

From Marginalization to Economic Empowerment: Pune's BPL Families and Financial Inclusion.

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ABSTRACT

This research delves into the intricate issue of financial exclusion experienced by Below Poverty Line (BPL) families within Pune, Maharashtra. Despite the city's rapid urbanization and economic growth, a significant portion of its population grapples with poverty, relying primarily on labor in agriculture or other physically demanding work for income. The study emphasizes the need for targeted economic interventions, including skill development, financial assistance, and promoting entrepreneurship, to uplift these families. Gender disparities in income sources and financial decision-making are highlighted, calling for comprehensive gender-inclusive policies and financial literacy campaigns. Additionally, the study stresses the importance of educational reforms, social support, community involvement, and continued research to drive informed policy changes, aiming for a more equitable and prosperous society.

Key words- financial inclusion, BPL families, Pune region, economic upliftment, community involvement.

Introduction

Pune, a vibrant region nestled in the heart of Maharashtra, embodies a blend of diverse cultures, rapid urbanization, and burgeoning economic growth. However, beneath the sheen of progress lies a sobering reality - a significant portion of the city's populace grapples with the challenges of poverty, residing below the poverty line (BPL). For these marginalized families, access to formal financial systems is often a distant dream, encapsulating them within a cycle of financial exclusion. The intricate web of socio-economic conditions they endure further exacerbates their struggle for economic empowerment and societal advancement.

This article embarks on a journey to unravel the complexities that underpin the financial exclusion of BPL families in Pune. Through a nuanced examination of the socio-economic factors that contribute to their exclusion, we endeavor to shed light on the multifaceted dimensions of their economic reality. Our objective is to advocate for actionable strategies and solutions that can uplift these families, enabling them to transcend their marginalization and achieve economic stability and prosperity. Within the pages that follow, we shall dissect the socio-economic constraints that impede the financial inclusion of Pune's BPL families. From limited access to formal banking services to inadequate financial literacy, we will explore the challenges they face daily. By identifying these obstacles, we intend to propose targeted interventions and advocate for policy changes that can serve as catalysts for change.

Our vision extends beyond alleviating financial distress; it encompasses the establishment of an inclusive ecosystem that ensures every resident of Pune, irrespective of their socio-economic standing, has an equitable shot at financial opportunities. Through this transformative approach, we aspire to weave the marginalized into the fabric of the city's development, fostering a sense of belonging and participation. In essence, our pursuit is not just a quest for economic betterment; it's a stride towards a more just, equal, and prosperous Pune for all. By empowering the marginalized, we envision a city where financial stability and resilience are within reach, enabling BPL families to participate actively in the growth story of Pune.

The research, from a policy perspective, offers invaluable insights by assessing the strengths and weaknesses of existing financial inclusion schemes. By providing evidence-based findings, this study can guide policymakers in refining these programs to enhance their impact and reach. Considering the unique economic, social, and cultural characteristics of the Pune Region, we intricately weave the local context

into our analysis. The research findings may uncover region-specific insights that differentiate from national trends, thereby tailoring the research to address the distinct needs and challenges faced by BPL families in the Pune Region. This research strives to deepen the understanding of how financial inclusion initiatives have influenced the lives of BPL families in the Pune Region. Through an evaluation of the effectiveness of these schemes, while considering the local context, and by proposing recommendations for policy enhancements, this study aims to play a pivotal role in fostering socioeconomic development and promoting inclusive growth in the region. Our vision extends beyond economic progress; it encompasses the creation of an inclusive environment where every individual in Pune, irrespective of their socio-economic status, has equal access to financial opportunities, thus contributing to a more equitable and prosperous society.

Methodology

Objective: The main objective of this article is to analyse role of financial inclusion in the economic empowerment among BPL families in Pune region.

Research Design: The study investigates financial inclusion schemes' impact on Below Poverty Line (BPL) families in Pune, aiming to empower and uplift marginalized populations. It utilizes mixed-methods, including qualitative interviews and a structured survey.

