



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## Banking Customer Service Points : The medium of Life line for financial assistance of Rural Population in India

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### Abstract

Financial assistance through banking CSPs, have proved to be a boon for the economic development of rural population in India. An attempt has been made in the present chapter to analyze the state of financial assistance and the role of banking CSPs in achieving full financial assistance in rural India. The journey of financial inclusion through banking CSPs in India has been critically appraised. Some of the important outcomes that can be highlighted are increased banking access of rural population in past few years together with the huge expansion in banking infrastructure through banking CSPs in rural areas. The Government of India has been transformed the financial assistance with the banking CSPs in COVID-19 Period. On Decreasing trends of COVID-19 in India, still a challenge in the way of financial assistance. The journey of financial assistance on the wheels of banking CSPs is still in search of the ultimate destination, and it will take miles to achieve full financial assistance.

Key Words: BC , Banking Customer service Points

The paper is based on field survey .The field visits were undertaken in the villages of Dhanbad district in Jharkhand.

### Introduction

At the pandemic Situation of COVID-19, the rural population especially in remote areas became helpless in financial matter. The outbreak of COVID-19 has impacted nation including remote rural population in an enormous way, especially the nationwide lockdowns which have brought social and economic life to a standstill. The remote rural people haven't access to the bank because no communication to reach the branches of banks. Daily earning activities has fallen silent and all the resources have been diverted to meeting the never-experienced before crisis. There is a multi-sectoral impact of the COVID-19 as the economic

activities of rural population have slowed down. They can't access to the bank branches to avail any grant of government. At this situation the Banking CSPs became the life line for financial assistance. The Government of India financially helped three times during lockdown period by sending rupees 500 per Jan Dhan Account. Besides these the amount for availing the LPG Gas facility the Government of India sent the amount a couple of time.

Impact of COVID-19 Pandemic on Migratory rural population. The International Labour Organization (ILO) in its report said that the COVID-19 pandemic as 'the worst global as well as rural economic crisis since World War II'. The rural people working in the casual economy in India are at a risk of falling deeper into poverty due to disastrous consequences of the COVID-19. Seasonal/ festive migration of labour for work is an inescapable reality in rural India. A migration of millions of people happens from rural areas to industries, urban markets and farms. Major migration corridors in India are from Bihar, Jharkhand and Uttarpradesh to Maharashtra, Gujarat, Haryana, Punjab and Kerala. These migrant workers are employed in the construction sector, domestic work, textile, brick work, transportation, mining and agriculture. The migrant workers feared that they will run out of food before lockdown and they will not get their job back thereafter. They work in exploitative conditions, are often under debt and have little savings of their own. They said that they had ration which would last about 2 weeks.

In these situation the banking CSPs became the Life line of such rural population. They avail the financial assistance through the banking CSPs in their villages.

### Review of Literature

**Chakraborty (2011)** "Financial inclusion is the system of providing the proper financial services and products needed by ultimate unit of society including weaker population and lower income groups at an affordable cost in a fair and translucent manner by different institutions. On the other hand, financial inclusion has remained a vision with a greater part of Indians continuing to lack admittance to the banking services."

**Raunak Kapoor and Shivshankar V. (April 2012)** "Even though all the challenges in the segment, major numbers of CSP Operator players are quite hopeful and deem that the segment is promising and has massive prospective. My research shows that banking CSPs to be sure offer banks important cost reductions particularly through the banking halls, lower cost of customer acquirement and additional float creation."

**(Sumi, 2014)** had studied the role of Public Sector Banks in Financial Inclusion and found that State bank of India was a leading bank in the role financial inclusion in achieving 100%

coverage in 31,729 villages during financial year 2014-15 and during 2013-14 public sector banks set up 7,840 branches across the country of which 25 % were in rural areas.

(**Bhuvana M & Vasantha S, 2016**) have studied the dimension for measuring the financial inclusion in the rural areas of Tamil Nadu and found that only two districts namely Ariyalur and Tamil Nadu the highest level of financial inclusion with a score of 64.79 and 55.7 and three districts namely Sivaganga, Nagapattinam and Pudukkottai has the above average level and rest of the districts were below average level of financial conclusion.

(**Yorulmaz, 2018**) has done a study on constructing global financial indices and found that it was concluded that the financial inclusion drive succeeded in increasing the penetration to 1,15,30 villages with a population of 2,000 and led to the opening of tens of millions of NFAs .

