

**FINANCIAL INCLUSION AMONG STREET VENDORS IN LUNGLEI,
MIZORAM**

**A DISSERTATION SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF PHILOSOPHY**

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MZU/M.Phil./505 of 07.05.2019



**DEPARTMENT OF COMMERCE
SCHOOL OF ECONOMICS, MANAGEMENT AND INFORMATION
SCIENCES**

MIZORAM UNIVERSITY, AIZAWL -796004

July, 2020

FINANCIAL INCLUSION AMONG STREET VENDORS IN LUNGLEI,
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CERTIFICATE

This is to certify that the dissertation entitled “Financial Inclusion among street vendors in Lunglei, Mizoram” submitted to Mizoram University for the award of Master of Philosophy in Commerce, is a research work carried out by H. Lalenkawli, Research Scholar, in the Department of Commerce, Mizoram University under my supervision and it has not previously submitted for the award of any other University for any research degree.

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I H. Lalenkawli, hereby declare that the subject matter of this dissertation is the record of work done by me, that the contents of this dissertation did not form basis of the award of any previous degree to me or to do the best of my knowledge to anybody else, and that the dissertation has not been submitted by me for any research degree in any other University/ Institute.

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Acknowledgement

First of all, I would like to thank Almighty God. His guidance and protection, I could finish my research.

Foremost, I would like to express my sincere gratitude to my supervisor Prof. Bhartendu Singh, Head, Department of Commerce, Mizoram University for extending his continuous support and guidance which helped me to sail through this endeavour. His patience, motivational attitude, and immense knowledge backed my courage to fulfil the research. I feel blessed to get this opportunity to work with him.

Besides my supervisor, I would also like to thank all the faculty members of the department of commerce, who gave me valuable suggestions relating to my research area.

I express my heartfelt gratitude to my friend Shubhra, Puipuii and Sangi for giving me moral support throughout my research.

Last but not the least; I would also like to express my honest appreciation to my loving family who stood strong with me throughout this journey. Especially, I would like to express my vote of thanks to my father, Mr H. Lalnunzira, who has been my constant support system.

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ABBREVIATIONS

- 1) FI- Financial Inclusion
- 2) GOI- Government of India
- 3) RBI- Reserve Bank of India
- 4) KCC- Kisan Credit Card
- 5) BSBDA- Basic Saving Bank Deposit Account
- 6) NDP- Net Domestic Product
- 7) PMJDY- Pradhan Mantri Jan Dhan Yojana
- 8) APS- Atal Pension Scheme
- 9) PMJAY- Pradhan Mantri Jan Arogya Yojana
- 10) PMSBY- Pradhan Mantri Jeevan Jyoti Bima Yojana
- 11) PMJJBY- Pradhan Mantri Jeevan Jyoti Bima Yojana

CHAPTER 1

In this chapter, an attempt is made to give an overview of financial inclusion in India. It also presents the profile of Mizoram including the review of literature, significance and scope of the study, objectives of the study, research methodology and research questions etc are also clarified in this chapter.

1. INTRODUCTION

Financial inclusion is the practice of ensuring access to appropriate financial products and services needed by vulnerable groups of society. Just accessing the financial services does not imply financial inclusion, people should know how to access financial services, from where to access and why to access. The banks are supposed to play a key role to make low-income groups gain access to financial services. Knowing numerous problems faced by the lower-income groups and vulnerable groups, the Government of India (GoI) and Reserve Bank of India (RBI) have planned and implemented schemes to increase financial services among the weaker sections and vulnerable groups to foster financial inclusion.

The RBI supports to develop the level of financial inclusion among the lower-income groups and promote the financial inclusion schemes such as *Prime Minister Jan Dhan Yojana (PMJDY)*, *Atal Pension Scheme*, *Pradhan Mantri Suraksha Bima Yojana (PMSBY)*, *Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJB)* and *Prime Minister Jan Arogya Yojana (PMJAY)* etc. With the help of these schemes, the low-income groups and vulnerable groups can access the financial services and the people can be initiated in the financial inclusion.

The Rangarajan committee (2008) defined financial inclusion as “The process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost”. As per definition, financial inclusion plays a vital role in extending financial services to the weaker section of the society and the lower-income groups like uneducated, illiterate

etc. and those who didn't have regular income and permanent job. In India, lower-income groups are gaining access to financial services with the help of schemes made by the government.

In general, the low-income people and unskilled people earn their livelihood by selling their product as street vendors and Mizoram is not an exception to this. This study will focus on finding whether the street vendors are aware of the financial services offered for them and how to access the financial services in their daily lives.

1.1 Financial Inclusion in India

In India, the term financial inclusion was used for the first time in April 2005 in the Annual Policy Statement presented by Y.Venugopal Reddy, the then Governor of Reserve Bank of India, As per the policy statement, Reserve bank of India plays an important role to develop these four dimensions, viz. 1) Branch penetration 2) Deposit penetration 3) Credit penetration 4) Insurance Penetration. In January 2006 the reserve Bank permitted commercial banks to make use of services of Non-Government Organization (NGOs), Micro Finance Institution (MFI) and other civil society organization as intermediaries for providing financial and banking services.

The Reserve bank of India has a vision for 2020 to cover at least 600 million new customers with proper account and services with a variety of channel by leveraging information technology. From the initial period of financial inclusion in India Puducherry became the first village all households were provided banking facilities in India. Sujana (2018) in an article concluded that the government needs to provide quality financial services in rural areas for balanced economic growth. It has been observed that the status of financial inclusion in India is improving and branches are increasing in year after year. Reserve Bank of India implemented several measures to achieve the goal of financial inclusion, such as facilitating no-frills account and General Credit Card (GCCs) and Kisan Credit Card (KCC) for small deposits and credits.

Table 1: Progress of Financial Inclusion at present (as at the end of March 2018)

Parameter of Financial Inclusion	2010	2016	2017	2018
No. of Bank branches in Villages	33,378	51,830	50,860	50,805
No of Business Correspondents (BCs)	34,174	5,31,229	5,43,472	5,15,317
No. of others forms of banking touch points	142	3,248	3,761	3,425
Total No. of banking touch point	67,694	5,86,307	5,98,093	5,69,547
No. of BSBDA* (in millions)	73	469	533	536
Deposit in BSBDA* (amount in Rs. Billion)	55	636	977	1,121

Basic Saving Bank Deposit Account (BSBDA)

Source: Annual Reports of RBI 2016-2017 and 2017-2018

Table 1 depicts that level of financial inclusion in India is improving, No. of branches have increased till 2017 but from 2018 starts declining, financial services are quite accessible now for the general public. It is gradually becoming easier for vulnerable groups and lower-income groups of society to access financial services with the help of government schemes. But to ensure economic growth and inclusive growth only access to financial services is not enough, people need to know how to use financial services in their daily lives and at their working place.

1.2 Financial inclusion in North East

The North East India comprises of eight states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. It covers 8 percent of the geographical area of the country, accounts for 3.9 percent of the population and 2.7 per cent of all India's Net Domestic Product (NDP). The banking development of Northeast India was, only a post nationalization phenomenon. Before to nationalization of banks in 1969, there is no bank branch of commercial bank existed in Arunachal Pradesh and Mizoram. Only two branches of commercial banks served the entire state in Manipur and Nagaland. The nationalization of the major private sector banks in 1969 was a turning point in modern banking development in the North Eastern States. Starting from a low base, the branch network of commercial bank expanded significantly in the North-Eastern States.

The Reserve Bank of India has set up in 2006 a committee on Financial Sector Plan for North Eastern Region chaired by the Deputy Governor for formulating a master plan for financial services development in the region on a war footing basis. Given special difficulties faced by the Northeast Region, the RBI has been undertaking several initiatives for extending the outreach of banking facilities in the region. But the banking policy and the level of banking penetration are still very low in the Northeast Region.

1.3 Profile of Mizoram

Mizoram is located in the North-East corner in India situated between Myanmar and Bangladesh. The people who live inside Mizoram is called Mizo. The name of Mizoram is derived from the words "Mizo " and" Ram " which means the land of mizos. Mizoram is a beautiful mountainous region which became the Indian Union in February 1987. Mizoram is one of the parts of seven sister states i.e Assam, Arunachal Pradesh Manipur, Mizoram, Meghalaya, Nagaland, and Tripura, Within the Northeast region, Mizoram is one of the among member in seven sister states. It has a total of 722km boundary with Myanmar and Bangladesh. Mizoram covers an area of approximately. It

has a great view, ample hot springs, and great scenic nature. Mizoram has a great opportunity to make it a popular getaway for those who live within the state.

Population:

According to the 2011 census, Mizoram population was 10,91,014 consisting of 5,52,339 males and 5,38,675 females. it was also found that it is the second least populous state in India. Mizoram contributes 0.09 percent to the population of India (1,21,08,54,977).

Districts:

According to 2011 census, Mizoram is divided into eight(8) districts namely, Aizawl, Lunglei, Champhai, Serchip, Lawngtlai, Siaha, Kolasib and Mamit. In the year of 2019 three districts were newly formed i.e. Khawzawl, Saitual and Hnahthial. There are three Autonomous District Councils (ADCs) for ethnic tribes in Mizoram, namely “ Chakma Autonomous District Council (CADC) , “Lai Autonomous District Council (LADC)” and “ Mara Autonomous District Council (MADC). These are the districts of Mizoram with detailed information.

Aizawl:

Aizawl is the largest district in Mizoram and situated in at about 1,132 meters above sea level. It is the most populous district among the other districts. According to the 2011 census, the population of the Aizawl is 400,309 and sex ratio is 1029 per 1000 males. The literacy rate of Aizawl district is 97.89 percent.

Lunglei:

Lunglei is the second largest population in Mizoram. As per 2011 census, the population of Lunglei district is 154,094. Lunglei is situated in the south-central part of Mizoram state. The literacy rate as of 2011 census.

Champhai:

Champhai district constituted third in terms of population in Mizoram. As per 2011 census, the population of the champhai district is 125,370 and the literacy rate of champhai district is 93.51 per cent. The main Administrative headquarters are in Champhai town.

Lawngtlai:

Lawngtlai district is one of the Mizoram states in India. The District is bounded on the north by Lunglei District, on the west by Bangladesh and the east by Siaha district and the South by Myanmar. According to 2011 census, the population of the Lawngtlai district is 117,444 and the literacy rate of Lawngtlai District is 65.88 percent.

Mamit:

Mamit is one of the District in Mizoram state in India. The district-wise population of Mamit District is 85757 and the average literacy rate as per 2011 census was 84.93 percent. The population comprises Mizo, Reang (Bru), Chakma and other backward classes.

Kolasib

The population of Kolasib district is 83,054 and the literacy rate as per 2011 census was 93.50 percent. Kolasib situated in the part of the Mizoram state.

Serchhip:

Serchhip is one of the districts in Mizoram state in India. As per 2011 census, the population of the Serchhip district is 64,875 and the average literacy rate was 97.91 percent. Compares to other districts, Serchhip has a high literacy rate.

Siaha:

The population of Siaha district is 56366. Siaha district is the least populous district among the eight districts of Mizoram. The literacy rate as per 2011 census was 90.01 percent.

In Mizoram, Since 2018 there was eight(8) district i.e Aizawl, Lunglei, Champhai, Lawngtlai, Kolasib, Mamit, Serchhip and Siaha. In 2019, three new districts were newly formed by a meeting of Mizoram Council of Ministers, which were Saitual, Hnahthial and Khawzawl.

Hnahthial:

The smallest district among the three new districts is Hnahthial District and there are 27 villages and 2 are sub-village. The village from Hnahthial District is all from Lunglei district. The population of Hnahthial District is 7,187 out of a total of 3573 are male and 3,614 are female, 1,548 families are residing in Hnahthial District.

Khawzawl:

Khawzawl District covers 28 villages and mostly from Champhai district and only 1 village is from Serchhip district. 7,372 families are residing in Khawzawl District. The population of Khawzawl is 36,381 out of the total population there is 18,447 are male and 17,938 are female.

Saitual:

In 2011 census, among the three new districts, Saitual has the most number of the people as there 50,575 where 25,607 are male and 24,968 are female. They have the largest number of villages which in total is 37 villages.

Climate:

Mizoram has a tropical climate, the temperature ranges from 20 -29 °C in the summer season. However, the temperature of Mizoram during winter is around 7 - 22°C. The rainy season is observed from May to September and In winter it hardly rains. From ancient times, The Mizo people divided the year into 5 seasons.

Thal	February to March	(Spring)
Nipui	April to June	(Summer)
Fur	July to August	(Rainy season)
Favang	September to October	(Autumn)
Thlasik	November to January	(winter)

Food and Culture:

Mizoram is the land of the tribe i.e Mizo. When Christianity came to Mizoram in the 1890s .In Mizoram, Christianity is the prevalent culture and the main festivals that are celebrated here are

Chapchar Kut, Christmas, Pawlkut, Easter, and other festivals.

After the arrival of Christianity, some of the ancient tradition and culture was lost i.e Zawlbuk, Nula rim, Pathlawi, Ramri Lehkha. The usual routine of people of Mizoram pertains to visiting the church and social gatherings in church. The state observed frequent organization of sports, dancing, singing activities etc.

In Mizoram, the main food is rice. The farmers of the state cultivate rice but it is not sufficient of the need of the state. So, the state imports from another state. The Usual food of people staying in Mizoram includes meats like Beef, Pork, chicken, fish, crab, sheep, dog, goats and rabbit etc. The vegetables consumed are Potato, Beans, ladyfingers, The soil of Mizoram is sand- loamy and clay- loamy which is suitable to grow numerous

fruits and vegetables including some exotic fruits like passion fruits, dragon Fruits, Kiwi, Persimmon and Strawberries.

1.4 Street Vendors

Street vending is an old age tradition until today street vending is one of the most popular activities to earn money especially for the weaker section of the society and the uneducated people. Every day we come across street vendors in our daily lives. They are like the pyramid that is at the bottom of the pyramid. Street vendors are the unskilled workers, self-employed in the unorganized sector. Bhowmik and Saha (2011) defined a street vendor as ‘A person who offers goods for sale to the public at large without having a permanent built-up structure from which to sell’. In Mizoram there are more street vendors, not having a proper place to sell their goods to the public while some street vendors have seat to sell.

Street vendors Act 2014 defined a Street vendors as “a person engaged in vending on articles, goods, wares, food items or merchandise of everyday use or offering services to the general public, in a street, lane, sidewalk, footpath, pavement, public park or any other public place or private area, from a temporary built-up structure or by moving from place to place and includes hawker, peddler, squatter and all other synonymous terms which may be local or region-specific and the words street vending with their grammatical variations and cognate expression, shall be constructed accordingly.”

1.5 Street vendors in Mizoram

Mizoram is a small state of India located in North East Region, it is situated in between three Indian states Assam, Tripura and Manipur, and two countries, viz. Myanmar and Bangladesh. According to the 2011 census, Mizoram has a population of nearly 11 lakhs; the main Mizo people are dependent on agriculture for their livelihood and occupation. Mizoram is hilly terrain; Over 60% of the total area is classified as forest. Mizoram street vendors (protection of Livelihood and Regulation of street vending) Act

was passed in 2011. There are around 3,000 vendors in Aizawl, most of them are those who do not have a proper place to seat while some of the vendors have their regular seat.

The Mizo people are mainly dependent on agriculture for their livelihood, as there is no big industry and are remained industrially backward, due to lack of industrial growth; most of the uneducated/fewer people opt for street vending to earn their livelihood. In Mizoram, street vending is one of the most popular occupations for the lower-income groups of society. It is observed that most of the street vendors here in Mizoram are those who carry out vending not regularly, and also some of the street vendors are those who have their regular seat paying rent for the shelter. Rodi and Ramswamy (2012) observed that in their study that lack of transportation is the main problem faced by the street vendors and also lack of accessibility to credit is one of the major problems faced by the street vendors in Mizoram

1.6 Street Vendors in Lunglei

Lunglei is the second most populated district in Mizoram. There are six(06) markets in Lunglei city, viz. Sobji Bazaar, AOC Bazaar, 3Gate bazaar, Rahsiveng Bazaar, Venglai Bazaar and Chanmari bazaar. Most of the street vendors in the city do not own a fixed place while the rest of the street vendors have a regular place for vending by paying money for the respective place. Street Vendors are practising their vending activity in the following three markets only:

Sobji Bazaar :

This Sobji Bazar is the main and biggest market in Lunglei. The seller starts to occupy their seat from dusk till dawn, it is usually crowded in the morning and fewer people in the evening, and especially on Saturday. This market is the oldest in Lunglei. Various goods such as different items of clothes, jewellery, lifestyle, footwear and food items are sold in this market. The peak hours of the market are from 6-10 am when the bazaar is crowded with customers.

AOC bazaar:

This market is also the second-largest Zing bazaar (morning market) which operates on Saturday, there are around 63 street vendors who sell only vegetables in this bazaar. In this bazaar all kinds of fruits, vegetables and meat etc are available. The peak hour of this bazaar is from 6am to 10am on Saturday morning. This market is located inside the AOC area.

Pictures of the AOC Zing bazaar



Picture: Street vendors in AOC bazaar

Venglai Bazar:

The street vendors in Venglai, Lunglei is located below Lunglei Police Station and there are around 15 people. These vendors usually started their vegetables from 6 am to 5 pm. The local council built a small shed for them but it can contain around 5 or 6 people. So the majority of them just expose themselves under the heat. They do not just sit together in one place, they scattered around near the shed or in front of the shop trying their best to support their family. As the place is in the heart of Lunglei town, many office workers and passerby used it as their main sources for vegetable shopping.

Serkawn Bazar:

The street vendors in Serkawn Lunglei are located near Serkawn Hall and around 10 people used it as their main source of income they also started setting up their vegetables at around 7 am to 5 pm. As the place is a bit far from the main town, It is useful for the people of Serkawn, Zotlang and Zohnuai who are their neighbours. The vegetables their sell are mostly fresh and healthy.