Scope of Study: The research delves into the multifaceted dimensions of financial inclusion and its influence on income generation, access to credit, savings behaviour, and overall economic empowerment among BPL households in Pune.

Sampling Technique: The study employs systematic stratified sampling and a sample size of 650 BPL families from various tahsils in Pune. The sample distribution strategy ensures representation across diverse socio-economic segments.

Data Collection: Data is collected through questionnaires, interviews, and observations, aiming to understand socio-economic profiles, financial behaviors and awareness of financial inclusion schemes among BPL families.

Reliability and Validity: The study ensures reliability and validity through statistical tests like Cronbach's Alpha for reliability and correlation analysis for validity, ensuring the accuracy and consistency of the collected data.

Data Analysis Techniques: Statistical methods such as descriptive analysis, correlation analysis, inferential analysis, and comparative analysis using SPSS are employed to quantify and analyze the collected data, aiming to draw meaningful conclusions.

Results and Discussion

Table No.1: Cross-tabulation of Gender Wise main sources of your family Income in BPL Families.

Gender		What are the main sources of your family Income?				Total
		Labour	Pension	Private Job	Own Business	
Male	Count	275	11	66	57	409
	% within Gender	67.20%	2.70%	16.10%	13.90%	100.00%
	% of Total	42.30%	1.70%	10.20%	8.80%	62.90%
Female	Count	180	0	61	0	241
	% within Gender	74.70%	0.00%	25.30%	0.00%	100.00%
	% of Total	27.70%	0.00%	9.40%	0.00%	37.10%
Total	Count	455	11	127	57	650
	% within Gender	70.00%	1.70%	19.50%	8.80%	100.00%
	% of Total	70.00%	1.70%	19.50%	8.80%	100.00%

Table 1 presents a comprehensive view of the main sources of income within BPL families,

indicating that approximately 70% of the total family income is derived from labor in agriculture or hard work. Income poverty, a significant subtype of poverty, manifests as a deficit in funds to cover fundamental needs such as housing, food, and other essentials. Additionally, this form of poverty is associated with several critical challenges, including limited parental involvement in education, crowded living conditions, inadequate cognitive stimulation, unstable housing, and suboptimal parenting characterized by negativity and lack of care. Exposure to aggressive peer pressure, family conflicts, insufficient parental supervision, and a need for emotional support further compound the issue.

The survey conducted in various villages highlighted the absence of a substantial industrial sector as the primary reason for the majority of BPL household members engaging in agriculture, related industries, or wage employment. Furthermore, a noteworthy concern in the surveyed villages is the high rate of illiteracy among adults (aged 18 and above). This educational disparity exacerbates the economic challenges faced by BPL households, especially in hilly rural areas, making it arduous for them to prioritize education for their children. The data also reveals a significant income inequality among BPL households, reflective in subpar asset holdings, inadequate employment opportunities, and notably, imbalanced regional growth (Salgotra, A. K., 2017).

The table additionally demonstrates that 19.50% of family income sources are attributed to private jobs. However, it's important to note a potential limitation: due to an insufficiently representative sample of employees from this sector in the study area's labor market, there might be an overstatement regarding the extent of the public-private wage disparity for this specific group. Pensions and own businesses contribute 1.70% and 8.80% respectively to the family income, indicating a lesser reliance on these sources among BPL families compared to government jobs and the business sector. As an actionable policy consideration, it is proposed to redefine universality, focusing on restricting old-age pensions to seniors from BPL households who fall below the income cutoff, do not pay personal income taxes, and do not receive pensions from the government or other organized sectors. This redefined universality concept could ensure that old-age pensions are allocated to the intended recipients, potentially offering a sustainable approach that aligns with budgetary considerations. Thus, a targeted and sustainable universal old age pension program tailored for India emerges as a viable strategy for consideration.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	47.804 ^a	3	0.00
Likelihood Ratio	70.528	3	0.00
Linear-by-Linear Association	9.1	1	0.003
N of Valid Cases	650		
a. 1 cells (12.5%) have expected count less than 5. The minimum expected count is 4.08.			