**Dr.G.Vincent and Dr.S.Sivakumar (2019)** “ CSPs plays major role in Collaboration with banks in Financial inclusion as a new paradigm of economic growth that in driving away the poverty from the country. Financial inclusion is important priority of the country in terms of economic growth and advancement of society especially rural population.”

After reviewing the above literature revealed that a research gap in the field of rural areas of Dhanbad District .

So following objective of this research paper are:

### **Objectives of the study**

- i. To study how banking CSPs became the lifeline during the lockdown period through door step banking
- ii. To investigate the impact of banking CSPs during lockdown period in rural areas of Dhanbad District

### **Research Methodology**

This study is based on Primary data, it was mainly collected from the rural population of Dhanbad District . A questionnaire based Primary data collection is made .The five point Likert scale format is used in the questionnaire 1 is used for Strongly Agree, 2 is used for Agree, 3 is used for Neither agree nor Agree, 4 is Agree for Disagree and 5 is used for Strongly Disagree.

In this research 115 respondents responded while about 250 questionnaire given to the rural people.

## Data Analysis:

Before the Primary data analysis I am checking that the data are normal or not by doing the normality test through the spss-22

Testing the 1<sup>st</sup> Objective: To study the banking CSPs became the lifeline during the lockdown period through door step banking

**Table -1**

Case Processing Summary						
1 <sup>st</sup> Objective	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Banking CSPs became the lifeline during the lockdown period through door step banking	115	100.0%	0	0.0%	115	100.0%

Table -1 presents 115 respondents responded for first objective, nothing is missing all 115 respondents included for this study.

**Table-2**

Descriptives				
1 <sup>st</sup> Objective			Statistic	Std. Error
banking CSPs became the lifeline during the lockdown period through door step banking	Mean		1.35	.062
	95% Confidence Interval for Mean	Lower Bound	1.23	
		Upper Bound	1.47	
	5% Trimmed Mean		1.28	
	Median		1.00	
	Variance		.439	
	Std. Deviation		.663	
	Minimum		1	
	Maximum		3	
	Range		2	
	Interquartile Range		0	
	Skewness		1.683	.226
	Kurtosis		1.402	.447

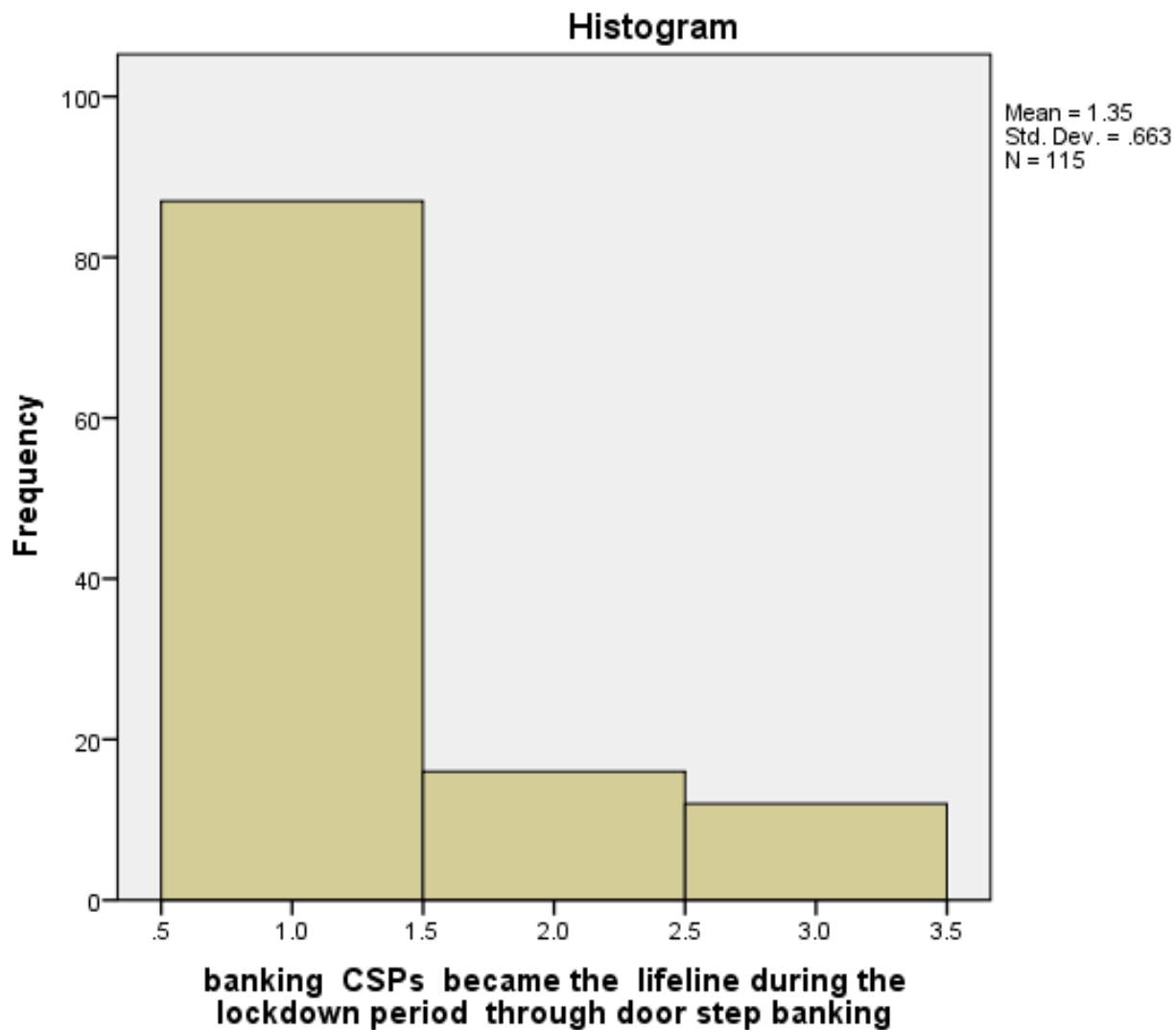
Table-2 represents the Descriptive of Mean 1.35 and its standard error 0.062 with 95 percent confidence interval for mean, 5percent Trimmed mean is 1.28, Median 1.00, Variance 0.439, Standard deviation 0.663, Range, Skewness 1.683 with standard error 0.226 and Kurtosis 1.402 with standard error 0.447