3 Gate bazaar:

This market is located 3 gate area and near the market, there is Assam rifles Place. So most who the seller is from the Army who is staying nearby the market. There are around 15 vendors. These vendors start the vending between 6 am till 5 pm. As the place is on the roadside of 3 gate area, many office workers and local people who passerby the road used it as their main sources for vegetable shopping. Especially it is the main vegetable bazaar for the people of Sethlun, Luangmual who are staying near the market.

2. SIGNIFICANCE AND SCOPE OF THE STUDY

To obtain successful financial inclusion, financial services and banking should reach the weaker section of the society and vulnerable person to access financial services. To select street vendors as a focused group and to study the level of financial literacy and financial inclusion among them has become more challenging because the main activity of earning for the weaker section of the society is by the means of street vending. These people used to depend upon government schemes like MNREGA. Singh and Sailo (2011) observed that 64.5 percent of males and 79.8 percent of females reduce their seasonal distress regards to their work because of the MNREGA scheme. The study will help to understand how much the street vendors are linked with the financial services and level of financial literacy which prevails among the street vendors in the Lunglei district of Mizoram.

The scope of this study is confined to Lunglei District which is having the second largest population in the entire state, According to 2011 census Lunglei had a population of 1, 61,428 (82,891 male) and (78537 female) and the average rate of literacy was 88.86 percent. The study will cover two main street vending markets in Lunglei, viz. Sobji Bazaar and AOC Bazaar. The main aim of the study is to focus on the socio-economic profile of the street vendors, the level of financial literacy of the street vendors and to examine their status of financial inclusion.

3. REVIEW OF LITERATURE

The literature review has been attempted to familiarize with various issues of financial inclusion and financial literacy to identify the research problem. The literature review is divided into three parts namely, review of studies related to street vendors, review of studies related to financial inclusion among the weaker section of society and review of studies related to financial literacy.

3.1 Street vendors

Street vendors are the one who offers goods for sale to the public without having permanent seat among the weaker section of the society and their income level are very low and uncertain. Hernandez et al (1996) surveyed female street vendors in Mexico City and found that most of the street vendors in Mexico City were face lots of problem regards to child care and sanitation in their workplace. They suggested that short term urban recognition are needed only in their workplace so it can affect the positive results for the health of consumers, of workers and the letters immediate social environment.

Mitullah (2003) conducted a case study based on street vending which is drawn from Kenya, Uganda, South Africa, Zimbabwe, Ghana and cote D'ivoire and found that the investment climate constraints that street vendors face mainly include poor policies and regulations, lack of infrastructure, business development and general services such as child care, storage facilities, water and sanitation, refuse collection and lack of effective organization among street vendors. And these issued should be addressed by all the stakeholders with the government playing a triple role of partner facilitators and catalyst.

Bhowmik & Saha (2011) in their study financial inclusion program though targeted at the urban poor, has paid little to no attention to the street vendors. the national policy for street vendors had proposed to address the issue of financial inclusion of the street vendors through the formation of SHGs associations and microfinance institutions but if failed due to the lack of proper implementation.

Saha. D (2011) found that most of the street vendors are dependent on the moneylenders and also a wholesaler for access to credit for their business as well as for social security purposes and also showed that vendors are often forced to pay exorbitant rates of interest for the money borrowed by them and this is also one of the problems faced by the street vendors. He suggested that the government should take a step in to mitigate the financial problems of street vendors by fulfilling its duty of paying social security.

Bhowmik and Saha (2013) concluded that most of the street vendors borrowed money from moneylender and also the demand of loan is high among the vendors. They revealed that 51% of the vendors are linked to their credit source by their fellow vendors and 2% vendors are found to borrow from relatives because of the free charge but they cannot borrow regularly because of the sources of finance. So they also suggested that bank should arrange collateral-free loans for the street vendors and conduct more skill development programmes and training programmes and organized workshop for the weaker section of the society and also should give exclusive programme for the street vendors.

Kaur, B.(2015) pointed that street vending is not only a source of self employment to the poor in cities and towns but also means to 'affordable' as well as 'convenient' services to a majority of the urban population. They try to solve their problem through their meagre financial resource. So that they can provide valuable services to the urban masses while making out of living through their enterprise, limited resources and labour. And also found that street vendors have been demanding protection from civic agencies and the government so that they can earn their livelihood without fear.

Baliyan & Srivastava (2016) examined that women street vendors are faced more problems compared to male counterparts to access financial services in their daily lives and also faced problem regards to child care and sanitation in their workplace. And also in their study, they found that most of the street vendors were living to the below poverty line and most of them had a lower level of education. To overcome this problem, they need to improve the self-empowerment of the street vendors and to access better education for their children and they need to aware about the financial services so that they can access the financial services and overcome the problem that they are facing. From this review, we can know that street vendors faced problems in term of sanitation, water facility, child care and access of financial services and so on, thus this problem is the common problem of street vendors as see in the review.

3.2 Financial Inclusion

Financial inclusion is the process of accessing financial services for the vulnerable groups and weaker section of the society. Not just accessing is not financial inclusion, to inclusive financial services people should know how to access, use financial services for their needs. Mohan, (2006) examined that agricultural credit has played a vital role in supporting agricultural production in India. Though the outreach and the amount of agricultural credit have increased over the years, there are several gaps in the system like adequate provision of credit to small and marginal farmers, the paucity of medium and long term lending and limited deposit mobilization and heavy dependence on borrowed funds by major agricultural credit purveyors. The farmers used to face lots of problems so he suggested that financial institution are needed to cater to the requirement of finance for building necessary institution and marketing infrastructure. The bank should also more alert about the development of agriculture.

Kapoor, (2011) examined that financial inclusion strategy for the northeastern region needs to be built around the existing development and trends in the region the author working building on the mobile-based model for delivery of crop insurance to farmers by creating an enabling transaction environment that will be accessible through the most simplistic handset and he introduced mobile money services that will augment financial inclusion among the unbanked and underbanked consumer segment by bringing financial services to the consumer's mobile device and will create a financial ecosystem that is inclusive, sustainable and scalable.

Bhanot, Bapat & Bera (2012) conducted a study on financial inclusion in two states of northeast i.e Assam and Meghalaya confirm that level of financial inclusion in North East India remains very low and only 18.32 percent of the individuals surveyed were financially included.

Sarkar & Phatowali (2013) examined that improving financial inclusion in the northeastern region, trust is required to be given in improving the branch network as well

as the CDR as contributions of these two indicators are found to below. They suggested that trust is to be given on improvement of per capita credit availability and CDR.

Santoki, Gandhi. & Parekh, (2013) Confirmed that PMJDY scheme was solved the problem facing by the weaker people and low-income groups because of these scheme provides financial literacy to the rural area people and also increase the awareness of the of financial service segment so it helps to access financial service for affordable groups and makes developed financial inclusion.

Thangasamy (2014) realized that the importance of financial inclusion in every state of North Eastern Region and found that North Eastern Region has to strive hard and cooperate with the banks so they can overcome all the problems facing by the weaker people. He also mentioned that financial inclusion is not an obligation but an opportunity for all in the North-Eastern region and even in term of lower population densities, poor infrastructure, inadequate communication facilities and law and order problem.

Chakma, (2014) in his article, confirmed that North Eastern region has still severely under a bank, to achieve the objectives of complete financial inclusion and growth of inclusive, the government and Reserve bank of India play a key role to promote financial services to the weaker section of the society and suggested that coordinated action between the banks and the government and others to facilitate access to bank account among the financially excluded so that the financial inclusion can be taken forward.

Kumari & Reena (2015) examined the regional variation in index of financial inclusion and how they are heterogeneous across the state. It has been found that Lucknow was the top-performing while Kaushambi was at the bottom of performing district attainment of the index of financial inclusion. In region-wise performance, the western region is advanced while the eastern region is backward in financial inclusion. They suggested that there is need to explore more efficiency in the other regions of the state to

see the performance at the micro and disaggregate level in the state so that proper policy could be facilitated by policymakers.

Sandhu & Singh (2016) argued that widening the bank network, technology solutions, targeting the neglected niches, regulatory support and building awareness and trust can help banks deepen financial inclusion in India and found that there is a need to rethink, rework and refine the existing strategies and practices to make a conscious effort to achieve financial inclusion.

Debnath & Tiwari (2016) found that the street vendors from the unorganized groups were living simple and lack of knowledge especially in term of financial service. In their studies, most of the street vendors in Kohima were unaware of banking service, saving in the form of cash instead of saving in the bank

Kaur (2017) found that more consistent and vigorous efforts are required to promote financial inclusion in the state and the banks need to concentrate more efforts at the grass-root level to meet the credit requirements of those regions on a priority basis so that bank can know what people expect from banks and why are not using formal financial services.

Jha & Naik (2017) conducted a study based on the awareness of financial inclusion and suggest that financial literacy need to be changed from distributing printed literature to audio and visual media and awareness should be more in a rural area.

Singh, (2017) in his study, financial inclusion policies and instrument has a positive impact on the level of financial inclusion, especially among the farmer's groups. And suggested that Bank should give more income amount their clients so that they can work on a full-time basis. And also RBI should create a separate data bank in the context of financial inclusion to measure the progress of the financial segment of the society's i.e. farmers, low-income groups etc. From the help of policies and instruments, the financial services program like PMJDY reaches the vulnerable groups and low-income groups.

Mukta Mani(2019) her study attempted to analyze the level of financial inclusion in north India identified through detailed literature review viz banking, borrowing and insurance in the education sections of the society.

3.3 Financial literacy

Financial literacy encompasses the financial knowledge, financial behaviour and financial attitude of the individual. Every individual required knowledge and skills for the financial decision and management of money in their daily lives. Sharma & Kukreja, (2013) found that there is a need for greater support on the micro and distributional diversion of financial resources. It was found that the most important factors causing a low level of financial literacy due to lack of awareness. And need innovative economic strategies that should coordination of the entire stakeholder like sectoral regulators, bank, government, civil societies, NGOs etc to achieve the objectives of financial inclusion and but now Financial inclusion has not yielded the desired result and there is a long road ahead and still now working on the positive side.

Adetunji & David West, (2017) Argued that income and financial literacy of an individual when controlled for age, gender and urban-rural classification determined how often the individual uses financial services. While financial literacy significantly determines how often individuals save formally and informally, income only has a significant effect on formal savings. And found that young women living in rural areas are more vulnerable and hence more financially excluded than any other groups. So, he suggested that low-cost financial services should be provided to them digitally with financial literacy and other intervention from the providers and the government and donor agencies.

Naidu, (2017) in his article review he found that financial literacy level is low in India, especially women and youngsters who are struggling with their basic financial knowledge. Although many initiatives from RBI and Government on financial literacy

improvement but still low that's why to achieve the financial objectives one has to possess basic financial skills, awareness, knowledge, attitude and good demonstrated behaviour.

Agarwal, Kureel, & Yadav, (2017) In their articles, they argued that youth should be educated about financial literacy, So that this will be beneficial for society, individual and whole community and it can help the youth for recruitment and retention and open new doors for the youth as well. Because of this noted, they suggested some principles should be kept in mind while preparing an effective financial literacy programme. These are clear mission and vision, connected to the standard, relevant, community-focused, integrated with other curriculum areas, supported with adequate resources, continuous evolution for effectiveness, learner-centred, effective delivery.

Negi and Gupta (2015) in their studies financial literacy level of Himachal Pradesh, they found that 81% of respondents have savings account in the banks, which shows that the respondents have the adequate knowledge of the financial instrument as 57% of the respondents know National Savings Certificates and 75% of the respondents know about Public Provident Fund, which has been considered as two important saving schemes in the present study.

Dash & Das (2017) suggested that awareness of financial literacy should be created more among the woman entrepreneurs on the importance of participating in financial literacy training programmes to equip the staff with financial literacy skills and also reveal that woman entrepreneur's age positively influences monthly expenditure because of the skills and awareness. And also this study found that the skills and awareness help them to focus on making personal savings, increasing the capital for re-investing and business expansion which brings in more profits in the long run. From this review, financial literacy is low in India, especially in women and youngster who are struggling with their basic financial knowledge.

4. RESEARCH GAP

There are many studies related to financial inclusion and financial literacy among the weaker section of the society and also related to street vendors as noted in the review, financial inclusion is still low among the weaker section of the society in the northeastern region. Thangasamy (2014) found that the northeastern region has to strive hard to cooperate with the banks so that they can overcome the problem faced by the weaker section. However, the studies focusing on financial inclusion in the northeast is more, hilly terrain state of Mizoram are scanty especially in Lunglei. The proposed study is expected to fill up the research gap that exists in the body of knowledge

5. . RESEARCH DESIGN

There are many studies related to financial inclusion and financial literacy among the weaker section of the society and also related to street vendors as noted in the review, financial inclusion is still low among the weaker section of the society in the northeastern region. Thangasamy (2014) found that the northeastern region has to strive hard to cooperate with the banks so that they can overcome the problem faced by the weaker section. However, the studies focusing on financial inclusion in the northeast are more, hilly terrain state of Mizoram are scanty especially in Lunglei. The proposed study is expected to fill up the research gap that exists in the body of knowledge.

5.1 Statement of the problem

Street vendors are one of the most marginalized vulnerable sectors of the urban informal labour market. Although street vending is seen as a growing business, street vending has become one of the means of employment in urban city centres. Women who are economically backward engaging themselves to sustain their families. Coller et al (2009) studied more than 250 financial diaries of low-income individuals in Bangladesh, India and South Africa. Their findings show that each household has problem regards to get financial services. This suggests the low-income individuals do need access to financial services So that there are barriers that prevent their use of formal sector services.

As noted in the Review of literature, financial inclusion is increasing in India even in the North-Eastern part. Kumari & Reena, (2015) in their study state that the educational level among street vendors is very low and female street vendors face more problems rather than the male street vendors, their main problem is to gain access the financial services and also found that about 53.9 percent of the female street vendors and 60.7 percent of the male vendors are dependent on the money lenders, while only 2.6 percent of female street vendors and 4.9 percent of male street vendors are dependent on banks in Lucknow. This may be because of a lack of awareness of financial services among the street vendors and also lack of financial literacy among street vendors. Further, a study conducted among the street vendors in Aizawl district of Mizoram concluded that lack of accessibility to credit is one of the major problems faced by the street vendors in Mizoram (Rodi & Ramswamy, 2012).

Considering the above reasons and findings of the previous studies, there is an urgent need to conduct a focused study on ‘financial inclusion of street vendors’ and besides that, there is no substantial evidence of studies conducted in the area of financial inclusion of street vendors in Mizoram, especially in Lunglei District. Thus, a study on the topic ‘Financial inclusion of street vendors in Lunglei, Mizoram’ is worth undertaking.

5.2 Objectives of the study

To examine the status of financial inclusion among the street vendors in Lunglei, Mizoram, the following research objectives have been put forward:

1. To study the Socio-economic Profile of the street vendors in Lunglei
2. To find out the level of financial literacy of the street vendors in Lunglei
3. To study the status of financial inclusion of the street vendors in Lunglei
4. To examine the problems faced by the street vendors in availing financial services.

5.3 Research Questions

1. Does the financial inclusion schemes launch to reach the socially vulnerable groups including the street vendors?
2. Do the street vendors know about financial services?
3. Does the present scheme of financial inclusion viz, *Pradhan Mantri Jan Dhan Yajona (PMJDY)*, *Atal Pension scheme*, *Prime Minister Jan Arogya Yojana (PMJAY)*, *Pradhan Mantri Suraksha Bima Yajona (PMSBY)* and *Pradhan Mantri Jeevan Jyoti Bima Yajona (PMJJBY)* address the need of financial inclusion?
4. What are the most common sources of borrowing money among the street vendors and the reasons behind opting for such sources in Lunglei, Mizoram?

5.4 Research Methodology

Research Design

The exploratory research design used for this study. This study based on financial inclusion among the street vendors in Lunglei. Especially in Lunglei, there are no more studies about financial inclusion among the street vendors because of that exploratory design will be used for this study.

Population and Sample Size

Mizoram (23rd state of India) is situated in the south part of the northeastern region of India. As per 2011 census, the total population of Mizoram was 1,091,014 spread over the state which measures an area of approximately 21,087 square kilometres. About 37% of the population the state lives in Aizawl, the capital of the state. Lunglei is the largest (area-wise) and second most populous district of Mizoram.

Lunglei, being the largest district of Mizoram with an area of 4,572 km² (1,765 sq mi), has been selected for the present study. There are six recognized markets in Lunglei where

street vendors are operating on a daily or weekly basis. These markets are as under with estimated number of street vendors:

Name of the Market	Estimated No. of Street Vendors
Sobji Bazaar	212
A.O.C Market	43
Rahsi Veng Market	15
Venglai	15
3 Gate Bazaar	15
Serkawn Market	14
TOTAL	314

Source: Pilot study

Above numbers are estimated ones as no official numbers could be found during the pilot study, and has been an outcome of headcount done by the researcher.

The population of the study is all three hundred fourteen (314) street vendors operating in the above six markets in Lunglei district of Mizoram. The standard sample size for a population of 314 with a confidence level of 95% and a confidence interval of 5% is calculated as 173. An attempt is made to select 200 respondents, selected randomly on the lottery method. Schedule method was used to collect primary data. Out of 200 filled schedules, 13 schedules were found inconsistent/defective and thus not considered for the analysis. Thus, finally, responses from 187 respondents were considered for the study, which is 14 more than the minimum sample size required based on the population size.

Data collection method

For collecting data for the proposed study, the study used both primary and secondary sources. Primary data was collected through a structured schedule which is based on Schedule of OECD. The schedule was a mix of open ended and close ended questions. Secondary data collected from Journals, Magazines, Articles, RBI websites, OECD websites, etc.

Schedule Design

Schedule divided into three parts, 1) the first part of schedule contains socio-economic information like age, gender, marital status, family size, educational qualification, income etc of the respondents 2) the second part of schedule focus on the level of financial literacy of the respondent 3) The third part focus status of financial inclusion among the respondent. The schedule prepared in English which is translated into local language i.e. Mizo.

