21
Convenience	(15.78%) 09	09	00	09
Managing Personal Finance	(12.28%) 07	07	00	07
Total	100% (57)	40	17	57

Source: Interview data from field work (Dec 2022)

In my sample of street vendors who hold bank accounts the findings exposed by the table 3, about account holding reasons indicates that 36.84% of street vendors who opened account were expecting to use their accounts for saving and investments, where the female vendors are more concerned about the saving and investment with comparison to male vendors, among other reasons of opening accounts 35.08% of respondents have the account for security reason, and 15.78% of respondents have account for convenience reason. Furthermore, the study proved that among street vendors only 12.28% have an account for assuring thorough management of personal finance. In case of convenience and managing personal finance, the female vendors are not concerned about the instrument due to lack of awareness.

Reasons of having account (N=03)

The findings illustrated about reasons of not having accounts, 66.66% among non-account holders replied that they do not have an account because of limited capital in their daily business and most of all said that their daily life depends on the daily earning to get food for consumption. another category of 33.33% of street vendors who do not have accounts said that they fear banking institutions transaction charges, lack of information about the banking system, lack important and required credentials to open accounts that might differ from one bank to another. Therefore, some of the street vendors who do not have accounts claimed

that they have low income and the little profit they made was used for household consumption.

TESTING OF THE RESULT

The chapter represents that to analyse the results and to test the objectives the study has been chosen the Probit and logit model both.

Logit / Probit model:

The probit/ logit model has been employed in this quantitative analysis because it captures the livelihood of the dependent variable with binary outcomes yes, or no (Gujarati 2003). In this context the variable with a binary outcome is financial inclusion; are respondents financially included or not. In this study financial inclusion is measured by having account or not and the frequency of accessing a financial service.

A; The estimated equation;

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \dots + \mu$$

Financial inclusion in this study is measured by having an account or not and frequency of accessing a financial service. I used 5 explanatory variables: gender, education, marital status and possession of account financial institution to define dependent variables.

(1) Frequency of assessing = $c + \beta_1\text{male} + \beta_2\text{educ} + \beta_3\text{amount} + \beta_4\text{single} + \beta_5\text{financial institution}$

The equation above estimates the likelihood of being financially included based on distinct characteristics. Also in this study financial inclusion measured by frequency of assessing a financial service. The variables gender (=1 if

male), education, amount earned, marital status (=1 if single) and possession of account in a financial institution.

Table 4: Definition of variables;

Variable name	Definition of variables
Sex	=1 if male
Marital Status	=1 if single
Level of education	Level of education on street vendors
No of education	=0 if no education
Primary	=1
Secondary	=2
Higher Secondary	=3
Graduation	=4
Higher Studies	=5
Daily Amount	Amount of money in Baripada town that the individual earns per day
Availability of financial institution	In any bank, micro-finance or other financial institutions
Type of financial institution	Type of bank, micro-finance and other financial institution of Baripada town
Frequency	How many times do you access , use, afford your bank account or other financial institution

Source: Interview data from field work (Dec 2022)

The choice is between logit model and Probit model and I did both but am going to report the logit model.

Table 5: Logit/ Frequency of assessing financial services.

Dependent variable: Frequency of assessing

Method: ML- Binary Logit (Newton-Raphson / Marquardt step)

Variable	Coefficient	Std. Error	Z- Statistics	Prob.
Male	0.819387	0.642732	1.155321	0.2194
Education	0.323887	0.308108	1.047714	0.2847
Amount	0.000108	6.39E-05	1.692977	0.0924
Single	0.218349	0.617126	0.352152	0.7246
Institution	1.345988	0.526285	2.550042	0.0106
C	-5.209927	1.162432	-4.481918	0
McFadden R-squared	0.285675	Mean dependent var	0.23	
S.D dependent var	0.421953	S.E of regression	0.35738	
Akaike info criterion	0.889812	Sum squared resid	12.0732	
Schwarz criterion	1.036222	Log likelihood	-37.981	
Hannan-Quinn criterion	0.944074	deviance	75.9813	
Restr. Deviance	107.8653	restr. Log likelihood	-53.918	
LR statistic	32.78553	Avg. Log likelihood	-0.3798	
Prob (LR statistic)	0.000006			
Obs with Dep=0	44	total Obs	57 Obs	
With Dep=1	13			

Standard errors

*** P<0.01, ** p<0.05, * p<0.1

In my sample of 57 observations. the finding show that 13 street vendors accessing or using their accounts more than once in a month for the last 6 months while 44 street vendors dis not access their accounts for the last 6 months.