Table-3

Tests of Normality						
1 <sup>st</sup> Objective	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
banking CSPs became the lifeline during the lockdown period through door step banking	.457	115	.000	.561	115	.000
a. Lilliefors Significance Correction						

Table -3 shows With K-S distribution test of normality statistically significantly difference from the normal distribution. The P value is .000 it less than 0.05 Therefore it can be called data are not normally distributed.

### Graphical presentation-1



The above Histogram shows about the banking CSPs became the lifeline during the lockdown period through doorstep banking.

Testing the 2<sup>nd</sup> Objective: To study how banking CSPs became the lifeline during the lockdown period through doorstep banking

**Table-4**

Case Processing Summary						
2 <sup>nd</sup> Objective	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
The positive impact of banking CSPs during lockdown period in rural areas of Dhanbad District	115	100.0%	0	0.0%	115	100.0%

Table -4 presents 115 respondents responded for second objective, nothing is missing all 115 respondents included for this study.

**Table-5**

Descriptives				
2 <sup>nd</sup> Objective			Statistic	Std. Error
The positive impact of banking CSPs during lockdown period in rural areas of Dhanbad District	Mean		1.74	.113
	95% Confidence Interval for Mean	Lower Bound	1.52	
		Upper Bound	1.96	
	5% Trimmed Mean		1.61	
	Median		1.00	
	Variance		1.458	
	Std. Deviation		1.207	
	Minimum		1	
	Maximum		5	
	Range		4	
	Interquartile Range		2	
	Skewness		1.400	.226
	Kurtosis		.669	.447

Table-5 represents the Descriptive of Mean 1.74 and its standard error 0.113 with 95 percent confidence interval for mean, 5 percent Trimmed mean is 1.61, Median 1.00, Variance 1.458, Standard deviation 1.207, Skewness 1.4 with standard error 0.226 and Kurtosis 0.669 with standard error 0.447