5.5 Chapterization of the Study

The study has been divided into five Chapters as follows:

Chapter 1-Introduction: This chapter presents an overview of financial inclusion in India, the profile of Mizoram and profile of street vendors in Lunglei, Mizoram. This chapter covers the research problem, need for the study, research design and based on the literature reviewed covering the areas street vendors, financial inclusion and financial literacy

Chapter 2-Profile of street vendors in Lunglei, Mizoram: This chapter covers the studies of the socio-economic & demographic profile of the street vendors in Lunglei, Mizoram viz, gender, religion, caste, marital status, educational qualification, economic status, family size and so on.

Chapter 3- Financial Literacy among street vendors in Lunglei : In this chapter, the study focuses on the level of financial literacy among the street vendors in Lunglei, Mizoram. It also presents the result of the research questionnaire as well.

Chapter 4- Financial inclusion among street vendors in Lunglei, Mizoram : This chapter attempts to find out the status of financial inclusion among street vendors in Lunglei, Mizoram and also mentioned about the problems faced by the respondents availing financial services.

Chapter 5- Findings and Suggestions: The last chapter of this study presents findings of the study and offers suggestions for the government and the street vendors in Lunglei, Mizoram.

6. LIMITATION OF THE STUDY

- 1) The respondents were not able to understand the technical words like “ Crypto-asset” etc
- 2) Due to irregular and heavy footfall during certain times of the day, many vendors could not pay full concentration to the response to the enumerator as they had to attend the customers, while others might have responded without such interruptions. This might have unintentionally affected the answers. Similarly many times the schedule filling was interrupted due to sudden rains.
- 3) The area covered in the research is one of the districts, viz Lunglei, of Mizoram. The socio-economic conditions of the respondents might be similar at the state level, but the results may not be generalized for India.
- 4) Few of the questions like monthly /annual income , saving etc were based on memory and are of personal nature,few of the respondents might not have given correct response, although all precautions were taken to win the confidence of the respondents.

Conclusion

Financial inclusion plays a key role in the economic development of the country. Financial inclusion refers to the practice of accessing financial services with affordable cost for the weaker sections but just accessing financial services does not mean they are financially included. So, they should know how to access, why and where to access. The proposed study tries to find among the street vendors in Lunglei, Mizoram whether they are financially included or not. The profile of Mizoram is also mentioned in this chapter as well.

CHAPTER 2

PROFILE OF THE RESPONDENTS

This chapter proposes to identify and discuss the socioeconomic background of the street vendors in Lunglei, Mizoram in the context of their financial inclusion and financial literacy. In other words, this chapter is based on primary data collected from 187 street vendors in Lunglei, Mizoram. It is attempted to study the socioeconomic background of the respondent in terms of their age, religion, caste, marital status, education qualification, monthly income from business and economic status and also the size of the respondents family, etc.

2.1 Profile of the street vendors in Lunglei

The profile of the street vendors plays an important role to find out financial literacy and financial inclusion of the respondents for the study. In this study, it was evident that most of the respondents were women, no child as a street vendor was seen and very few men. Total sample of the study was 187 respondents, out of which 182 were women, 5 male and 0 children. The main footfall in Lunglei is in Sobji bazaar. In this study it was revealed that street vending in Lunglei is women dominated. In Lunglei the main shopping center is Sobji Bazaar. All kinds of products from cosmetics, shoes, clothes to vegetable and even poultry products are available in this bazaar. The street vegetable markets in Lunglei are Sobji Bazaar, AOC Bazaar, 3 Gate Bazaar, Venglai Market, Rahsiveng. In most of the bazaars, only vegetables are being sold. The present study covers six(6) markets in Lunglei from vendors who used to sell vegetable without having a permanent seat.

To make the study more meaningful and understand the reasons that lay behind the lack of financial awareness among the vulnerable groups of the society the profile of the respondents is detailed below.

Gender:

In the population census of 2011, it was revealed that the population ratio in India 940 females per 1000 of males. There are 5,41,867 females and 5,55,339 males in Mizoram. The gender ratio in Mizoram is 976 females to that of 1000 males. The percentage decadal growth rate of population is 23.48 percent during 2001-2011.

Women play a vital role in term of the informal sector especially in the street enterprise(Thebe, 2015) found that majority of the street entrepreneur in Zimbabwe were female and street vending, in general, is being dominated by the female. Not only outside India, within India Bhowmik(2007) surveyed street vendors and found that street vending is being dominated by a female.

The present study enquired into the gender composition of the street vendors operating in the two largest bazaars in Lunglei City, namely Sobji Bazaar and AOC Bazaar. There is gender inequality that is evident in this study. It is an important finding that the women predominantly conducting business activities in Mizoram.

Table 2.1
Gender of the Respondents i.e. street vendors

Gender	No. of Street Vendors	Percentage
Female	182	97.33
Male	5	2.67
Total	187	100

Source: Field Survey

Table 2.1 shows gender of the respondents i.e. street vendors, majority of the respondents 97.33 percentage of street vendors were women, out of a total number of 187 respondents. Nearly 2.67 percent were male out of a total number of 187 respondents. This speaks of the predominance of women street vendors in street vending in Lunglei. Though the majority of the gender-wise was taken by female, and most were married women. Perceptibly this could be because in Mizo Societies women have a skilled in term of

vending compares to men. Street vending is one of the income-earning opportunities to the marginalized tribal women in Lunglei.

Education:

Many researchers have contended that the educational background of the street vendors plays an important role in managing the financial resources of the enterprise efficiently and effectively. According to the census report 2011, Mizoram ranks among the top states in terms of literacy with a literacy rate about 91.6 percent, of which was much above the national average of 74.04 percent.

Many studies had revealed that street vendors have low levels of education. It is commonly accepted in the nation that the importance of education in the development of standard living of people and human resources. In this study educational qualification plays a vital role to know the results of financial literacy and financial inclusion of the street vendors in Lunglei, Mizoram.

Table 2.2
Educational Qualification of Respondents i.e Street Vendor

Education Qualification	Respondent		Total
	Female	Male	
Illiterate	0	0	0
No formal school	9	0	9 (4.81)
Primary school	49	0	49 (26.20)
Middle school	52	2	54 (28.88)
HSLC school	56	1	57 (30.48)
HSSLC school	14	2	16 (8.5)
Graduate	1	0	1 (0.53)
Post Graduate	1	0	1 (0.53)
Total	182	5	187

Source: Field Survey

Note: Figures in parenthesis are percentage

Table 2.2 highlights the educational qualification of the respondents, it is evident that none of the street vendors was illiterate. Most of the street vendors do not have a higher level of education. Even a few people got no formal education but are literate. The highest percentage of educational qualification among the respondents is 32.62 percent who attended HSLC (class 10th) and follow by 27.27 percent, i.e. Middle school(class7th) and 25.67 percent i.e. Primary school (class 4th). Among the respondent, one person found graduate and post-graduate each. As expected, the majority of street vendors do not have higher levels of education.

Bhowmik &Saha(2011) found that the educational attainment was high among the female as compared to male counterparts, while 32 percent were found to be illiterate among the street vendors. It also found that the percentage of illiterate people were more among the females and one post graduate students among the respondents

Religious and Caste Status:

Religion is one of the measurements of human behaviour and practices related to spiritual elements. The common religious groups are Christianity, Buddhism, Islam, Hinduism and folk religion. In Mizoram the most common religion is Christianity. Cohen and Tinker (1985) in their study, they observed that religious beliefs have a strong influence especially on women in the informal sector regards to the operation.

To measure the caste considerations, there are four tribes, viz Schedule Tribe (ST), Schedule Cast(SC), Other Backward Cast (OBC) and General. This study focuses on caste consideration among the street vendors in Lunglei, Mizoram.

**Table 2.3:
Religion and cast of the Respondents**

Cast	Religion of respondents	Total
	Christian	
ST	187	187
Total	187	187

Source: Field survey

Table 2.3 shows religion and cast of the respondents. Most of the respondents in the present study belonged to the Mizo community. It can be seen that all the respondents were Christian, who belongs to a scheduled tribe in Lunglei, Mizoram.

Marital Status:

Marital status is an important criterion for analyzing the demographic profile of the respondents. The above table 2.3 highlights the cross-tabulation of gender and marital status of the respondents in Lunglei, Mizoram.

Table 2.4
Gender and Marital Status of the Respondents

Marital status	Respondent		Total
	Female	Male	
Married	129	3	132 (70.59)
Unmarried	22	2	24 (12.83)
Divorced	9	0	9 (4.81)
Widowed	22	0	22 (11.76)
Total	182	5	187

Source: Field Survey

Table 2.4 represents gender and marital status of the respondents. Nearly 71 percent of the respondents were female who is married women. Little over 12 percent of the respondents were unmarried women and divorced comprised nearly 5 percent and the widowed 11.76 percent.. It also found Street vending is very popular work among the weaker section and lower-income groups. This study observed that most of the respondents are female and only six (6) male are involved in street vending in Lunglei, Mizoram.

Economic Status:

Economic Status represents the family category under the targeted public distribution system. The Public Distribution System (PDS) evolved as a system for management of scarcity and for distribution of food grains at affordable prices. Over the years, PDS has become an important part of the Government's policy for management of the food economy in the country. PSD is a supplement in nature and is not intended to make available the entire requirement of any of the commodities distributed under it to a

household or a section of the society. In June 1997, The Government of India launched the Targeted Distribution System(TDS) with a focus on the poor. The Following are the categories of Targeted Public Regulatory System.

1) APL (Above Poverty Line)

It means a measure of persons who live above its nationally designated poverty threshold. India divides the poverty threshold into urban and rural areas. People in urban areas must meet higher monthly income minimums to be considered above the poverty line. The World Bank uses a more stringent poverty threshold than the Indian Government. Thus, The above Poverty Line are all those who do not fall under the category of below poverty line.

2) Below Poverty Line (BPL)

BPL is an economic benchmark and poverty threshold used by the government of India to indicate economic disadvantages and to identify individuals and households in need of government assistance and aid. It is determined using various parameters which vary from state to state and within states.

3) Antyodaya Anna Yojana (AAY)

AAY is an Indian Government-sponsored scheme for ten million of the poorest families. It was launched by the NDA government on 25th December 2000. It looks out of for the poorest of the poor by providing them 35 kilograms of rice and wheat at Rs 3 & 2 per kg respectively. Under this scheme, one crore of the poorest among the BPL families covered under the targeted public distribution system was identified. Poor Families were identified by the respective state rural development facility through a below poverty line survey.

Table 2.5
Economic status of Respondents

Economic	Frequency	Percentage
APL	39	20.86
BPL	133	71.13
AAY	9	4.81
Don't know	6	3.20
Total	187	100

Source: Field Survey

Table 2.5 highlights Economic Status of Respondents. The category of the respondent's family as targeted by the public distribution system. The largest numbers of the respondents were from Below Poverty Line (BPL) i.e 133 street vendors which are 71.13 percent. Out of the total 187 respondents, nearly 21 percent of the respondents were from Above Poverty Line (APL) families. The remaining 4.81 percent of the respondents were from Antyodaya Anna Yojana (AAY). Besides, little 3 percent of the respondents do not know about their economic status during the study.

Age:

For this study, the age profile of the respondents has been categorized in different groups like below 30 years of age, between 31 to 40 years, 41 to 50 years of age of the respondents and 51 to 60 years and more than 61 years of age.

**Table No 2.6:
Age of the Respondents**

Age	No. of Respondents	Percentage
Below 30	38	20.32
between 31-40	54	28.88
Between 41-50	37	19.79
Between 51-60	39	20.86
More than 61	19	10.17
Total	187	100

Source: Field survey

Table 2.6 shows the age distribution of select street vendors. A total of 20.32 percent of the respondents belong to the age group of up to 30 years. The modal age group of the respondents was 31 to 40 years of age representing nearly 29 percent of the total. In the category of 41 to 50 years, 19.79 percent of the respondents lie and 20.86 percent of the respondents corresponds to the age group 51 to 60 years. In the category for more than 61 years, percent of the respondents lie. Hence it is evident from table 2.6 that majority of the respondents lie in the category 31 to 40 years.

Monthly Income:

Monthly income refers to the income earned by a person in a month. Money can be earned by doing a job to afford the family needs or personal needs. For this study, income is a part of the measurement of the socio-demographic profile of the respondents. This study covered the monthly income of the respondents distributed into 5 groups i.e. monthly income up to INR 1,000, between INR 1,001 to 3,000, between INR 3,001 to 5,000 monthly, between INR 5,001 to 10,000 and monthly income above INR 10,000.

Table: 2.7
Monthly Income of Respondents

Monthly income(INR)	Frequency	Percentage
Up to 1000	8	4.3
1,001 – 3,000	90	48.12
3,001- 5000	54	28.87
5001-10000	24	12.83
Above 10,000	11	5.88
Total	187	100

Source: Field Survey

Table 2.7 highlights the monthly income of the respondents. It is observed that nearly 49 percent of the respondents have monthly income of INR 1,001 to 3,000 i.e the majority income of the respondents and almost 29 percent of the respondents have a monthly income between INR 3,001 to 5,000. Nearly 13 percent of the respondents earned between INR 5,001 to 10,000 and almost 6 percent of the respondents were earning above 10000 in a month i.e. The highest income among the respondents. The lowest income groups of the respondents i.e below INR 1000 are 4.3 percent.

Family Size:

Family size represents the total number of the individual comprising in a family unit. Counting number of children and number of adults were lived in one family. It is also one of the important factors of the socio-demographic profile of the respondents. To know the family size of the respondents, this study divided the family member as up to 3 members, Between 4 to 6 members, between 7 to 9 members and above 10 members of the family.

Table 2.8
Family Size of the Respondents

No. of member in the family	Frequency	Percentage
Up to 3	36	19.25
4 to 6	124	66.31
7 to 9	23	12.3
Above 10	4	2.14
Total	187	100

Source: Field Survey

Table 2.8 shows the family size of the respondents. Little over 19 percent of the respondent's family belonged to the family size of up to 3 members. Over 66.31 percent of the respondents belonged to the family size of 4 to 6 members and 12.3 percent of the respondents family belonged to the family size of up to 7 to 9 members and the remaining 2.14 percent of the respondents have a big family i.e. more than 10 members.

Working Hours:

There are some works which are non-economic i.e. no payment is made, viz. housewife and personal housework and taking care of their own children etc, while other works are economic works which involves payment. This study covered people engaged in economic activity and, further, who are engaged in selling vegetables on the street side, furthermore, the present study considered only those who do not have a permanent seat to sale vegetables in Lunglei, Mizoram. Most of the street vendors in Lunglei spend up to 4 to 6 hours in the morning on Saturdays. Sometimes to the detriment of their health spending hours used to 2 to 4 hours depending upon their health and personal work as well.

**Table 2.9:
Hours spend by the respondents**

Hours Spend	Respondents		Total
	Female	Male	
Up to 4 hrs	2	0	2 (1.07)
4 to 6 hrs	161	5	166 (88.77)
More than 6 hrs	19	0	19 (10.16)
Total	182	5	187

Source: Field survey

Note: Figures in parentheses are percentages

Table 2.9. shows working hours spend by the respondents for the street vending job. It can be observed that nearly 89 percent of the respondents were working street vending job till 4 to 6 hrs in a day. Little 10 percent of the respondents spent a working hour more than 6 hrs in a day. Out of 187 respondents, 1.07 percent spent between 2 to 4 hours in a day. The study revealed that street vendors invest fewer labour hours on their vending compares to others like daily labourers.

Self Help Groups:

Self Help Groups is an informal group made by some local women or men to improve their standard of living in term of finance. SHGs play an important role to help people to struggle with money. SHGs are promoted especially in South Africa and India. Majority of the SHG are from India. In India, many NGOs came forward and work to promote SHGs among the weaker section of the society.

Self Help Groups movement helped women to be better at saving money for themselves or their family and even collectively fighting against direct and indirect

barriers faced regards to self-development, the standard of living, and socio-political participation. SHGs focus on the development of the skills of participants in term of saving money and knowledge.

In Mizoram, women from deferent districts used to start SHGs among themselves at their place to help women who do not have a proper income and who are willing to save money to develop their living standards.

Table 2.10:
Members of Self Help Groups

Members of SHG	Yes	No	Total
Female	35	147	182
Male	0	5	5
Total	35 (18.72)	152 (81.28)	187

Source: Field Survey

Note: Figures in parenthesis indicate percentage

Table 2.10 indicates the members of Self Help Group among the respondents in Lunglei, Mizoram. Out of a total of 187 respondents, less than 19 percent was a member of Self-help Groups. The major proportions of the respondents were not a member of any Self Help Group. Hence, it is evident that the respondents were not involved in SHGs due to less or no awareness about it.

Table 2.11:
SHG Membership Beneficial or not

Respondents	Yes	No	Total
Female	15	20	35
Male	0	0	0
Total	15 (42.85)	20 (57.14)	35 (100)

Source: Field survey

Note: Figures in parentheses are percentages

Table 2.11 shows whether the member of SHG get benefits or not. It observed that among the 35 members of Self Help Groups, only 15 women got benefits while the remaining 20 members do not get any benefits from SHGs.

Conclusion

The socioeconomic profile of the respondents indicates that street vendors are from unorganized groups. Education, age, income and family play important roles in shaping the respondents to be financially included or excluded. The analysis of data reveals that the respondents under this study were not having a proper standard of living. An overwhelming majority of the respondents were found literate although most of them were from a rural background. The study further reveals that most of the respondents under the study were married. Another interesting finding is that the street vending in Lunglei, Mizoram is dominated by the women. It also found that there is gender equality among the street vendors which is one of the goals of UN sustainable Development Goals 2030.

CHAPTER 3

LEVEL OF FINANCIAL LITERACY AMONG STREET VENDORS

This chapter proposes to study the level of financial literacy among the street vendors in Lunglei, Mizoram. To study the level of financial literacy, a modified version of the questionnaire developed by OECD, viz. ‘2018 OECD/INFE Toolkit for Measuring Financial Literacy and Financial Inclusion’, has been used. The present study has added a few questions in the pre-developed questionnaire while a few questions have been dropped as well, as per the need of the study. There were three parts of the measurement of financial literacy, viz. Financial Knowledge, Financial Behavior and Financial Attitude. Besides, the relationship between financial literacy and socio-economic and demographic profile of the respondents have also been collected and used.