The researchers employed the Pearson Chi-Square test, a statistical test commonly used to determine if there is a significant association between two categorical variables. In this case, the variables being examined are gender-wise responses and the main sources of family income. The Chi-Square test yields a test statistic (47.804) and degrees of freedom (3). The chi-square value of 47.804 obtained from the test suggests a strong association between the gender-wise responses and the main sources of family income. Furthermore, the p-value associated with this chi-square value ($p < 0.05$) indicates that this association is statistically significant. A p-value less than 0.05 (typically chosen as the threshold for statistical significance) suggests that the observed association is unlikely to have occurred by chance. In this case, the p-value being less than 0.05 reinforces the conclusion of a strong, statistically significant relationship between gender-wise responses and the main sources of family income for BPL families. This finding can guide further exploration and understanding of the dynamics and factors influencing income sources among BPL families, particularly concerning gender-related aspects.

Table No. 3: Monthly Family income wise discussion make day-to-day decisions about your own money in BPL family.

Monthly Family income in Rs.		Do you make day-to-day decisions about your own money?				Total
		Almost always	Some time	Seldom	Never	
>Rs. 10,000	Count	251	48	0	0	299
	% within Monthly Family income in Rs.	83.90%	16.10%	0.00%	0.00%	100.00%
	% of Total	38.60%	7.40%	0.00%	0.00%	46.00%
Rs. 10,001-20,000	Count	0	12	0	0	12
	% within Monthly Family income in Rs.	0.00%	100.00%	0.00%	0.00%	100.00%
	% of Total	0.00%	1.80%	0.00%	0.00%	1.80%
Rs. 20,001-30,000	Count	0	54	0	0	54
	% within Monthly Family income in Rs.	0.00%	100.00%	0.00%	0.00%	100.00%
	% of Total	0.00%	8.30%	0.00%	0.00%	8.30%
Rs.30,001-40,000	Count	0	62	0	0	62
	% within Monthly Family income in Rs.	0.00%	100.00%	0.00%	0.00%	100.00%
	% of Total	0.00%	9.50%	0.00%	0.00%	9.50%
Rs. 40,001-50,000	Count	17	47	89	68	221
	% within Monthly Family income in Rs.	7.70%	21.30%	40.30%	30.80%	100.00%
	% of Total	2.60%	7.20%	13.70%	10.50%	34.00%
Rs. 50,001-60,000	Count	0	0	2	0	2
	% within Monthly Family income in Rs.	0.00%	0.00%	100.00%	0.00%	100.00%
	% of Total	0.00%	0.00%	0.30%	0.00%	0.30%
Total	Count	268	223	91	68	650

	% within Monthly Family income in Rs.	41.20%	34.30%	14.00%	10.50%	100.00%
	% of Total	41.20%	34.30%	14.00%	10.50%	100.00%

Table No. 3 illustrates the financial situation and expenditure patterns of below poverty line (BPL) families. The analysis shows that approximately 83.90% of BPL families have a monthly family income exceeding 10,000. However, concerning expenditure, the average monthly household expenditure surpasses the average family income. Notably, food expenses constitute more than two-thirds of the total household spending. Additionally, 16.10% of family members occasionally face financial strain.

The research delves into the financial implications of health issues like WS (Wolfram Syndrome) during the first year of sickness. Families affected by WS experience a significant financial burden, indirectly impacting the healthcare system. The study emphasizes the financial impact arising from the decision to use ACTH treatment, necessitating initial inpatient care. The need for further research to estimate indirect expenses, such as parents' missed workdays and government spending, is highlighted. Cost-effectiveness analyses of various medicines, including ACTH and oral steroids, could aid in identifying efficient strategies (Raithatha, D., Sahu, J.K., Bhanudeep, S.,2022).