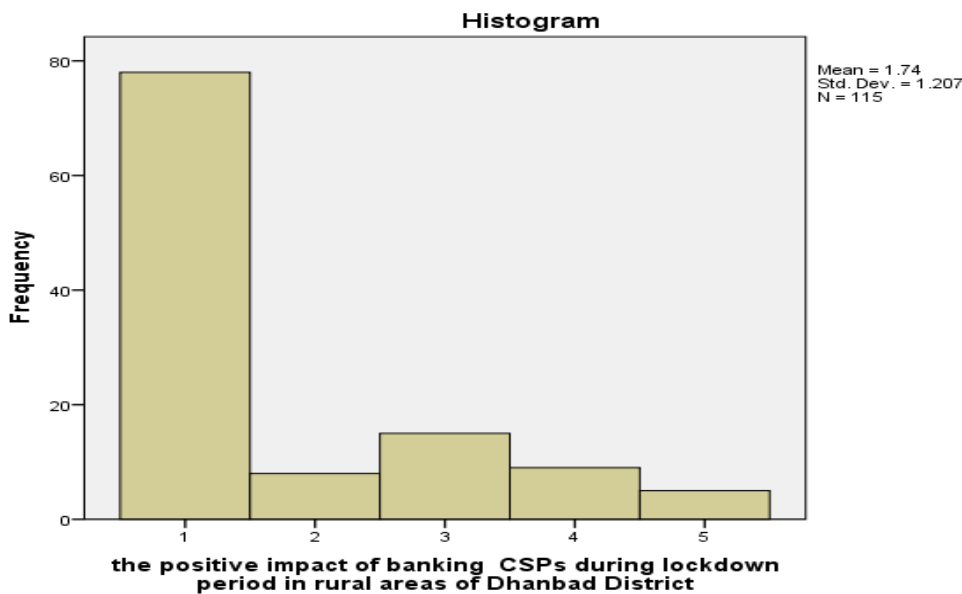
**Table-6**

Tests of Normality						
2 <sup>nd</sup> Objective	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
The positive impact of banking CSPs on rural population during lockdown period in rural areas of Dhanbad District	.408	115	.000	.654	115	.000

a. Lilliefors Significance Correction

Table -6 shows K-S distribution test of normality statistically significantly difference from the normal distribution. The P value is .000 it less than 0.05 Therefore it can be called data are not normally distributed

### Graphical presentation-2



The above Histogram shows about the positive impact of banking CSPs during the lockdown period in the rural areas of Dhanbad District.

**Table-7**

<b>Hypothesis Test Summary</b>				
	<b>Null Hypothesis</b>	<b>Test</b>	<b>Sig.</b>	<b>Decision</b>
<b>1</b>	The distribution of banking CSPs became the lifeline during the lockdown period through door step banking is the same across categories of Gender.	Independent-Samples Kolmogorov-Smirnov Test	0.88	Retain the null hypothesis.

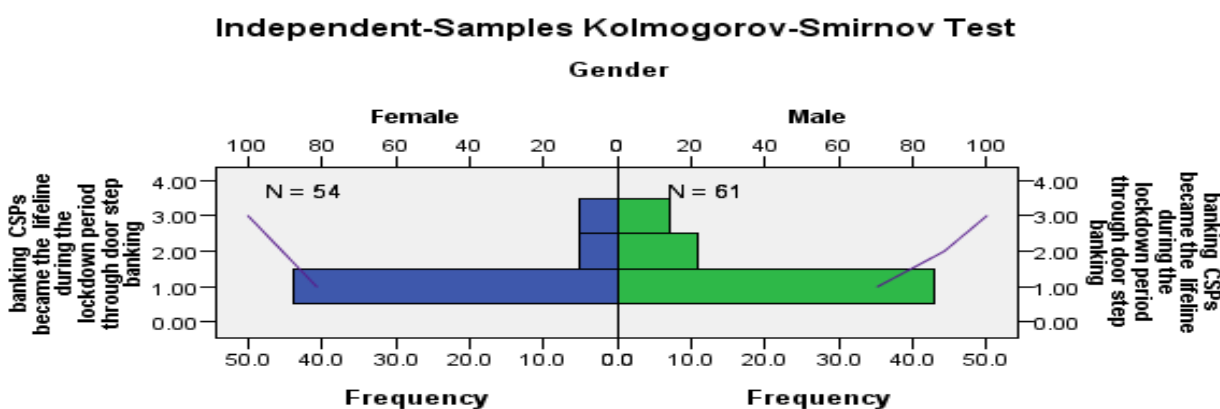


2	The distribution of the positive impact of banking CSPs during lockdown period in rural areas of Dhanbad District is the same across categories of Gender.	Independent-Samples Kolmogorov-Smirnov Test	0.986	Retain the null hypothesis.
Asymptotic significances are displayed. The significance level is .05.				