3.1 Introduction

Financial Literacy is the ability to understand how someone manages to their own money in terms of savings or manage properly. More specifically, it refers to the understand and effectively apply various financial skills including personal financial management, budgeting and investing. Negi & Gupta (2015) conducted a case study in Shimla the capital of Himachal Pradesh revealed that most of the respondents around 81 percent had a saving bank account which shows that the respondents have adequate knowledge of the financial instrument as 57 percent of the respondent know National Savings Certificate and 75 percent of the respondents have knowledge of public provident fund, which has been considered as two important savings scheme for their study. The OECD has a working definition of financial literacy. It considers it ‘a combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well being’.

“Financial literacy is the ability to make informed judgments and to take effective decisions regarding the use and management of money. Financial literacy is, therefore, a

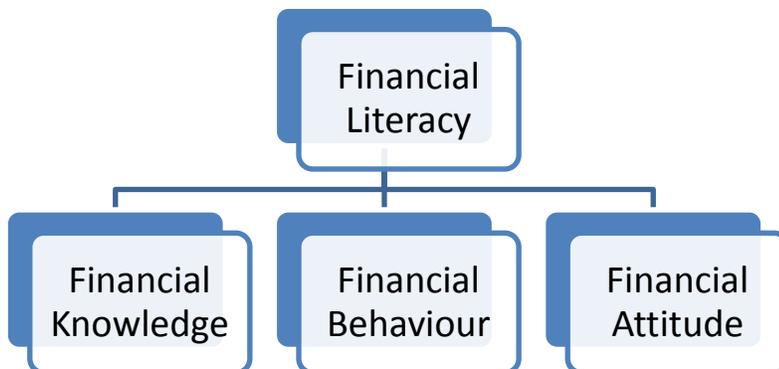
combination of a person’s skills, knowledge, attitudes and ultimately their behaviour about money” (ANZ Bank, 2011)

Financial literacy is an important tool for promoting financial stability therefore developed and developing countries are focusing on programmes for financial literacy. In India, according to 2010 census

Nowadays, people used to maintained the household cash management to improve the household management, on the other side some people who don’t know how to manage due to lack of skills or knowledge to make well informed financial decisions. So, Financial literacy can help them to cope up in a better way when a financial emergency arises and they can save themselves from unnecessary debt. A person should be financially literate to know the importance of preparing household budgets, cash flow management to meet financial goals. People occasionally save money for future needs but without preparing household budgets.

3.1.1 Measurement of the level of Financial Literacy

To know the level of financial literacy, OECD developed questionnaire was used and divided into three parts, viz. financial knowledge, Financial Behavior and Financial Attitude. OECD toolkit for measuring financial literacy and financial inclusion is a popular toolkit to measure the level of financial literacy worldwide.



3.2 Financial Knowledge

Financial knowledge is an integral part of, but not equivalent to, financial literacy. Financial Knowledge plays an important role to know the level of financial literacy and shows whether the individual must have the ability and confidence to use his/ her financial knowledge to make financial decisions.

3.2.1 Loan taken by the street vendor

To fulfill the study of a score of financial knowledge, taking a loan is one of the measurements of financial knowledge. The result will be shown in table 3.1.

Table 3.1
A loan is taken by the respondents

	Yes	No
Female	31	151
Male	1	4
Total	32 (17.11)	155 (82.89)

Source: Field Survey

Note: Figures in parenthesis are the percentage

Table 3.1 indicates the loan taken by the respondents, the majority of the respondent's i.e. 82.89 percent have not taken any loan from their business and even for their personal used as well. Only 17.11 percent have taken loan for personal used and even for their business. Taking a loan does not imply whether the financial behaviour of the respondent good or bad. The respondents should know how much interest will charge for that loan. If he/she knows the interest of that loan it means he/she had high financial behaviour. This study found that some people were taking a loan but only a few people knew how to calculate interest.

3.2.2 Level of financial knowledge

To check the level of financial knowledge of the respondents on a scale of 1 to 6 where 1-3 is low, 4-5 is moderate and 6 represents a high score. Table 3.2 shows the financial knowledge of the respondents in Lunglei district.

Table 3.2
Level of financial knowledge

Financial Knowledge			
Level	Score	Frequency	Percentage
High	6	0	0
Moderate	4-5	97	51.87
Low	Up to 3	90	48.13

Source: Field Survey

Table 3.2 observes the score of financial knowledge among the respondents. Nearly 52 percent of the respondents have a moderate level of financial knowledge; little over 48 percent of the respondents have low financial knowledge. None of the respondents is found to have a high level regarding financial knowledge this may be due to the low level of Educational Qualification among the respondents.

3.3 Financial Behavior

To study the financial behaviour among the street vendors in Lunglei OECD toolkit measurement was applied. To know the level of financial literacy among the respondents, i.e., street vendors, financial behaviour is one of the measurements of the level of financial literacy.

3.3.1 If the respondents take a decision about their money

Table 3.3 will show whether the respondents make day to day decision about their money.

Table 3.3
If the respondents decide their money

	Yes	No
Female	143	39
Male	4	1
Total	147 (78.60)	40 (21.40)

Source: Field survey

Percentage: Figures in parenthesis are percentage

Table 3.3 highlights the decision made by the respondents. Making own decision is one of the measures of the financial behaviour among the respondents and shows that out of total 187 respondents nearly 79 percent made their own decision for using own money while 21.40 percent were not taking their own decision about money.

3.3.2 Meeting of household need without the vending income.

It is attempted to find out whether the respondents could continue living if they lost their vending income due to some reasons. The questionnaire was developed and the result is shown in table 3.4.

Table 3.4
Meeting of household need without the vending income

	Female	Male	Total
Less than week	163	5	168(89.84)
Up to one month	16	0	16(8.570)
Up to three month	1	0	1(0.53)
Between three to six month	1	0	1(0.53)
More than six month	1	0	1(0.53)

Source: Field survey

Note: Figures in parenthesis are the percentage

Table 3.4 represents if the vendors lose the vending income how long can they survive. Out of 187 respondents, nearly 90 percent could survive for less than a week, while only one responded that she can survive for more than 6 months, with help of her husband's income from his job. This study revealed that vending does not give much income to save for the future, among the vendors who sell goods to the people without having a permanent seat.

3.3.3 Investment options availed by the respondents

To find out the responses of the respondents regards to investment options availed. The result is shown in table 3.5.

Table 3.5
Investment options availed by the respondents

Particulars	Yes	No	Total
Saving cash at home or in wallet	97 (51.87)	90 (48.13)	187
Paying money into a saving/deposit account	71 (37.97)	116 (62.03)	187
Giving money to family to save on your behalf	3 (1.60)	184 (98.40)	187
Saving in an informal club		187 (100)	187
Buying bonds or time deposit		187 (100)	187
Investing in crypto assets or ICOs		187 (100)	187
Investing in stocks and shares		187 (100)	187
Saving or investing in some other ways	4 (2.14)	183 (97.86)	187

Source: Field survey Note: figures in parenthesis are percentages

Table 3.5 indicates that the savings made by the respondents in the past 12 months and whether they still have the balance or not. Nearly 52 percent had been saving cash at home or in the wallet while 48.13 percent did not save cash at home or wallet.

Out of 187 respondents, only 37.97 percent used to save money to their account but the majority of the respondents i.e. 62.03 percent never deposit money into the bank. This can be because of the 37 respondents were not have a bank account to save money, while others were found ignorant about the importance of bank account.

The statement number 3, i.e. “Giving money to family on your behalf” revealed that only 1.03 percent used to give money to their relatives to invest on behalf of them. Majority of the respondents (98.40 percent) do not give money to family to invest on their behalf.

None of the respondents saved in an informal club during the period of the study, but some of the respondents had invested some of the money with some informal clubs which were proved a scam at the end.

The statement number 5 i.e. “Buying bonds or time deposit” revealed that all of the respondents do not practice in terms of buying bonds or time deposit primarily due to the lack of awareness among the weaker section and also because they do not want to commit money for a longer duration.

The statement number 6 i.e. “Investing in Crypto Assets or ICOs” this study observed that 100 percent of the respondents had never heard about crypto Assets in their daily lives, and this is not surprising. Especially in Mizoram most of the people are not aware of Crypto Assets.

The statement number 7 i.e. “Investing in shares and stocks” Table 3.5 revealed that 100 percent of the respondents do not have a practice of investing in stocks and shares due to low Income among the weaker section and also because of the lack of awareness about stocks and shares.

The study found that 2.14 percent of the respondents used to save or invest their money to some Micro finance or some small groups like Self Help Groups. While the majority of the respondents do not invest in their money in another way.

3.3.4 Management of household expenses

Table 3.6 reflects how the respondents manage their household expenses and plan for savings.

Table 3.6
Management of household expenses

Particulars	Yes	No	Total
Make a plan to manage your income and expenses	85 (45.45)	102 (54.55)	187
Keep a note of your spending	39 (20.85)	148 (79.15)	187
Keep money for bills separate from day to day spending money	23 (12.30)	164 (87.70)	187
Make a note of upcoming bills to make sure you don't miss them	18 (9.63)	169 (90.37)	187
Use a banking app or money management tool to keep track of your outgoings		187 (100)	187

Source: Field survey

Note: Figures in parenthesis indicate the percentage

Table 3.6 shows that nearly 46 percent of the respondents make a plan to manage income and expenses while 54.55 percent of the respondents do not practice managing the income or expenditure in their daily lives. Out of the total 187 respondents, only 20.85 percent of the respondents keep a note for spending and most of the respondents, i.e. 79.15 percent, do not practice to keep a note for spending. In terms of keeping money for bills separate from day to day spending, only 12.30 percent of the respondents used to practice

this and the majority of the respondents nearly (88 percent) do not keep separate money for bills. This can be because of the low income among the respondents.

The study revealed that less than 10 percent of the respondents make a note on upcoming bills to make sure that they don't miss them, while over 90 percent never practised this in their lives. In term of use banking apps or money management tools to keep track of their outgoing, none of the respondents had banking apps and smartphone to tract their outgoing status due to lack of income to buy a smartphone or due to lack of knowledge regarding financial services

3.3.5 Financial behaviour

To find out the level of financial behaviour, the responses of the respondents have been recorded on the scale of 1 – 6 score. 6 represent positive, 4-5 represent average score and 1 to 3 represent indifferent behaviour.

Table 3.7
Financial Behavior Score or respondents

	Score	Frequency	Percentage
Positive	6	98	52.4
Average	4 -5	78	41.71
Indifferent	Up to 3	11	5.89

Source: Field Survey

Financial Behavior score was found high among the respondents, majority of the respondents (52.4 percent) had a high score (i.e. scored 6 or more). It can be seen that 41.71 percent were scored average (i.e. between 4-5)with regards to the level of financial behaviour. Out of 187 respondents, nearly 6 percent had low score regards to the financial behaviour. So it can be concluded that majority of the respondent had positive financial behaviour for their daily lives.

3.3.6 Financial goals for household

To check the respondents whether they have financial goals or not, this study was conducted and the result is shown in table 3.8.

Table 3.8
Financial Goals for household

Qualification	Yes	No	Total
No formal Education	9	0	9
Primary	31	18	49
Middle	32	22	54
HSLC	37	20	57
HSSLC	8	8	16
Graduate	0	1	1
Post Graduate	1	0	1
Total	118(63.10)	69(36.9)	187

Source: Field Survey

Note: Figures on parenthesis are the percentage

Table 3.8 highlights having financial goals to the respondents, it is found that most of the respondents, i.e. 63 percent, had financial goals, out of the total 187, only 69 street vendors did not have financial goals in their family.

3.3.7 Budget of household

It is attempted to find out whether the respondents have a household budget or not. The present study has developed a questionnaire to know the responses of the respondents having a household budget.

Table 3.9
Budget of Household

	Yes	No	Total
No Formal Education	2	7	9
Primary	16	33	49
Middle	13	41	54
HSLC	13	44	57
HSSLC	8	8	16
Graduate	0	1	1
Post Graduate	0	1	1
Total	52	135	187

Source: Field Survey

Note: Figures in parenthesis are the percentage

Table 3.9 shows the budget made by the respondents and it revealed that many of the street vendors do not have a budget in their family only 52 street vendors had a budget in their household. This table also shows that having high qualification does not affect having a budget in their family. So it can be seen that having a budget is possible for the weaker section but to make

3.3.8 Decision maker of the household

To know the Karta (head) of the respondent's family, the one who decides on the household. Table 3.10 was formulated.

Table 3.10
Decision maker of the household

	Married	Unmarried	Divorced	Widowed
You make the decision	31	9	5	7
Make with someone	99	12	4	15
Someone else makes decision	2	3	0	0
Total	132	24	9	22

Note: figures in parentheses are percentages

Source: Field Survey

The majority of the respondents, i.e. 130, used to make financial decisions with someone. Therefore, majority of the married respondents (all were women) make a decision with their spouse and while 31 street vendors made their financial decision by own (table 3.10) took the majority and 52 street vendors made their own decision regards to their own money. And 5 street vendors need to ask someone else among their family of the groups.

3.3.9 Financial Attitude of the respondents.

Table 3.11 attempts to find out the responses of the respondent's financial attitude based on the score of the scale completely agree, Agree, Neutral, Disagree and completely disagree.

Table 3.11
Financial attitude

Particulars	Completely Agree	Agree	Neutral	Disagree	Completely disagree	No respond	Total
I find it more satisfying to spend money than to save it for long term	65 (34.75)	73 (39.04)	9 (4.81)	36 (19.24)	4 (2.14)	0	187
I am prepared to risk some of my own money when saving or making an investment	21 (11.22)	115 (61.49)	9 (4.81)	29 (15.50)	9 (4.81)	4 (2.13)	187
Money is there to spend	103 (55.08)	77 (41.18)	6 (3.20)	1 (0.53)			187
I am satisfied with my present financial situation	115 (61.49)	56 (29.94)	14 (7.48)	2 (1.06)			187
I used my mobile phone to make or received payments	--	--	--	--	--	187	187
My financial situation limits my ability to do the things	78 (41.71)	95 (50.80)	14 (7.48)				187
I set long term financial goals and strive to achieve them	75 (40.10)	95 (50.80)	14 (7.48)				187
I believe that money in a bank will be safe even if the bank fails	4 (2.13)	2(1.06)	4(2.13)	126 (67.37)	51 (27.27)		187
I have too much debt right now	1 (0.53)	4 (2.14)	10 (5.34)	121 (64.70)	49 (26.20)		187
If I borrow money I have a responsibility to pay it back	187 (100)						187

Source: Field survey

Note: CA= Completely Agree, A = Agree, N = Neutral, D = Disagree, CD= CompletelyDisagree

Table 3.12 represents the responses given by the respondents about the statements on financial attitude. Mode and the median response has been observed for every statement.

Statement 1: I find it more satisfying to spend money than to save it for long term

135 of the respondents agree that spending money instead of saving it for the long term is better. Whereas, 21.38 percent of respondents didn't agree that spending money is better than saving it for the long term. Out of the total 187 respondents, nearly 5 percent have no opinion about this statement.

Thus, the modal response is 2 i.e. agree and the median is also 2 (Agree). It is revealed that all the respondents agree to this question.

Statement 2: I am prepared to risk some of my own money when saving or making an investment

In regards to this statement, approximately 72 percent of the respondents agree to put their money at risk by saving or making an investment while the other respondents i.e. 20.21 percent do not agree with this statement

Statement 3: Money is there to spend

From this statement, little over 96 percent of the respondents agree with this statement i.e. money is there to spend this statement highlights their financial behavior, out of the total 187 respondents, only 3.2 percent had no opinion regarding this statement and only 0.53 percent did not agree with the statement.

Statement 4: I am satisfied with my present financial situation

From the point of the study, little over 91 percent of the respondents are satisfied with their present financial situation. Only 1.06 percent of street vendors do not agree with this statement.

Statement 5: I used my mobile phone to make or receive payments

As can be seen in the table, All of the respondents do not agree with this statement. Most of the respondents had their phone however the phone they used were not

smartphones and that is the reason why the respondent couldn't make or receive payments through their mobile phone.

Statement 6: My financial situation limits my ability to do things

It is revealed that 92.51 percent of the respondents agree with the statement that their financial situation limits their ability to do the things that they want to do. Out of 187 respondents, 7.49 percent had no opinion concerning this statement. However, none of the respondents disagrees with this statement.

Statement 7: I set long term financial goals and strive to achieve them

Out of 187 respondents, nearly 91percent agree with the idea to set long term financial goals and strive to achieve those goals. However, 7.48 percent of the respondents had a neutral opinion concerning this statement. None of the respondents was found to be disagreeing with this statement.

Statement 8: I believe that money in a bank will be safe even if the bank fails

This statement shows that 3.19 percent of the respondents agree and believe that money in a bank will be safe even if the bank fails whereas 2.13 percent had no opinion regarding the statement. Nearly 95 percent of the respondents from the street vendors disagree with this statement.

Statement 9: I have too much debt right now

Out of 187 respondents, nearly 3 percent of the respondents agreed with this statement whereas 2.13 percent of the respondents had no opinion in regards to this statement and over 94 percent disagreed with this statement.

Statement 10: If I borrow money, I have a responsibility to pay it back

This statement revealed that out of a total of 187 respondents ,all the respondents agreed that if they borrowed money, they have a responsibility to pay it back. None of the respondents disagreed with this statement.

Financial Attitude Score of the respondents

The study measured the financial attitude using OECD toolkit. The responses were measured using a scale from 1-5, with 5 indicating the highest positive financial attitude. Respondents with an average score of 3 or above across the three items were categorized as those with positive financial attitude; Respondents with a score of 2 or less were categorized as possessing indifferent financial attitude.

Table 3.12
Financial Attitude Score of the respondents

	Score	Frequency	Percentage
Positive	5	94	50.26
Average	3-4	87	46.52
Indifferent	2	6	3.21

Source: Field Survey

Table 3.12 shows the financial attitude score by the respondents. It can revealed that little over 50 percent of the respondents have a positive score in financial attitude followed by nearly 47 percent of the respondents score average and the remaining 3.21 percent of the respondent have a low score in financial attitude.