For different income brackets, the study highlights financial perspectives and concerns. It emphasizes the uncertainty regarding the duration of the COVID-19 pandemic's impact on societal health and economic progress. Policy planners are urged to consider the Middle-Income Group and implement financial safety nets to mitigate the economic fallout. The study also discusses the enhanced understanding of financial systems among rural residents, promoting banking and financial literacy. It sheds light on the financial behaviors and living conditions of families within various income groups, emphasizing the importance of education and savings. Lastly, the study advocates for promoting financial inclusion to combat poverty, stressing the need for innovative approaches and efficient resource allocation (Venkatachary et al., 2020; Singh, 2020; Vinil K. V.,2021).

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	759.198 ^a	15	0.00
Likelihood Ratio	798.5	15	0.00
Linear-by-Linear Association	403.293	1	0.00
N of Valid Cases	650		
a. 8 cells (33.3%) have expected count less than 5. The minimum expected count is .21.			

The Pearson Chi-Square test measures the association between variables. In this case, it yields a large chi-square value of 759.198 with 15 degrees of freedom, indicating a highly significant association ($p < 0.05$). This suggests that the variables being analyzed in the contingency table are associated in a meaningful way. The Chi-Square tests conducted on the given data reveal a statistically significant association between the categorical variables being analyzed. This indicates that the variables are not independent, and there exists a meaningful relationship between them. However, the cautionary note regarding the expected count suggests the need for careful interpretation, considering the potential limitations due to small expected counts in some cells.

In the scope of this research study, Table 4 meticulously lays out data concerning gender-specific responses pertaining to the day-to-day decision-making within BPL families based on their monthly family income. The primary objective of this study was to ascertain any potential correlation between the income group, monthly earnings, and the responsibility undertaken by individuals in managing day-to-day

financial decisions within BPL families. To examine this relationship, the researchers utilized Pearson's Chi-square test, deriving a corresponding p-value to quantify the degree of association.

Table No. 5: Religion wise discussion make day-to-day decisions about your own money in BPL family.

Religion		Do you make day-to-day decisions about your own money?				Total
		Almost always	Some time	Seldom	Never	
Hindu	Count	0	8	66	0	74
	% within Religion	0.00%	10.80%	89.20%	0.00%	100.00%
	% of Total	0.00%	1.20%	10.20%	0.00%	11.40%
Muslim	Count	10	143	11	0	164
	% within Religion	6.10%	87.20%	6.70%	0.00%	100.00%
	% of Total	1.50%	22.00%	1.70%	0.00%	25.20%
Catholic	Count	0	0	14	34	48
	% within Religion	0.00%	0.00%	29.20%	70.80%	100.00%
	% of Total	0.00%	0.00%	2.20%	5.20%	7.40%
Buddhist	Count	258	72	0	34	364
	% within Religion	70.90%	19.80%	0.00%	9.30%	100.00%
	% of Total	39.70%	11.10%	0.00%	5.20%	56.00%
Total	Count	268	223	91	68	650
	% within Religion	41.20%	34.30%	14.00%	10.50%	100.00%
	% of Total	41.20%	34.30%	14.00%	10.50%	100.00%

Table No. 5 provides an insight into the role of religion in influencing day-to-day financial decisions within BPL families. Specifically, the data illustrates that within Hindu households, decision-making regarding personal finances is seldom shared, accounting for 89.20% of family members. This is in contrast to 10.80% of family members who engage in discussions occasionally. Additionally, family structures and practices in the study area play a significant role in the handling of birth and death rites, often impacted by the dispersal of family members across various locations. The transformation of community dynamics, from living in close-knit hamlets to diverse settlements, has introduced challenges like caste disputes due to varying affinities among individuals (Mishra, P. S., 2016).