McFadden R-squared of 0.29 indicates that the model performs logically well because some variables (gender, education and marital status) have expected sign but they are not statistically significant. In addition, the likelihood ratio test statistics of 32.78 and

an associated P value of 0.000 indicated that the model with all five explanatory variables fit significantly better than with less explanatory variables.

The coefficient of 0.00 associated with the variable amount is statistically significant at 10% significance level. This indicates that street vendors who earn more money are more likely to access or use their accounts more than once in a month for the last 6 months than the street vendors who earn less money. Also, the coefficient of 1.3 associated with the availability of financial institutions in the town is statistically significant at 5% significance level. Also, street vendors who attended school and street vendors who are single are more likely to access or use their accounts more than once in a month for the last 6 months than the street vendors who did not attend any school and street vendors who are married but this not statistically significant.

In conclusion, as mentioned before financial inclusion in this study is measured by having account and frequency of accessing or using a financial service. As shown in table 5 all of 5 explanatory variables gender, education, marital status, amount and financial institution are positive. However, as shown in table 5 amount is statistically significant at 10% level of significance. Furthermore, as shown in the above table there is higher probability of being financially included. Therefore, holding an account and frequency of accessing or using a financial service is the two-dependent variable which defined financial inclusion in the study so the availability of financial institutions in the city increases the probability of being financially included for street vendors.

FINDING OF THE STUDY

The informal sector, particularly street sellers in the Mayurbhanj district of Odisha, was the subject of this study. To conduct the primary data survey and determine if the study's conclusions are based on an average pattern or the highest point of result, the outcome demonstrates that:

When it comes to pedestrian movement, the issue is the lack of suitable footpaths. To address this issue, the solution is to set aside specific spaces for pedestrian movement, with the result being simple and secure pedestrian movement.

No vendors are registered, money is being unlawfully collected by the police or any local contractors. In

order to address these issues, it is necessary to register real merchants and require that they pay their taxes to the business directly.

The result is that corporations will be able to control vendor activity more effectively thanks to the collection of taxes through vendors.

Regarding revenue and tax collection, there are two issues: the corporation now lacks the ability to collect taxes, and its registration number, issued by the BMC, has expired. The methods for solving are Each vendor's registration must be renewed, and the organisation must develop and use a clear method of tax collection. The effects include the generation of significant tax income and revenue that may be used by the corporation to improve urban infrastructure for vendors and the city as a whole.

The issues with regard to sanitation, hygiene, and water availability are the lack of public conveniences, drinking water, and sanitation facilities, as well as the lack of water sources needed for these and other uses. The following are the methods for resolving the issue: public convenience and sanitation.

As parking is not required and there is little traffic movement as a result of the lower road hierarchy, there is less of a barrier to significant traffic movement.

When it comes to safety concerns, the issues include vending activities that occur on footpaths and on the road that require customers to purchase goods while standing on the road and vending activities that stretch up to the carriageway that could result in accidents for either customers or riders. The answer is that the vending area needs to be limited to a specific location. The effects include a safer environment for both consumers and riders, as well as the elimination of parking and traffic congestion.

There are many reasons for not including financial inclusion and financial activities are informal. The reasons are;

1. Not amenable to the KYC standard of financial institutions.
2. The identity is not satisfactory as many street vendors have migrated to Baripada town from the rural areas of Mayurbhanj district and its surrounding areas.
3. There is no information about the loan and insurance.
4. Ignorance of bank employees. years High transaction fee in banking.

5. Lack of facilities available to Govt. Economic activity initiatives.
6. Lack of interest in authorized kiosks due to lack of sales zone and official point of sale identity.
7. Ignorance of government officials and CMC

CONCLUSION

In summary, this study deals with financial inclusion in the informal sector. A case study of street vendors in Mayurbhanj district. Based on findings and findings from the field, financial inclusion in Odisha has made tremendous progress but still faces challenges in the informal sector. Despite this, the survey even found people who have accounts but do not use or use them. The study also found that men are more financially strapped than women. In addition, the study found that street vendors who live in a city with at least one financial institution are more likely to be financially connected than street vendors who live in a village without a financial institution. The survey revealed that most street vendors preferred an account with a mobile phone service, followed by a cooperative over other financial institutions. This is because mobile phone services are cheap and easy and do not require many documents or fees to open an account. Thanks to technology, almost everyone has access to a cell phone these days and this makes it easy for street vendors to access their accounts from anywhere without having to always drive to a cell phone service and request a balance.