Overall financial literacy score

The overall financial literacy score is obtained as the sum of the three scores viz. financial knowledge (7), financial behaviour (9) and financial attitude (5). The questions are based on OECD toolkit measurement of financial literacy and financial inclusion. To measure the score of financial literacy the method adopted by Chen and Vlope(1998) was referred.

Table 3.13
Measurement of Level of financial literacy

	Score	Frequency	Percentage
High	More than 80	20	10.69
Medium	Between 60 – 79	134	71.66
Low	Below 60	33	17.65

Source: Field Survey

Table 3.13 shows the overall score of financial literacy among street vendors in Lunglei, Mizoram. Nearly 72 percent of the respondents have a medium score in financial literacy. Nearly 18 percent of the respondents have scored low in financial literacy and the remaining nearly 11 percent of the respondents found high score in financial literacy.

3.1.1 Relationship between Financial Literacy and Socio-demographic profile of the respondents

The present study attempted to find the relationship between the socio-economic demographic profile of the respondents with their financial literacy level. To know the level of financial literacy there is a measurement i.e. financial knowledge, financial behaviour and financial attitude. The knowledge score is computed as the number of correct responses to the financial knowledge questions from OECD /INFE Toolkit(2018).

3.1.2 Relationship between Financial Literacy and the Age of the respondents

The correlation between financial literacy and age of the respondents can be seen in the table 3.13. on the basis of age, respondents have been classified into five different categories in the table.

Table 3.13
Financial Literacy and Age of the respondents

Age groups	Financial Literate	Financial Illiterate	Total
Below 30	21 (39.28)	17 (60.71)	38
Between 31-40	24 (44.44)	30 (55.55)	54
Between 41-50	7 (18.92)	30 (81.08)	37
Between 51-60	6 (15.4)	33 (84.62)	39
More than 61	1 (5.3)	18 (94.73)	19
Total	59(31.550)	128(68.45)	187

Source: Field Survey

Note: Figures in parenthesis are the percentage

Table 3.13 presents the level of financial literacy among respondents in different age groups. It can be seen that out of the total respondents who belong to the age group of below 30 years found little over 39 percent were financially literate while about 61 percent of the respondents were financially illiterate. In the age group of between 31 to 40 years, 44.44 percent were financially literate and the rest 55.55 percent were financially illiterate. Among the age group of between 41 to 50 years, 18.92 percent of the respondents were financially literate and 81.06 percent were financially illiterate. The age belongs to between 51 to 60 years, 15.4 were financially literate and 84.62 percent were financially

illiterate. Among the respondents with age above 60 years, less than 6 percent were found financially literate in other words about 95 percent were financially illiterate. Therefore, the majority of the respondents do not have a high score in terms of financial literacy due to a lack of knowledge among the weaker section.

Negi and Gupta (2015) found in their study that the percentage of financial literacy was low among the respondents; the highest number of financial literates was found in the age group above 50 years. However, in this study, the highest number of financial literates belongs to the age group 31 to 40 year

3.1.3 Relationship between Financial Literacy and education of respondents

Table 3.15 highlights the relationship between financial literacy and education of the respondents.

Table 3.15
Education of Respondents and Financial Literacy

	Financial Literate	Financial Illiterate	Total
No Formal Education	0	9 (100)	9
Primary	12 (24.5)	37 (75.51)	49
Middle	14 (25.93)	40 (74.07)	54
HSLC	16 (28.07)	41 (71.93)	57
HSSLC	5 (31.25)	11 (68.75)	16
Graduate	1 (100)	0	1
Post graduate	1 (100)	0	1
Total	49 (26.20)	138 (73.80)	187

Source: Filed Survey

Note: Figures in parenthesis are percentage

Table 3.15 represents the educational qualification of the respondents and financial literacy whether the respondents are financially illiterate or not. It can be seen that the total score of the financial literate among the respondents was little over 26 percent while 73.80 percent were found financially illiterate. The respondents who do not have formal schools were financially illiterate and the respondents who attend primary level i.e 24.5 percent were financially literate and 75.51 percent of the respondents were financially illiterate. The respondents who attend the school till the middle level i.e 25.93 percent were financially literate and the remaining 74.07 percent were financially illiterate. The respondents having qualifications until matric have 28.07 percent in terms of financial literate and 71.93 percent in terms of financially illiterate. The respondents who are attending the school Higher.e 31.25 percent were financially literate while 68.75 percent of the respondents were financially illiterate. The respondents who are graduate and post-graduate were financially literate among the respondents in Lunglei, Mizoram. Therefore It can be seen that the Majority of the respondent were not financially literate due to the low education qualification among the respondents.

An interesting study was done by Negi and Gupta (2015) and observed that the majority of the respondents were financially illiterate due to the completion of the higher education was not done among the respondents that are is in their study financial literacy score was low.

3.1.4 Relationship between Marital status of the respondents and financial literacy

An attempt is made to see if any significant relationship existed between the marital status of the respondents and their financial literacy, the relevant frequency is shown in Table 3.16. For this section of the study Married people includes divorced and widowed.

Table 3.16
Respondents' Marital status and financial literacy

	Financial literates	Financial Illiterates	Total
Married	52 (31.90)	111 (68.10)	163
Unmarried	3 (12.5)	21 (87.5)	24
Total	55 (29.41)	132 (70.59)	187

Source: Field Survey

Note: Figures in parenthesis are percentage

It is evident that married respondents were more financially literate compares to unmarried. Table 3.16 depicts that out of a total of 163 married respondents, more than 31 percent of respondents were found financially literate but on the other hand, less than 13 percent unmarried respondents (out of total 24 respondents) were found financially illiterate. This may be because of the higher financial burden a married respondent experience as compared to unmarried. Nega and Gupta (2015) observed that married respondents are more financially literate than unmarried because married people have more concerned about financial needs and want and planning of finance for the future and present while unmarried people do not think about that.

3.1.5 Relationship between Monthly income of the respondents and Financial literacy

It is attempted to find out the relationship between monthly income and financial literacy. Monthly income groups are high or low regards to financial literacy and the result will be shown in the below table 3.18.

Table 3.18
Monthly Income of the Respondents and Financial Literacy

Monthly Income	Financial Literate	Financial Illiterate	Total
Below 5000	42 (27.45)	111 (72.55)	153
5001 to 10000	7 (3.74)	16 (8.56)	23
10000 to 15000	2 (50)	2 (50)	4
15001 to 20000	2 (40)	3 (60)	5
Above 20000	2 (100)	0	2
Total	55 (29.41)	132 (70.59)	187

Source: Field survey

Note: Figures in parenthesis indicate the percentage

Table 3.18 highlights the monthly income of the respondents and Financial Literacy. It shows that among the income of below 5000 in a month, 27.45 percent were financially literate and 72.55 percent of the respondents were financially illiterate. And following the income groups which is INR 5001 to 10,000 were financially literate with 3.74 percent and 8.56 percent were financially illiterate. The respondents who are the income groups belong to 10000 to 15000 were having the percentage of financially literate i.e 50 percent and another 50 percent of the respondents were financially illiterate. The income groups which are 15001 to 20000 i.e 40 percent were having financial literate and the remaining 60 percent were financially illiterate. The highest income groups among the respondents i. e above 20000, here only 2 respondents were in the groups and both of them were financially literate. From this study, the Majority of the lower-income groups were

financially illiterate it can be because of low income. Negi and Gupta(2015) conducted a study base on financial literacy and found that financial literacy was low among the fewer income groups because of the respondents do not have enough money to save and keep it a bank or to invest in some other financial institutions.

3.1.6 Economic Status of the respondents and Financial Literacy

In order to find the result of the economic status of the respondents regards to whether there are financially literate or not. The result is shown in table 3.20

Table 3.20
The economic status of the respondents and Financial Literacy

Economic status	Financial Literate	Financial Illiterate	Total
APL	2 (5.13)	37 (94.9)	39
BPL	16 (12.03)	117 (87.97)	133
AAV	0	9 (100)	9
Total	18 (9.63)	169 (90.37)	187

Source: Field Survey

Note: Figures in parenthesis indicate the percentage

Table 3.20 observes the economic status of the respondents and financial literacy. It is seen that out of a total of 187 respondents only 9.63 percent were financially literate and more than 90 percent of the respondents were found financially illiterate. Economic status is divided into three groups' i.e. APL, BPL, and AAY. Among the APL family, 5.13 percent were financially literate and 94.9 percent were financially illiterate. The economic groups belong to BPL were financially literate with 12.03 percent and 87.97 percent among the BPL groups were financially Illiterate. The AAY

groups none of the total 187 of the respondents were found in financially literate. Note: Figures in parenthesis are the percentage

Conclusion

The main purpose of this study is to examine the level of financial literacy among the respondents with the relationship between the demographic, socio-economic profiles of the respondents. To measure the level of financial literacy, OECD toolkit measurement for financial literacy and financial inclusion was used. To financial knowledge, Most of the respondents had a moderate score and none of the respondents was found with a high score and the behaviour of the respondents is also moderate. So it can conclude that financial literacy was low among the street vendors in Lunglei, Mizoram.

CHAPTER 4

STATUS OF FINANCIAL INCLUSION AMONG STREET VENDORS

This chapter proposes to study the status of financial inclusion among street vendors in Lunglei, Mizoram. The current study examined whether the weaker section knows about financial services, schemes launched by the government and the extent of their involvement in the financial services.

4.1 Introduction:

Financial Inclusion mainly focuses on accessing financial services and products in our daily lives. However, accessing financial services does not mean that they are financially included rather people should know how to access, why to access and when to access. The Rangarajan Committee (2008) defined financial inclusion as “The process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost”.

4.1.1 Bank branch in respondent’s locality:

Having a bank branch in the locality is one of the most important desks to promote financial inclusion. The respondents were asked whether they have a bank branch in their locality or not. Table 4.1 shows whether there is a bank branch in their locality.

Table 4.1
Availability of Bank branch in respondent’s locality

	Yes	No
Female	56	126
Male	1	4
Total	57 (30.48)	130 (69.52)

Source: Field Survey

Note: Figures in parenthesis are the percentage

Table 4.1 shows the availability of bank branch in respondent's locality, out of a total of 187 respondents only 30.48 percent had bank branch in their locality. On the other hand, nearly 70 percent does not have a bank branch in their locality.

Bank Account:

Having a bank account is one of the main ways to promote financial inclusion. For the financial inclusion of the weaker section, they must at least have a bank account. To meet financial requirements proposed by the Government such as gas subsidy, MGNREGS wage, etc.

Table 4.2
Own a Bank Account

	Yes	No
Female	150	32
Male	5	0
Total	155(82.89)	32(17.11)

Source: Field Survey

Note: Figures in parenthesis are percentages

Table 4.2 shows how many respondents own a bank account. Approximately 83 percent of the respondents have a savings bank account and the remaining 17.11 percent of the respondents do not have any type of bank account, mainly due to lack of bank branch in their locality/village. At the same time, Mukta Mani (2019) conducted a study in urban areas of North India and found that majority of the respondents had bank account only 15 percent did not have a bank account, many holders of bank account have non-PMJDY savings accounts.

Purpose of Using Bank Account:

If the respondents have a bank account they can keep their savings and may conveniently receive a subsidy from the government. Table 4.3 brings forward various reasons why respondents maintain bank accounts.

Table 4.3
Primary Purpose of using Bank Account

S. No	Primary Purpose	Frequency	Percentage
1	For saving money	80	51.61
2	To receive governments payments/ subsidies (like LPG subsidy, MNREGS etc)	65	41.94
3	Force to open from relatives	5	3.23
4	To make payments/Received money	3	1.94
5	To request loan	2	1.29
	Total	155	100.00

Source: Field Survey

Note: Figures in parenthesis are percentage.

As indicated in the above table, it can be seen that the main purpose of using a bank account is to keep savings. Majority of the respondents nearly 52 percent open bank account to keep savings. On the contrary, nearly 42 percent of the respondents have a bank account to acquire some government schemes. Only 3.23 percent of the respondents have a bank account as per request from their relatives. Nearly 2 percent of the respondents opened a bank account to make or received money and also only 1.29 percent of the respondents opened a bank account to take a loan. It is indeed rare to open an account for a loan due to lack of awareness among the weaker section.

Reasons for not having or not using the Bank account

The present study identifies the reason why the respondents do not have a bank account. The reasons for not having an account are classified into 1) Have no money to keep in bank account 2) I do not understand the process, it is too difficult 3) one of the family members have, so no need for me 4) no bank branch nearby 5) I do not have ID proof/address proof for account opening 6) due to religious beliefs I cannot have adhaar card and hence I can't have a bank account 7) I do not trust bank for keeping my money. Table 4.4 represents the various prominent reasons why the respondents do not have a

bank account. There can be numerous reasons for not having a bank account and some of the major reasons which were observed have been listed below.

Table 4.4
Reasons for not having or not using the bank account

S. No	Reasons	Frequency	Percentage
1	Have no money to keep in a bank account	14	43.75
2	I do not understand the process, it is too difficult	7	21.88
3	One of the family members have, so no need for me	6	18.75
4	No bank branch nearby	2	6.25
5	I do not have ID proof/Address proof for account opening	1	3.13
6	Due to religious beliefs, I cannot have Adhaar Card and hence I can't have a bank account	1	3.13
7	I do not trust bank for keeping my money	1	3.13
	Total	32	100

Source: Field Survey

Note: Figures in parenthesis are the percentage

Table 4.4 describes the reasons why the respondents didn't have a bank account. As seen above, the majority of the respondents, i.e 43.75 percent didn't have a bank account as they don't have money to keep in the bank. Nearly 22 percent didn't have a bank account as they don't understand the process of opening a bank account. 18.75 percent of the respondents didn't feel the need to have a bank account as their family members already have an account in the bank. Not having a bank in locality contributed 6.25 percent, 3.13 percent accounted to the reason-due to my religious beliefs I cannot have Aadhaar card either a bank account. "I do not have ID proof/Address proof for account opening" and "I do not trust bank for keeping my money" had same percentage i.e. 3.13 contribution in the total reasons of not having a bank account or why I don't have a bank account.

PMJDY (Zero Balance bank account):

The government launched a scheme known as Pradhan Mantri Jan Dhan Yojana (PMJDY) in August 2014. PMJDY wants to cover the weaker section of the society under financial inclusion by promoting them to have No frill Account/ Zero balance Savings Bank Account. The proposed study try to find out if the street vendors have opened a savings bank account under the scheme or not. Table 4.5 shows the extent of coverage under this scheme.

**Table 4.5
Zero Balance Bank Account**

	Yes	No	Total
Male	3	2	5
Female	57	125	182
Total	60 (32.09)	127 (67.91)	187

Source: Field Survey

Note: Figures in parenthesis are the percentage

Table 4.5 shows the respondent's responses whether they open bank account with zero balance or not. It can seem that most of the respondents nearly 68 percent do not open a bank account with zero balance. Only 32.09 percent of the respondents opened a bank account with zero balance.

The confrontation of problems while availing the government schemes

Although government continuously tries to promote the well being of the weaker and vulnerable section of the society however its challenging to reach them as there are various barriers due to which either the scheme loses its effect and sometimes it can't reach to the targeted people. Also, factors like lack of awareness and low quality of education and ignorance lead to the poor performance of the schemes. Table 4.6 shows

the response of the respondents regarding if they encountered problems while availing the launched schemes.

Table 4.6
Problems faced in availing government schemes

	Yes	No
Female	132	50
Male	3	2
Total	135 (72.19)	52 (27.81)

Source: Field survey

Notes: Figures in parenthesis indicate percentage

Table 4.6 represents problems faced by the respondents in availing government schemes. It is clear that majority of the respondents i.e. 72.19 percent faced some problems in their access to the government schemes while 27.81 percent did not face any problems to get government services for personal users or business.

Savings to secure old age

The respondents were asked whether they have made savings plans to support themselves when they grow old. Table 4.7 illuminates and brings forward if the respondents are futuristic enough to secure their old age.

Table 4.7
Savings to secure old age

	Yes	No
Female	44	138
Male	1	4
Total	45 (24.06)	142 (75.94)

Source: Field survey

Note: Figures in parenthesis indicate the percentage

As indicated in the above table among the respondents only 24.06 percent have a plan for savings to secure old age while 75.94 percent of the respondents lack knowledge

on how to plan. It meant that the street vendors in Lunglei were not aware of savings secure of old age this can be as the results of the low income among the respondents.

Frequency of bank visit within a Year

After questioning the respondents about how frequently they visited the bank within a month Table 4.8 was formulated. This question highlights how proactively the respondents access financial services. To know the frequency of their visit to the bank this study divided the monthly period as Never, Occasionally, Once in a month and Fortnightly.

Table 4.8
Frequency of bank visit within a year

	Female	Male	Total
Never	138	4	142 (75.94)
Occasionally	39	1	40 (21.39)
Once in a month	4	0	4 (2.14)
Fortnightly	1	0	1 (0.53)
Total	182	5	187

Source: Field Survey

Note: Figures in parenthesis indicate percentage

Most of the respondents, i.e. over 75 percent never visited bank within a month which is considered a negative step towards financial inclusion while 21.39 percent of the respondents visited bank occasionally and some of the respondent's i.e 2.14 percent visited the bank once in a month.

Number of times ATM services used within a month

The respondents were asked how often they use ATM service within a month. Table 4.9 shows the frequency of visits to an ATM made by the respondents within a

month. To make it more comprehensive this study divided a month in: never in a month, Occasionally, Once in a month.

Table 4.9

Number of times ATM used within a month

	Female	Male	Total
Never	159	4	163(87.17)
Occasionally	21	1	22(11.76)
Once in a month	2	0	2(1.07)
	182	5	187

Source: Field Survey

Note: Figures in parenthesis indicate the percentage

Table 4.9 represents how many times the respondents used ATM services within a month. Most of the respondents little 87 per cent don't own ATM card, most of them didn't know how to use ATM card as well. Only 11.76 per cent know how to maintain ATM card and they used to make a transaction only when it is required so, otherwise, there is no chance in using for them. Out of 187 respondents, only 2 respondents know how to access the ATM services and making a transaction once in a month.