Table -7 shows the hypothesis test of both the objectives. For testing hypothesis independent sample Kolmogorov- Smirnov test is applied. The p values in both cases are more than 0.05 therefore it retains the null hypothesis.

### Gender wise Graphical analysis of objective based hypothesis testing

#### 1) Based on first Objective

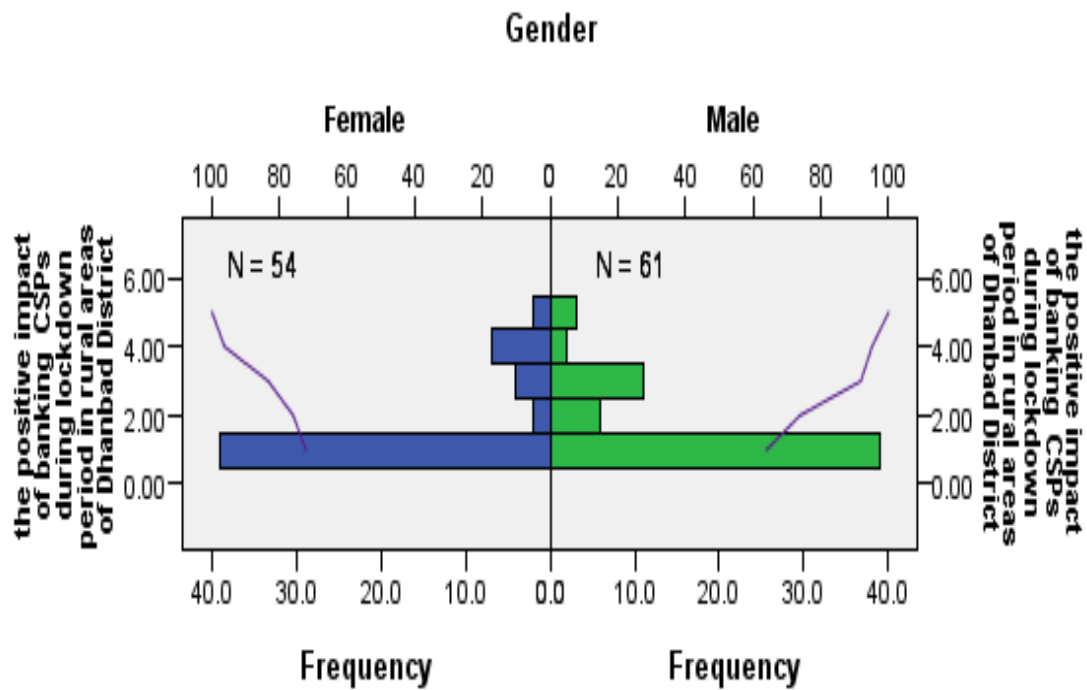


<b>Total N</b>	115
<b>Absolute</b>	.110
<b>Most Extreme Differences</b>	
<b>Positive</b>	.000
<b>Negative</b>	-.110
<b>Test Statistic</b>	.588
<b>Asymptotic Sig. (2-sided test)</b>	.880

Above graph and Table shows the gender wise hypothesis test of the first objectives. For testing hypothesis independent sample Kolmogorov- Smirnov test is applied. The p values is more than 0.05 therefore it retains the null hypothesis.

2) Based on Second Objective

Independent-Samples Kolmogorov-Smirnov Test



<b>Total N</b>	115
<b>Absolute</b>	.085
<b>Most Extreme Differences</b>	
<b>Positive</b>	.085
<b>Negative</b>	-.083
<b>Test Statistic</b>	.453
<b>Asymptotic Sig. (2-sided test)</b>	.986

Above graph and Table shows the gender wise hypothesis test of the 2<sup>nd</sup> objectives. For testing hypothesis independent sample Kolmogorov- Smirnov test is applied. Its p values is also more than 0.05 therefore it retains the null hypothesis.

#### Conclusion:

As per the analysis of both the objectives, we can conclude that the Banking CSPs are the Life line in terms of banking transactions. The CSP operator should provide consistent doorstep service to the rural and remote population. The remote rural population have not so much resources to the access the bank branches. They can transacts through the banking CSPs available at the rural and remote rural areas. By this way they can save from the exploitation of the money lenders. In the COVID-19 Pandemic situation the Banking CSPs became the lifeline to the poor rural population. The Government should promote the Banking CSPs exits in the rural and remote rural areas, but some cyber safety is necessary .

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