The research also sheds light on the relationship between income disparity, Islamic conservatism, and religious intolerance. The study emphasizes the need for laws promoting moderate Islamic doctrines to mitigate rising religious intolerance. Furthermore, within the context of religious diversity in India, the study highlights the impact of religion on entrepreneurship. Islam and Christianity are noted to be supportive of entrepreneurship, while Hinduism, influenced by the caste system, tends to discourage enterprise, particularly among lower caste members (Yusuf, A. A., Shidiq, A. R., & Hariyadi, H., 2019; David B. Audretsch et al., 2007).

Conclusions

The study unveils critical insights into the financial landscape of Below Poverty Line (BPL) families. A substantial portion of their income, nearly 70%, is sourced from labor in agriculture or other forms of hard work. This stark reality underlines income poverty, where families struggle to meet fundamental needs like housing, food, and essentials. Moreover, income poverty is entangled with numerous challenges, including limited parental involvement in education, crowded living conditions, and inadequate access to cognitive stimulation and stable housing. The absence of a robust industrial sector in surveyed villages propels BPL household members into agriculture, related industries, or wage employment, intensifying economic disparities. Notably, the research emphasizes the pressing need to address income inequality, illiteracy, and educational barriers prevalent among BPL households, particularly in hilly rural areas.

Additionally, the study highlights the influence of gender and religion on financial decision-making. Gender dynamics play a crucial role, demonstrating disparities in income sources and financial responsibility within the family. Understanding these dynamics is pivotal for devising targeted policies that bridge gender gaps and ensure financial inclusivity. Furthermore, the influence of religion on financial choices emphasizes the need for nuanced approaches considering the diverse belief systems shaping economic behaviors. Overall, the findings underscore the necessity of comprehensive policies addressing income inequality, enhancing educational opportunities, and fostering financial literacy to uplift BPL families and promote a more equitable and prosperous society.

Suggestions

1) Targeted Economic Interventions:- The study underscores the importance of targeted economic interventions aimed at uplifting Below Poverty Line (BPL) families. Tailored programs focusing on enhancing employment opportunities, especially in regions lacking a significant industrial sector, could significantly impact their economic conditions. Encouraging skill development, providing financial assistance, and facilitating access to modern technology in agricultural practices are potential strategies. Moreover, initiatives promoting entrepreneurship and fostering small-scale industries in alignment with regional strengths and resources could create sustainable income sources.

2) Holistic Gender-Inclusive Policies:- To address gender disparities in income sources and financial decision-making, implementing holistic gender-inclusive policies is crucial. Initiatives that empower women economically, provide equal educational opportunities, and offer support for women-led enterprises can play a pivotal role. Additionally, awareness campaigns promoting financial literacy and economic independence among women can be highly effective. Encouraging active participation of women in workforce and decision-making processes through policy incentives can reshape traditional gender roles and contribute to a more equitable society.

3) Education Reforms and Financial Literacy:- Given the observed educational disparities among BPL households, reforms in the education sector are imperative. This includes improving access to quality education, implementing scholarship programs, and encouraging vocational training to equip individuals with necessary skills for better employment prospects. Simultaneously, there is a need for widespread financial literacy campaigns targeting both urban and rural areas. These campaigns should impart knowledge on budgeting, savings, investments, and understanding financial instruments, empowering individuals to make informed financial decisions.

4) Social Support and Community Involvement:- Promoting a sense of community and fostering social support structures can aid in mitigating challenges associated with income poverty. Establishing community-based platforms for sharing experiences, knowledge, and resources can create a supportive environment. Non-governmental organizations and community groups can play a pivotal role in providing assistance, training, and facilitating access to government welfare schemes. Collaboration between the public and private sectors can also strengthen these efforts, amplifying their impact and reach within BPL communities.

5) Research for Informed Policies:- Continued research focusing on income dynamics, expenditure patterns, gender roles, and religious influences is essential to inform evidence-based policies. Longitudinal studies tracking the impact of policy implementations can provide crucial feedback for iterative improvements. Furthermore, collaboration between research institutions, governmental bodies, and non-profit organizations can facilitate a data-driven approach, ensuring that policies are tailored to address the evolving needs and challenges faced by BPL families.

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