Research Question 2: Do the street vendors know financial services

The respondents were asked whether they avail the existing financial services in their locality that is a loan from their home branch, ATM service, Cheque book, Debit card, credit card, Insurance, Kisan Credit Card. Table 4.10 shows the result of research question 2

Table 4.10**Exercising the available financial services**

Particulars	Never	Occasionall y	Considerabl y	Almos t	Alway s	Tota l
Loan	156 (83.42)	31 (16.57)	0	0	0	187
ATM	16 (8.23)	2 (1.06)	1 (0.53)	0	19 (10.16)	187
Cheque Book	58 (31.01)	123 (65.77)	5 (2.67)	0	1 (0.53)	187
Internet Banking	187 (100)	0	0	0	0	187
Mobile banking	187 (100)	0	0	0	0	187
Debit card	187 (100)	0	0	0	0	187
Credit Card	187 (100)	0	0	0	0	187
Kisan Credit card(KCC)	186 (99.47)	1 (0.53)	0	0	0	187
Insurance	18 7(100)	0	0	0	0	187

Source: Field Survey

Note: Figures in parentheses are percentages

Table 4.10 highlights the availing of financial services among the respondents. It is seen that in term of taking loans, only 16.57 per cent were availing the loan, the majority of the respondent never pursue loan for their business purpose and even for other cases. In this study, the researcher found that the reasons for not taking a loan which is described as under;

- 1) It required guarantor which is difficult to get for those who do not hold any government jobs among the family
- 2) Lack of awareness regards to financial services among the weaker sections

- 3) Most of the respondents afraid of taking a loan
- 4) Need only a small amount of money
- 5) No time for waiting for the process of loan

In term of Automated Teller Machine (ATM) only 0.53 per cent used regularly when its needed and out of 182 respondents only 1.06 percent occasionally used when they needed. Still, the majority of the respondents, mostly older people, didn't even know how to use ATM resulting with a percentage of 88.23, who were not aware of ATM in their livelihood.

The present study found that majority of the respondents lack awareness regards to financial services and they occasionally access the financial services. The reasons behind the less used of financial services among the street vendors are due to low of income, low quality of education, poverty and ignorance.

Awareness check of the respondents regarding financial products and services

This study attempts to check the awareness of the respondents concerning the financial services and the product is used. The technical advancement made in their banking sector has exposed the weaker section of the society to many cyber fraud and scums.

Table 4.11

Awareness check of the respondents regarding financial products and services

Particulars	Yes	No	Total
Have you accepted advice to invest in a financial product that you later found to be a scam	29 (15.50)	158 (84.49)	187
Have you accidentally provided financial information in response to an email or phone later found out was genuine	0	187 (100)	187
Have you found that someone used your card details to pay for goods without your authorization	0	187 (100)	187
Have you queried a transaction listed on your bank or debit card statement that you did not recognize?	0	187 (100)	187
Have you made a formal complaint about the service you have received from bank or financial institution	1 (0.63)	186 (99.47)	187
Have you tried to open a bank account and then refused for any reasons?	16 (8.55)	171 (91.44)	187
Have you tried to take loan from bank and then refused for any reasons	39 (20.85)	147 (78.60)	187
Have you been refused to claim on an insurance product that you expected to cover you	0	187 (100)	187
Have you ever make a complaint to remittance provider about high charges when sending or receiving money	0	187 (100)	187
Have you lost money because of the scams	28 (14.97)	159 (85.02)	187

Note: Figures in parentheses are percentages

Source: Field Survey

Based on the analyzing reports, as shown in table 4.11, a survey is conducted on 187 respondents to found out if they have any issues on financial products or services in the past year which resulted in the following mentioned below:

In regards to financial products and services experienced by the respondents, out of 187 respondents, a total number of 29 i.e,15.50 percent admitted to taking advice on investing in financial product and later found out to be a fraud while there is 100 percent denial in regards to things such as providing financial information in response to email or phone which later found out to be genuine, someone using their cards details for payment without authorization, not recognizing transaction listed on their bank or debit card statement, refusing to claim on the insurance product that was expected to cover them and making a complaint to remittance provider about high charges when paying or receiving money. Meanwhile, 1 respondents i.e, 0.63 percent made a formal complaint about the service received from the bank or financial institutions in contrast to that the remaining 186 respondents i.e.99.47 percent had no issues in regards to this. A total number of 171 respondents i.e. 91.44 percent have no withdrawals when trying to open a bank account and then refused for any reason while the remaining 16 respondents i.e. 8.55 percent admitted. Similarly,39 respondents i.e. 20.85 percent accepted on trying to take a loan on the bank and refused for any reason while the remaining 147 respondents i.e,78.60 percent denied doing so. Lastly, out of 187 respondents,28 respondents i.e. 14.97 percent lose money due to scam whereas 159 respondents i.e. 85.02 per cent have never experienced this.

Awareness of Financial Products

To analyze the awareness of financial products among the respondents, the study adopted the questions mentioned in Table 4.12 regarding the financial products available in Mizoram.

Table 4.12
Awareness of financial products

Particulars	Yes	No	Total
A pension or retirement product	181 (96.79)	6 (3.20)	187
Home loan or Mortgage loan	154 (82.35)	33 (17.65)	187
car loan	163 (87.16)	24 (12.84)	187
Credit card	59 (31.55)	128 (68.45)	187
Current/Checking /Payment account	85 (45.45)	102 (54.54)	187
Savings Account	145 (77.54)	42 (22.46)	187
Fixed Deposit	65 (34.76)	122 (65.24)	187
Insurance	109 (58.29)	78 (41.71)	187
Life insurance	71 (37.96)	116 (62.03)	187
Post Office Savings	44 (23.53)	143 (76.47)	187
Microfinance Loan	149 (79.68)	38 (20.32)	187
Crypto assets or ICOs	0	187 (100)	187
Mobile Payments	2 (1.07)	185 (98.93)	187
Stock and Shares	0	187 (100)	187
Bonds	0	187 (100)	187

Source: Field Survey

Note: Figures in parentheses are percentages.

Financial services play a vital role to access financial Inclusion among the weaker sections. To access financial inclusion, financial services play a role to improve. It can be seen in table 4.12, out of 187 respondent, 96.79 percent know in regards to pension and retirement. On the context of the Home Loan and mortgage loan, majority of the respondents i.e,82.35 percent heard about this financial services, Meanwhile87.16 per cent heard about the car loan and only31.55 percent heard about the credit card while 45.45 percent of the respondents knew about the current account, payment and checking payment.

Research Questions 5:

Awareness about government schemes

To uplift the weaker section of the society who are deprived of facilities the Indian government has been making tremendous efforts like giving goods at subsidized rates, loans at cheaper prices, insurance policy, zero balance bank accounts and various other schemes such as PMJDY,APY, PMJJBY, PMJAY,PMSBY. Table 4.13 shows the awareness of the respondents regards to government schemes.

Table 4.13

Aware of available government schemes

Particulars	Yes	No	Total
Pradhan Minister Jan Dhan Yojana	123 (65.78)	64 (34.22)	187
Atal Pension Scheme	111 (59.36)	76 (40.64)	187
Pradhan Mantra Jeevan Jyoti Bima Yojana	6 (3.21)	181 (96.79)	187
Pradhan Mantri Jan Arogya Yojana	6 (3.21)	181 (96.79)	187
Pradhan mantri Suraksha Bima Yojana	7 (3.74)	180 (96.26)	187

Source: Field Survey

Note: Figures in parentheses are percentages

This table shows that the government schemes like PMJDY, APS, PMJJBY, PMJAY and PMSBY developed for the weaker sections and lower-income groups, the government made those scheme to developed financial inclusion. Majority of the respondents i.e 65.78 percent were aware of the scheme Pradhan Mantri Jan Dhan Yojana. Among those who were aware of this scheme, only () percent made bank account under this scheme. Over 59.36 percent of the respondents were aware of the scheme o Atal Pension Scheme whereas 40.64 percent were not aware of this at all. Regards to PMJJBY scheme, Most of the Respondents were not aware of this scheme, resulting in only 3.21 percent who were aware of this scheme. Only 3.21 percent of respondents were aware of the scheme of PMJAY and only 3.74 percent of the respondents were aware of the scheme of PMSBY.

From this study, it is revealed that most of the scheme developed by the government is not popular among the street vendors. The major reasons which back this circumstance are less awareness, less time spent on social media, less use of android phones as they can't afford and unwillingness to cope up with the technological advancements due to low quality of education.

Borrowings:

Borrowing from the bank or any formal institution is one of the major criteria of financial inclusion. For this study, the respondents were enquired about the sources of borrowings which they avail. Table 4.14 lists the various sources of borrowings availed by the respondents and the frequency of their use.

Table 4.14
Sources of Borrowing

S. No	Source of borrowing	Frequency	Percentage
1	Family/Relatives/Friends	114	60.96
2	Moneylenders	40	21.39
3	Microfinance Institutions	18	9.63
4	Bank	15	8.06
	Total	187	100

Source: Field Survey

Following the survey based on knowing the sources of borrowing as shown in Table 4.14, the respondents were asked questions related to their source of borrowings. Firstly, out of 187 respondents, only little over 08 percent borrows money from a bank. Secondly, nearly 61 percent of the respondents reported family, friends and relatives as their source of borrowing. Thirdly, from Microfinance Institutions, out of 187 respondents, approximately 10 percent of the respondents accepted as their source of borrowing. Lastly, little over 21 percent of the respondents borrowed money from moneylenders.

Purpose of Borrowing

The study attempts to bring to notice the purpose of borrowings made by the respondents according to their respective needs. Table 4.16 shows the reasons for which respondents borrowed money.

Table 4.15
Purpose of Borrowings

S. No	Purpose	Number	Percentage
1	Business needs	155	82.89
2	Personal used	27	14.44
3	Construction/ Purchase/ Renovation of house	4	2.14
4	Agriculture Loan	1	0.53
	Total	187	100

Source: Field Survey

The purpose of borrowing money varied for different reasons. Some of the main reasons are highlighted in Table 4.15. The study is based on analyzing 187 respondents, on which the outcome is 4 respondents i.e. 2.14 percent borrows money for constructing, purchasing and renovating the house. Nearly 83 percent of the respondents borrowed money for business needs. For Agricultural loan, only 1 respondent (0.53 percent) borrowed money while little over 14 percent of the respondents admitted personal needs as the purposed of borrowing money.

INSURANCE:

Insurance is a very important aspect of financial literacy and one of the major criteria of financial inclusion. However, in India, insurance agents, insurance companies and banks, play a crucial role to promote insurance among the customers. Table 4.16 brings to notice the various types of insurance practised by the banks such as life, health, vehicle, crop insurance etc.

Table 4.16
Insurance Policies Owned

S. No	Type of Insurance	Number	Percentage
1	Life Insurance	0	0
2	Health Insurance	0	0
3	Vehicle Insurance	0	0
4	Crop Insurance	0	0
5	No Insurance Policy	187	100
Total		187	100

Source: Field Survey

From the above Table 4.16, it can be seen that insurance is mostly neglected due to lack of awareness as well as financial problems. Out of 187 respondents, none of them holds any of the insurance policies like Life Insurance, Health Insurance, Vehicle Insurance and Crop Insurance.

Reasons for not Buying Insurance

Reasons for not holding an insurance policy by the weaker section of society that was found prominent in this study have been accumulated in Table 4.17. The prominent reasons, as reported by the respondents, behind not having insurance are: they found the policies expensive; they felt they don't need insurance, lack of knowledge about insurance and the process of insurance.

Table 4.17
Reasons for not buying Insurance

S. No	Reasons	Frequency	Percentage
1	No knowledge about Insurance	105	56.15
2	Too expensive, cannot pay a premium	55	29.41
3	No need for having any insurance	15	8.02
4	Want to buy but do not know how to buy	12	6.42
Total		187	100

Source: Field survey

As mentioned in Table 4.17, the total of 187 respondents stated the reasons for not owning Insurance policy due to the following reasons: out of the total 187 respondents, most of the respondents (56.15 percent) do not know policy. Little over 30 per cent claimed that the reason of not owning Insurance policy is the fact that it is too expensive and they cannot afford the premium, while 8.02 percent does not know the need of having Insurance. On the contrary, moreover, little over 7 percent stated that they want to have Insurance Policy but does not have any idea on the process of how to buy Insurance Policy.

Status of Financial Inclusion among street Vendors in Lunglei, Mizoram

In this chapter, the existing scenario of the street vendors of the Lunglei, Mizoram concerning the financial inclusion is brought to light. To measure the status of financial inclusion among street vendors in Lunglei, Mizoram CRISIL Inclusix methodology was adopted. The study enlightened the fact that the street vendors of Lunglei, Mizoram are not financially included even after the constant efforts of the Indian government.

Table 4.18
Level/Status of Financial Inclusion

Score	Level of financial Inclusion	Frequency	Percentage
More than 65	High	5	2.67
Between 50.1 to 65	Above Average	27	14.44
Between 35.0 to 50	Below Average	98	52.41
Less than 35	Low	57	30.48

Source: Field Survey

Table 4.18 shows the status of financial inclusion among street vendors in Lunglei Mizoram. It can be seen that most of the respondents, i.e. 52.41 percent, had been found the below-average score in financial inclusion, followed by 30.48 percent of the respondents found low score in financial Inclusion. Only 15 percent of the respondents could score above average i.e. between 50.1 to 65%. Merely 2.67 percent of the respondents could score high, i.e. above 65%. The finding of this study is in line with

Mukta Mani (2019) study which revealed that the respondents are not financially included due to lack of awareness and the government schemes & programs does not have a far-reaching effect.

4.2 Problems faced by street vendors in availing financial services

The various problems faced by street vendors in Lunglei, Mizoram will discuss and the focus of the analyses is based on primary data collected from the sample street vendors in Lunglei. During the study, it was observed that the street vendors were suffering from several problems that obstructed the availing in financial services.

4.2.1.INTRODUCTION

Financial services are one of the services viz money, finance, bank facility, investment etc provided by the finance market which is focused on the customers and holder of financial services. Every business activity has problems in this world. In term of availing financial services, some people used to get problems because of misunderstanding the services. (Sivaloganathan, 2004)in his study the small and medium sectors have limitations as compared to the large sector in facing different problems due to the majority of functions have to be performed by the owners themselves due to limitation of resources.

The problems faced by the vendors may be different from place to place and even within the same occupation and also different state/ country, the problems may be different from vending to vending and also from vendors to vendors. The study will focus only on the problems faced by the street vendors availing of financial services,

4.2.2 Problem faced by respondents while availing of financial services

To know the problems faced by the respondents the study were asked whether they have face problems regarding the availing of financial services. The table will highlight the result of the respondents.

Table 4.19
The problem faced by respondents while availing of financial services

Respondents	Yes	No
Female	133	49
Male	2	3
Total	135 (72.2)	52 (27.8)

Source: Field survey

Note: figures in parentheses are the percentage

The table shows that whether the respondents have faced problems availing financial services or not. It can seem that majority of the respondents (72 per cent) faced problems availing financial services while nearly 28 per cent of the respondents were not faced any problems availing of financial services in their daily lives.

The major problems faced by the respondents availing of financial services are as follows

- Less Income: most of the street vendors do not get high income from their vending. So, Even though they are willing to save money in the bank because of low income they can not avail financial services.
- Misunderstanding the process: while the study was conducting, the meat of the respondents have misunderstood the process of how to take a loan, deposit money and even withdraw money from Bank and ATM
- Lack of awareness: the study was found that of the majority of the charts of the respondents were lack of awareness of availing financial services viz, ATM, Loan, Debit card, etc.
- A small amount of money needed: Especially the street vendors, when they try to take a loan, but instead of taking a loan from the bank they used to prefer borrowed money from relatives because they need an only small amount of money which is less than Rs 5,000.

- No guarantor: Taking a loan is difficult for the weaker section it required guarantor. So the street vendors faced a problem when they try to take a loan.
- Lack of information and experience: most of the respondents get information regards to financial services from their relatives. So, if their relatives are not aware of this, there is a less to chance to availed financial services among weaker sections. It also experiences helpful to availed financial service.

Conclusion

With the help of this chapter the status of financial inclusion among street vendors in Lunglei, Mizoram is brought to the light. Financial Inclusion refers to the practice of ensuring access to appropriate financial products and services needed by vulnerable groups of society. The study also highlights that the government schemes implemented for the weaker section and available financial services. The study revealed that the weaker section in Lunglei Mizoram, viz. street vendors, were not financially included and most of the respondents could score below average score in Financial inclusion. The study also revealed the problems faced by the respondents availing financial services in their daily lives.

CHAPTER 5

FINDINGS AND SUGGESTIONS

This chapter brings forward the major findings and valuable suggestions based on empirical research. It summaries the findings related to the socio-economic-demographic profile of the respondents. The chapter also includes the findings relating to the level of financial literacy among the respondents and the financial inclusion of the respondents in Lunglei, Mizoram. The study was conducted in Lunglei, Mizoram. The sampling was based on the Lottery method.

5.1 The Socio-demographic profile of the respondents, i.e. street vendors in Lunglei

Gender: An attempt is made to count the number of street vendors in the two biggest markets in Lunglei, Mizoram, Out of the population of the vendors in Lunglei, only street vendors who do not have permanent seats for vending were considered for the study. Out of 212, random samples of 187 vendors were drawn based lottery method. Out of 187 respondents, 182 street vendors were women, while less than 03 percent were male. This speaks of the predominance of women street vendors in street vending in Lunglei. Interestingly, it was also found that no child practised street vending in Lunglei, Mizoram.

Marital Status:

Out of 187 respondents, 123 respondents were married women and 3 respondents were married, male. The study revealed that the status of women in Lunglei, especially in the field of street vending, is dominated by women.

Religion and Caste:

The study found that all the respondents were Christians who belong to Schedule Tribe.

Education Qualification

The highest percentage of educational qualification among the respondents is 32.62 percent who attended HSLC (class 10th) and follow by 27.27 percent, i.e. Middle

school(class 7th) and 25.67 percent i.e. Primary school (class 4th). Among the respondent, one person found graduate and post-graduate each. As expected, the majority of street vendors do not have higher levels of education.

Economic Status:

Out of the total 187 respondents, nearly 21 percent of the respondents belong to Above Poverty Line (APL) families. The largest numbers of the respondents 71.13 percent (133) are from Below Poverty Line (BPL) families, while 4.81 percent of the respondents were found to be part of Antyodaya Anna Yojana (AAY) family.

Age of the Respondents:

It is found that a total of 20.32 percent of the respondents belong to the age group of up to 30 years. The modal age group of the respondents was 31 to 40 years of age representing nearly 29 percent of the total. In the category of 41 to 50 years, 19.79 percent of the respondents lie and 20.86 percent of the respondents were at the age group between 51 to 60 years. In the category for more than 61 years, little over 10 percent of the respondents lie. Hence, the present study found that the majority of the respondents lie in category 31 to 40 years.

Monthly Income of the Respondents:

It is found that 48.12 percent of the respondents have an average monthly income of INR 1,001 to 3,000 and almost 29 percent of the respondents have a monthly income between INR 3001 to 5000. Nearly 13 percent of the respondents earned between INR 5001 to 10000 and almost 6 percent of the respondents earned above 10,000 in a month. The respondents who earn up to INR 1000 are 4.3 percent.

Family Size: It is found that little over 19 percent of the respondent's family belonged to the family size of up to 3 members. Over 66.31 percent of the respondents belonged to the family size of 4 to 6 members and 12.3 percent of the respondent's family belonged to the

family size of up to 7 to 9 members and the remaining 2.14 percent of the respondents have a big family i.e. more than 10 members.

Time: It is found that the majority of the respondents (88.77 percent) were working for 4 to 6 hrs in their vending and 9.63 percent of respondents spend between 6 to 8 hours in a day. Out of 187, only 02 respondents spend between 2 to 4 hours in a day and only 01 of the respondents spend more than 8 hours in a day

Self Help Group:

Out of a total of 187 respondents, less than 19 percent was a member of Self-help Groups. The major proportions of the respondents were not a member of any Self Help Group. Hence, it is evident that the respondents were not involved in SHGs due to less or no awareness about it

5.2 Level of Financial Literacy among the street vendors in Lunglei, Mizoram

To know the level of financial literacy, financial literacy had been divided into three groups viz Financial knowledge, Financial Behavior, and financial attitude. The result of each measurement will show in the above.

5.2.1. Financial Knowledge

- It is found that less than 52 percent of the respondents have a moderate level of financial knowledge, while the remaining 48.13 percent of the respondents had low financial knowledge.
- None of the respondents is found to have a high score in financial knowledge. One of the reasons may be the low level of educational qualification among the respondents.

5.2.2 Financial Behavior

- Financial Behavior score was found high among the respondents, less than 53 percent had a high score (i.e. scored 6 or more out of 8). It is found that 41.71

percent scored average (i.e. between 4-5). Out of a total of 187 respondents, nearly 6 percent had low scores.

Financial Goals:

- It is found that majority of the respondents from street vendors had financial goals, out of a total of 187, only 69 street vendors did not have financial goals in their family

Budget:

- It is found that the majority of the respondents, i.e 72.19 percent did not have a budget while only 27.81 percent had a budget for their family. the study revealed that most of the respondents had financial goals but to fulfil the goals they don't have a budget. So it knows that they aware of having financial goals but because of low literacy among respondents, they cannot move forward.
- One interesting finding is that 50 percent of the respondents among the married women were willing to do their children get the best education even though their income is less they want their children would work some government jobs rather than street vending. At the same time, it is a challenging task for the government to uplift the weaker section children in terms of education.

5.3 Status of Financial Inclusion among Street Vendors in Lunglei, Mizoram

- For this study regarding the awareness, it was found that all of the respondents were aware of banks from various sources, but out of 187 respondents, 155 (82.89 percent) have a bank account among them only 60 respondents opened a bank account with zero balance facility. It was also found that mainly they have a savings account as they required operating hardly for small withdrawals and avail government schemes.
- Out of a total of 187 respondents, only 30.48 percent had a bank branch in their locality. On the other hand, nearly 70 percent does not have a bank branch in their locality

- As far as the bank account is concerned, the finding shows that 32 respondents do not have a bank account. The main reasons are: they don't have money to keep in the bank, they even don't understand the process of opening a bank account, they didn't feel the need to have a bank account as their family members already have an account in Bank and 1 respondent could not have a bank account due to her religious beliefs and also they didn't trust the bank to save money.
- It is found that less than 53 percent of the respondents scored below average in financial inclusion, followed by 30.48 percent of the respondents found with a low score in financial inclusion. Only 15 percent of the respondents could score above average, i.e. between 50.1 to 65%. Merely 2.67 percent of the respondents could score high, i.e. above 65%. Looking at the score, it appears that the respondents were not financially included due to low financial literacy, lack of awareness, lack of knowledge, ignorance, etc.
- **Problems faced in availing government schemes:**
It is found that the majority of the respondents i.e. 72.19 percent faced some problems in their access to the government schemes while 27.81 percent did not face any problems getting government services for personal users or business. The main problems that they are facing: less awareness, less time spent on social media, less use of android phones as they can't afford, and unwillingness to cope up with technological advancements due to the low quality of education.
- **Savings to secure old age:**
It is found that among the respondents less than 25 percent have a plan for savings to secure old age while over 75 percent of the respondents are not saving money due to lack of knowledge.
- **Frequency of bank visit:**
Visiting the banks depends on the requirement of the respondents. In general most of the respondents, i.e. over 75 percent did not go to the bank in a year which is considered negative for the upliftment of financial inclusion. Little over 21 percent

of the respondents visited the bank twice in a year and only 2.14 percent visited the bank once in a year.

- **The Number of times ATM used within a month:**

Most of the respondents (little over 87 percent doesn't own ATM card), most of them didn't know how to use ATM card as well. Only 11.76 percent know how to maintain an ATM card and they used to make a transaction only when it is required. Surprisingly only 2 respondents were making a transaction at least once in a month.

- **Awareness among respondents regarding financial products and services:**

Regarding the awareness these of financial products and services such as loan, ATM, chequebook, internet banking, mobile banking, debit card, credit card, Kisan credit card, insurance, and others it is found that the percentage of the users were less as they do not have chance to used that services. Most of the respondents were aware of but not availed of these services. While some of them are unaware.

- **Awareness of government schemes:**

.Indian Government has launched many schemes, during the study it was found that more than 65 percent of the respondents were aware and have availed of the schemes such as Pradhan mantra Jan DhanYojana and Atal Pension scheme. Regarding these three schemes such as Pradhan mantra JeevanJyotibimayojana, Pradhan mantra Jan Arogya yojana and pradhanMantriSurakshabimayojana, respondents do not get any benefits at all and also nearly 4 percent of the respondents were aware of these schemes

- **Borrowings:**

It is found that nearly 61 percent of the street vendors borrowed money from their relatives and friends instead of financial institutions because the guarantor is not required. Getting a guarantor is difficult to get for those who do not hold any government jobs among the family. They can get easily borrow from their relatives and friends. Sometimes they need only a small amount of money and there is a time

constraint that's why most of the respondents prefer to borrow money from their relatives rather than opting for bank loans.

- **Purpose of Borrowing:**

Regarding the purpose of borrowing, out of 187 respondents, the majority of the respondents i.e. 82.89 percent borrowed money for business needs and little over 14 percent of the respondents admitted needs as the personal needs. It was also found that 2.14 percent borrows money for constructing, purchasing and renovating the house and 1 respondent borrowed money for agriculture loan

- **Insurance**

It is found that insurance is mostly neglected due to a lack of knowledge as well as financial problems. Out of 187 respondents, none of them holds any of the insurance policies like Life Insurance, Health Insurance, Vehicle Insurance, and Crop Insurance. The main reasons of not buying insurance are: too expensive and they cannot afford the premium, they don't know about this policy, they do not know the needs of having Insurance some of the respondents want to have Insurance Policy but does not have any idea on the process of how to buy Insurance Policy.

5.4. Suggestions

In the year 2012, the Indian government stated 22% of the Indian population is living below the poverty line. Out of the total population of India, 108(8.5%) million people belong to the ST category and 43% of it is living below the poverty line. Mizoram is a state of tribes and 20% of the total population of Mizoram is below the poverty line. The Indian government has launched various schemes for raising the standard of living of the weaker and vulnerable section of our society. As a result of constant and tremendous efforts, in only 10 consecutive years 271 million Indians have been uplifted out of poverty. However, still in some states like Mizoram deprived people are living below the poverty line and the schemes launched by the government fail to reach the targeted people. Hence,

based on this research some suggestions are offered to the government and people as efforts need to be made from both ends.

Suggestions for the Government

The study has given some suggestions to the government as follows:

- The government should conduct more awareness among the targeted people.
- Special campaign program for the weaker sections
- the government should introduce financial service subjects in school.
- For better financial inclusion, the government should adopt simple, easy, and understandable procedures to encourage more people to use banking and financial services.
- The government should organize a financial literacy program to improve financial literacy levels among the people, especially for the weaker sections.
- Interestingly, the majority of the respondents in the study claimed to watch TV regularly. Concerning TV commercials, the government and state should take a step to introduce new schemes with the help of TV commercials. So that at least people can know about the scheme which is targeted for the weaker sections.
- The government should organize a relevant camp to create awareness about the recent schemes through NGOs or bank officials so that they can communicate to society about government schemes.
- Increase awareness – seminars, workshops, and training should be conducted and booklets should be distributed to increase awareness of their rights among the street vendors. Also, the translation of the government schemes guidelines in Mizo will be very helpful in understanding
- Cold storage facilities and proper sanitation facilities should be worked upon.
- There should be linkage programs tied up with SHG or NGOs. So that they can seek to reach the targeted people to achieve financial inclusion.

- Social media, Local authority, and some / voluntary organizations can play an important role to change the social lives of the people. So if the government can use this platform as a key to create awareness among the people it can produce a better result.
- The majority of the respondents were women in this study, this indicates that there is a need to encourage women cells in Mizoram, These cells should be managed by women. Also, the state government should give special incentives to women from weaker sections for a certain period. The government should also evolve schemes of assistance exclusively meant for women.
- The government schemes should reach people in the local language so that it is easy to understand.
- The documents required for banking and financial services should be less and the process should be speedy.

Suggestions for the street vendors

The study has also given some suggestions to the people who reside inLunglei, Mizoram as follows.

- Unfortunately, to note that most of the street vendors do not keep proper records of their expenses and income. So, it suggested that the street vendors should maintain proper books of account to keep systematic records of all income and expenses, to know the financial position of their vending.
- It is found that some of the respondents have financial goals but to achieve those goals they do not have a proper budget. So, the respondents should also focus on how to prepare a proper budget and try to achieve their financial goals as well.
- To promote financial inclusion, people should save money in the bank instead of keeping at home.
- The people should alert in term of Indian government facility available for them

- Concerning the problem of financial services, the respondents were known about financial services but most of them were not accessing financial services. To access financial services they should be educated. So the street vendors at least should try to educate their children if possible.
- Most of the respondents did not understand the scheme offered by the government. If so, they should take the help of others to understand the scheme instead of waiting for help from the government.
- Most of the respondents watch TV and they like to watch the local channels in Mizo language. So if they prefer watching the news it would aware of the govt. schemes that are advertised through the TV.

If these suggestions will be worked upon the living condition of street vendors will improve and they could be covered under the financially included section of the population. This move will help to tackle the existing poverty and low quality of education persisting in the state. These suggestions if incorporated might increase the level of financial literacy and financial inclusion in the state.

Future Scope of the research:

This study was based on Lunglei, Mizoram further it could be extended to the Whole of Mizoram and could be compared with the North Eastern States of India. CRISIL did a study that was based on financial literacy through secondary data. So there is scope for further study which would be based on primary data. .

Appendices

INTERVIEW SCHEDULE FOR STREET VENDORS

Dear Respondents,

I am a research scholar working under Prof Bhartendu Singh, Department of Commerce, Mizoram University and my topic is 'Financial Inclusion of Street Vendors in Lunglei, Mizoram'. The interview schedule examines the significance of socio economic profile of the street vendors, level of financial literacy and financial inclusion among the street vendors in Lunglei. Your response will greatly contribute towards meeting this objective and shall be used only for the purpose of this study. Your sincere answers will be very much appreciated. The confidentiality of your responses is assured.

With regards

H.Lalenkawli

Department of Commerce

Mizoram University

Part 1: Demographic Profile of the street vendors

The part 1 questions will help to examine the profile of street vendors in Lunglei.

1. Name: _____

Address: _____

2. Age: _____

3. Gender: Male Female Others

4. Education Qualification:

Illiterate Primary Middle HSLC HSSLC Graduate

5. Marital status:

Married Unmarried Divorce Widowed

6. Religion:

Christian Hindu Muslim others

7. Cast: ST SC OBC GEN

3. If you lost your vending income, how long could your household continue to cover living expenses, without borrowing any money or moving house?

- a) Less than a week b) At least a week but not one month
b) More than one month c) More than 3 months d) Six month or more

4. Who is responsible for making day to day decision about money in your household?

- a) You make these decisions by yourself b) Make with someone
(_____)
c) Someone else makes these decisions (_____) d) Don't know

5. Does your household have a budget? Yes No

6. Do you have financial goals? Yes No

7. If yes then can you tell me your financial goals?

7. In the past 12 months have you been (personally) saving money in any of the following ways, whether or not you still have the money?

- a) Saving cash at home or in your wallet deposit b) Paying money into a fixed deposit
c) Paying money into recurring account d) Paying money into current account
e) Paying money into a saving account g) Has not being actively saving
f) Giving money to family to save on your behalf h) Don't know i) Refused

8. Do you do any of the following for yourself or your household?

- a) Make a plan to manage your income and expenses
b) Keep a note on your spending
c) Keep money for bill separate from day to day spending money
d) Make a note of upcoming bills to make sure you don't miss them
e) Use a banking app or money management tool to keep track of your outgoings

Financial Attitude:

Statement	Completely Agree				Completely Disagree	Don't know	Refused
	1	2	3	4	5		
I find it more satisfying to spend money than to save it for the long term							
I am prepared to risk some of my own money when saving or making an investment							
Money is there to spend							
I am satisfied with my present financial situation							
I kept a close personal watch on my financial affairs							
I used my mobile phone to make or received payments							
My financial situation limits my ability to do the things that are important							
I set long term financial goals and strive to achieve them							
I believe that money in a bank will be safe even if the bank fails							
I have too much debt right now							

If I borrow money I have a responsibility to pay it back							
I believe that bank should check the ethics of companies before providing them with banking							

Financial Knowledge

1. Have you taken a loan? If yes, how much interest do you pay on your loan?

2. Suppose you have Rs 20,000 in your bank account, how much would be in the account at the end of five years if you don't deposit or withdraw anything?

- a) more than Rs 20,000 b) less than Rs 20,000
c) exactly Rs 20,000 d) don't know e) refused

3. I would like to know whether you think the following statement is true or false.

- a) An investment with a high return is likely to be at high risk
b) High inflation means that the cost of living is increasing rapidly
c) It is usually possible to reduce the risk of investing in the stock market by buying a wide range of stocks and shares

4. Now imagine that, at present there is land which costs Rs 5 lakh, After 1 year what would be the price of land?

- a) more than 5 lakh c) less than 5 lakh
b) the same amount d) don't know e) refused

Part - III: Status of Financial Inclusion:

Given below are the questions and statements related to the financial inclusion, the questions are mix with open ended and close ended and the statements have ratings scale to measure financial inclusion .

1. Is there any bank branch in your town/Village? Yes No
2. Do you have any bank Account? Yes No

If yes, which type of bank?

- a) Current Account Account b) Saving Account c) Fixed Deposit
 d) No frill Account

3. Did you open “Zero Balance Account” with your bank? Yes No

4. Which year did you open your bank account? _____

5. How frequently do you visit Bank in a month _____

6. How many times do you use ATM card in a month? _____

7. When you need to get cash from your account, how do you usually to get

- a) Cheque book b) ATM c) From Bank

8. Do you face any problem in taking loan? If yes, what problem?

9. Are you aware of following government schemes?

- a) Prime Minister Jan Dhan Yojana b) Atal Pension Scheme
 c) Pradhan Mantra Jeevan Jyoti Bima Yojana d) P.M Jan Arogya Yojana
 e) Pradhan Mantri Suraksha Bima Yojana

If Yes, from which source of information

_____ Yes No

10. Do you face problem to get the details of government schemes? Yes No

If yes then what kind of problem? _____

11. Do you face problem availing of financial services? Yes No

If Yes, then the reason _____

12.

Particulars	Can you tell me whether you have heard of any of	If yes then, can you tell me whether you	If yes then in the last two years, which of the

	these types of financial products?		personally or jointly currently hold any of these types of product?		financial products have you chosen?	
	Yes	No	Yes	No	Yes	No
A pension or retirement product						
A mortgage or home loan						
Car loan						
Credit Card						
Current/Checking/payment account						
Savings account						
Fixed deposit						
Insurance						
Life insurance						
Post office savings						
A microfinance loan						
Crypto assets or ICOs						
Mobile payments						
Stock and shares						
Bonds						

13. If Yes, then which of these sources of information do you feel most influenced your decision?

Particulars	Yes	No	Don't know	Refused	Not relevant
Specialist products (eg magazines etc)					
A recommendation from an independent financial advisor					
Information from an advertisement					
A recommendation from friends, family					
Information provided by bank staff					
Some other type of information					

14. Are you availing of this services?

Services	Never	Occasionally	Considerably	Almost	Always
Loan					
ATM					
Cheque Book					

Internet banking					
Mobile Banking					
Debit card					
Credit card					
KCC					
Insurance					

15. Thinking about financial products and services in general, in the past years, have you experienced any of the following issues?

Particulars	Yes	No	Don't know	Refused	Not relevant
Have you accepted advice to invest in a financial product that you later found to be a scam like Chiahpuam?					
Have you accidentally provided financial information in response to an email or phone later found out was not genuine?					
Have you found that someone used your card details to pay for goods without your authorization?					
In the last 2 yrs have you queried a transaction listed on your bank or debit card statement that you did not recognize?					
Have you made a formal complaint about the service you have received from a bank or other financial institution?					
Have you tried to open a bank account and then refused for any reason?					
Have you tried to take loan from a bank and then refused for any reason?					
Have you been refused a claim on an insurance product that you expected to cover you?					
Have you ever make a complained to a remittance provider about high					

charges when sending or receiving money?					
Have you lost money because of the hackers or scams					

16. From where do you borrow money in case of financial crisis?

17. If not from Bank?. What is the reasons_____?

18. Did you ever make a plan for retirement Savings?

Yes

No

19.

	Statement	Ratings				
1	Services provided by your bank	1	2	3	4	5
2	Quick access to your deposit/loan	1	2	3	4	5
3	Bank employees attitude and behavior	1	2	3	4	5
4	Timing of bank	1	2	3	4	5
5	Bank charges	1	2	3	4	5

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EDUCATIONAL QUALIFICATION

Exam Passed	Name of the Institution	Board/Universities	Year of Passing	Percentage
M.com	Mizoram University	MZU	2018	67.6
B.com	HATIM	MZU	2016	63.8
HSSLC	Gov't Higher Secondary School, Lunglei	MBSE	2013	50.2
HSLC	Zobawk High School	MBSE	2011	53.8

Financial Inclusion
among Street Vendors in Lunglei, Mizoram

Abstract

For

The award of Mphil Degree

Submitted by

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17th july2020

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Introduction

Financial inclusion is the practice of ensuring access to appropriate financial products and services needed by vulnerable groups of society. Just accessing the financial services does not imply financial inclusion, people should know how to access financial services, from where to access and why to access. The banks are supposed to play a key role to make low-income groups gain access to financial services. Knowing numerous problems faced by the lower-income groups and vulnerable groups, the Government of India (GoI) and Reserve Bank of India (RBI) have planned and implemented schemes to increase financial services among the weaker sections and vulnerable groups to foster financial inclusion.

The Rangarajan committee (2008) defines financial inclusion as a “The process of ensuring access to financial services and timely and adequate credit by where needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost”.

Significance and scope of the study

To get successful financial inclusion, financial services and banking should reach the weaker section of the society and vulnerable person. To select street vendors as a focused group and to study the level of financial literacy and financial inclusion among them has become more important because the main source of earning for the weaker section of the society is by the means of street vending. Meanwhile, several studies

brought out that financial inclusion is key to introduce the financial services and products among the weaker sections with benefits.

The scope of this study is confined to Lunglei district which is the largest district of Mizoram and having the second largest population in the entire state. According to the 2011 census, Lunglei had a population of 1,61,428 (82,891 male and 78,537 female) and the average rate of literacy was 88.86 percent. The present study covers two largest bazaars in Lunglei, viz Sobji bazaar and AOC bazaar. It studied the financial inclusion among street vendors in Lunglei relating to Socio-economic-demographic profile, financial literacy, the status of financial inclusion and problems related to availing of financial services. Besides, the study tried to know awareness among respondents about the select schemes launched by the Indian government.

Review of literature

The literature review is divided into three parts and 30 studies were reviewed. The literature review has been attempted to familiarize with various issues of financial inclusion and financial literacy to identify the research problem. The literature review is divided into three parts namely, review of studies related to street vendors, financial inclusion among the weaker section of society and financial literacy.

Studied related to street vendors

Bhowmik and Saha (2013) concluded that most of the street vendors borrowed money from a moneylender and also the demand for a loan is high among the vendors. Baliyan & Srivastava (2016) examined that women street vendors are faced more problems compared to male counterparts to access financial services in their daily lives and also faced problem regards to child care and sanitation in their workplace. And also

in their study, they found that most of the street vendors were living to the below poverty line and most of them had a lower level of education.

Studies related to financial inclusion

Kumari & Reena (2015) examined the regional variation in the index of financial inclusion and how they are heterogeneous across the state. It has been found that Lucknow was the top-performing while Kaushambi was at the bottom of performing district attainment of an index of financial inclusion. They suggested that there is need to explore more efficiency in the other regions of the state to see the performance at the micro and disaggregate level in the state so that proper policy could be facilitated by policymakers. Thangasamy (2014) realized that the importance of financial inclusion in every state of North Eastern Region and found that North Eastern Region has to strive hard and cooperate with the banks so they can overcome all the problems facing by the weaker people.

Studies related to financial literacy

Jha & Naik (2017) conducted a study based on the awareness of financial inclusion and suggest that financial literacy need to be changed from distributing printed literature to audio and visual media and awareness should be more in the rural area. Negi and Gupta (2015) in their studies financial literacy level of Himachal Pradesh, they found that 81% of respondents have savings account in the banks, which shows that the respondents have the adequate knowledge of the financial instrument as 57% of the respondents know National Savings Certificates and 75% of the respondents know about Public Provident Fund, which has been considered as two important saving schemes in their study.

Research Gap

There are many studies related to financial inclusion and financial literacy among the weaker section of the society and also related to street vendors as noted in the review, financial inclusion is still low among the weaker section of the society in the northeastern region. Thangasamy (2014) found that the northeastern region has to strive hard to cooperate with the banks so that they can overcome the problem faced by the weaker section. However, the studies focusing on financial inclusion in the northeast is more, hilly terrain state of Mizoram are scanty especially in Lunglei. The proposed study is expected to fill up the research gap that exists in the body of knowledge

Statement of the Problem

Street vendors are one of the most marginalized vulnerable sectors of the urban informal labour market. Although street vending is seen as a growing business, street vending has become one of the means of employment for the weaker sections in the society. Women who are economically backward engaging themselves to sustain their families. As noted in the Review of literature, financial inclusion is increasing in India even in the North-Eastern part. Kumari & Reena, (2015) in their study state that the educational level among street vendors is very low and female street vendors face more problems rather than the male street vendors, their main problem is to gain access the financial services and also found that about 53.9 per cent of the female street vendors and 60.7 per cent of the male vendors are dependent on the money lenders, while only 2.6 per cent of female street vendors and 4.9 per cent of male street vendors are dependent on banks in Lucknow. This may be because of a lack of awareness of financial services among the street vendors and also lack of financial literacy among street vendors. Further, a study conducted among the street vendors in Aizawl district of

Mizoram concluded that lack of accessibility to credit is one of the major problems faced by the street vendors in Mizoram (Rodi & Ramswamy, 2012).

Considering the above reasons and findings of the previous studies, there is an urgent need to conduct a focused study on ‘financial inclusion of street vendors’ and besides that, there is no substantial evidence of studies conducted in the area of financial inclusion of street vendors in Mizoram, especially in Lunglei District. Thus, a study on the topic ‘Financial inclusion of street vendors in Lunglei, Mizoram’ is worth undertaking.

Objectives of the study:

1. To study the profile of street vendors in Lunglei, Mizoram
2. To study the level of financial literacy among street vendors in Lunglei, Mizoram
3. To study the status of financial inclusion among street vendors in Lunglei, Mizoram
4. To examine the problems faced by street vendors in availing financial services.

Research Questions

1. Does the financial inclusion schemes reach the socially vulnerable groups including the street vendors?
2. Do the street vendors know about financial services?
3. Does the present schemes of financial inclusion viz, *Pradhan Mantri Jan Dhan Yajona (PMJDY)*, *Atal Pension scheme*, *Prime Minister Jan Arogya Yojana (PMJAY)*, *Pradhan Mantri Suraksha Bima Yajona (PMSBY)* and *Pradhan Mantri Jeevan Jyoti Bima Yajona (PMJJBY)* address the needs of financial inclusion?

4. What are the most common sources of borrowing money among the street vendors and the reasons behind opting for such sources in Lunglei, Mizoram?

Research Methodology

1. Research Design- Exploratory research design was used for this study. This study is based on financial inclusion among the street vendors in Lunglei. Especially in Lunglei, there are not many studies available about financial inclusion, that is why exploratory design is adopted for the study.

2. Population and Sample size- Mizoram (23rd state of India) is situated in the south part of the northeastern region of India. As per 2011 census, the total population of Mizoram was 1,091,014 spread over the state which measures an area of approximately 21,087 square kilometres. About 37% of the population the states lives in Aizawl, the capital of the state. Lunglei is the largest (area-wise) and second most populous district of Mizoram.

Lunglei, being the largest district of Mizoram with an area of 4,572 km² (1,765 sq mi), has been selected for the present study. There are six recognized markets in Lunglei where street vendors are operating on a daily or weekly basis. These markets are as under with estimated number of street vendors:

Name of the Market	Estimated No. of Street Vendors
Sabji Bazaar	212
A.O.C Market	43
Rahsi Veng Market	15
Venglai	15
3 Gate Bazaar	15
Serkawn Market	14
TOTAL	314

Source: Pilot study

Above numbers are estimated ones as no official numbers could be found during the pilot study, and has been an outcome of headcount done by the researcher.

The population of the study is all three hundred fourteen (314) street vendors operating in the above six markets in Lunglei district of Mizoram. The standard sample size for a population of 314 with a confidence level of 95% and a confidence interval of 5% is calculated as 173. An attempt is made to select 200 respondents, selected randomly on the lottery method. Schedule method was used to collect primary data. Out of 200 filled schedules, 13 schedules were found inconsistent/defective and thus not considered for the analysis. Thus, finally, responses from 187 respondents were considered for the study, which is 14 more than the minimum sample size required based on the population size.

3. Data collection method- The study used both primary and secondary sources data. Primary data was collected through a structured schedule which is based on OECD/INFE Toolkit for measuring Financial Literacy and Inclusion. Secondary data was collected from Journals, Magazines, RBI website, OECD website, etc

4. Design of the Schedule - Schedule was divided into three parts, 1) the first part of schedule contains socio-economic information like age, gender, marital status, family size, educational qualification, income etc of the respondents, 2) the second part of schedule focuses on the level of financial literacy of the respondent 3) The third part cover status of financial inclusion among the respondent. The schedule was prepared in English which is translated into local language i.e. Mizo.

Chapterization

This study is divided into five chapters. Chapter 1 presents an overview of financial inclusion in India, the profile of Mizoram and profile of street vendors in Lunglei, Mizoram. This chapter covers the research problem, need for the study, research design and based on the literature reviewed covering the areas street vendors, financial inclusion and financial literacy.

Chapter 2 studies the socio-economic & demographic profile of the street vendors in Lunglei, Mizoram viz, gender, religion, caste, marital status, educational qualification, economic status, family size and so on.

Chapter 3 focuses on the level of financial literacy among the street vendors in Lunglei, Mizoram

Chapter 4 attempts to find out the status of financial inclusion among street vendors in Lunglei, Mizoram and also mentioned about the problems faced by the respondents availing financial services

Chapter 5 focuses on the findings of the study and offers suggestions for the government and the street vendors in Lunglei, Mizoram.

Major Findings

Socio-economic demographic profile of the street vendors in Lunglei, Mizoram

Gender: Out of 187 respondents, 182 street vendors were women, while less than 03 percent were male. This speaks of the predominance of women street vendors in street vending in Lunglei.

Marital status: Out of 187 respondents, 123 respondents were married women and 3 respondents were married, male. The study revealed that the status of women in Lunglei, especially in the field of street vending, is dominated by women

Education Qualification It is found that none of the street vendors was illiterate. The highest percentage of educational qualification among the respondents is 32.62 percent who attended HSLC (class 10th) and follow by 27.27 percent, i.e. Middle school (class 7th) and 25.67 percent i.e. Primary school (class 4th). Among the respondent, one person found graduate and post-graduate each.

Economic Status: Out of the total 187 respondents, nearly 21 percent of the respondents belong to Above Poverty Line (APL) families. The largest numbers of the respondents 71.13 percent (133) are from Below Poverty Line (BPL) families, while 4.81 percent of the respondents were found to be part of Antyodaya Anna Yojana (AAY) family.

Age of the Respondents: It is found that a total of 20.32 percent of the respondents belong to the age group of up to 30 years. The modal age group of the respondents was 31 to 40 years of age representing nearly 29 percent of the total. In the category of 41 to

50 years, 19.79 percent of the respondents lie and 20.86 percent of the respondents were at the age group between 51 to 60 years. In the category for more than 61 years, little over 10 percent of the respondents lie.

Monthly Income of the Respondents: It is found that 48.12 per cent of the respondents have an average monthly income of INR 1,001 to 3,000 and almost 29 percent of the respondents have a monthly income between INR 3,001 to 5,000. Nearly 13 percent of the respondents earned between INR 5,001 to 10,000 and almost 6 percent of the respondents earned above 10,000 in a month. The respondents who earn up to INR 1,000 are 4.3 percent.

Family Size: It is found that little over 19 percent of the respondent's family belonged to the family size of up to 3 members. Over 66.31 percent of the respondents belonged to the family size of 4 to 6 members and 12.3 percent of the respondents family belonged to the family size of up to 7 to 9 members and the remaining 2.14 percent of the respondents have a big family i.e. more than 10 members.

Level of financial literacy among street vendors in Lunglei, Mizoram

Financial Knowledge: It is found that less than 52 per cent of the respondents have a moderate level of financial knowledge, while the remaining 48.13 percent of the respondents had low financial knowledge. None of the respondents is found to have a high score in financial knowledge. One of the reasons may be the low level of educational qualification among the respondents

Financial Behavior: Financial Behavior score was found high among the respondents, less than 53 percent had a high score (i.e. scored 6 or more out of 8). It is found that 41.71 percent scored average (i.e. between 4-5). Out of total of 187 respondents, nearly 6 percent had a low score.

Financial Goals: It is found that majority of the respondents had financial goals, out of a total of 187, only 69 street vendors did not have financial goals in their family. The study revealed that most of the respondents had financial goals but to fulfil the goals they don't have a budget.

Status of financial inclusion among street vendors in Lunglei, Mizoram

- It was found that all of the respondents were aware of banks from various sources, but out of 187 respondents 155 (82.89 percent) have a bank account among them only 60 respondents opened a bank account with zero balance facility. It was also found that mainly they have a saving account as they required operating hardly for small withdrawals and avail government schemes.
- It is found that 32 respondents do not have a bank account. The main reasons are: they don't have money to keep in the bank, they even don't understand the process of opening a bank account, they didn't feel the need to have a bank account as their family members already have an account in Bank and 1 respondent could not have a bank account due to her religious beliefs and also they didn't trust a bank to save money.

- It is found that less than 53 percent of the respondents scored below average in financial inclusion, followed by 30.48 percent of the respondents found with a low score in financial inclusion. Only 15 percent of the respondents could score above average, i.e. between 50.1 to 65%. Merely 2.67 percent of the respondents could score high, i.e. above 65%. It can seem that the respondents were not financially included due to low financial literacy, lack of awareness, lack of knowledge, ignorance etc.
- **Problems faced in availing government schemes:** It is found that the majority of the respondents i.e. 72.19 percent faced some problems in their access to the government schemes while 27.81 percent did not face any problems to get government services for personal user or business. The main problems that they are facing: less awareness, less time spent on social media, less use of smartphones as they can't afford and unwillingness to cope up with the technological advancements due to low quality of education.
- **Frequency of bank visit:** Visiting the banks depends on the requirement of the respondents. In general most of the respondents, i.e. over 75 percent did not go to the bank in a year which is considered negative for the upliftment of financial inclusion. Little over 21 percent of the respondents visited the bank twice in a year and only 2.14 percent visited the bank once in a year.
- **Awareness among respondents regarding financial products and services:** Regarding the awareness these of financial products and services such as loan, ATM, cheque book, internet banking, mobile banking, debit card, credit card,

Kisan credit card, insurance and others it is found that the percentage of the users were less as they do not have chance to used that services. Most of the respondents were aware of but not availed these services. While some of them are unaware.

- **Awareness of government schemes:** Indian Government has launched many schemes, during the study it was found that more than 65 percent of the respondents aware and have availed of the schemes such as Pradhan Mantra Jan Dhan Yojana and Atal Pension Scheme. Regarding these three schemes such as Pradhan Mantra Jeevan Jyoti Bima Yojana, Pradhan Mantra Jan Arogya Yojana and Pradhan Mantri Sukraksha Bima Yajona were failed to make an impact in the surveyed area.
- **Borrowings:** It is found that nearly 61 percent of the street vendors borrowed money from their relatives and friends instead of financial institutions because the guarantor is not required. Getting a guarantor is difficult to get for those who do not hold any government jobs among the family. They can get easily borrow from their relatives and friends. Sometimes they need only a small amount of money and there is a time constraint that's why most of the respondents prefer to borrow money from their relatives rather than opting for bank loans.
- **Insurance:** It is found that insurance is mostly neglected due to a lack of knowledge as well as financial problems. Out of 187 respondents, none of them holds any of the insurance policies like Life Insurance, Health Insurance, Vehicle Insurance and Crop Insurance. The main reasons of not buying insurance are:

too expensive and they cannot afford the premium, they don't know about this policy, they do not know the needs of having Insurance some of the respondents want to have Insurance Policy but does not have any idea on the process of how to buy Insurance Policy.

SUGGESTIONS

Suggestions to the Government

- The government should conduct more awareness among the targeted people.
- Special campaign program for the weaker sections
- the government should introduce financial service subjects in school.
- For better financial inclusion, the government should adopt simple, easy, and understandable procedures to encourage more people to use banking and financial services.
- The government should organize a financial literacy program to improve financial literacy levels among the people, especially for the weaker sections.
- Interestingly, the majority of the respondents in the study claimed to watch TV regularly. Concerning TV commercials, the government and state should take a step to introduced new schemes with the help of TV commercials. So that at least people can know about the scheme which is targeted for the weaker sections.
- The government conducts awareness programs but still, there is a need for more awareness to the targeted people. So the government should organize a special

campaign program to motivate the customer even the person who doesn't have a bank account as well.

Suggestions for the Street Vendors

- Proper Records of income and expenditure should be maintained.
- Prepare financial goals and try to achieve that goal.
- Most of the respondents did not understand the scheme offered by the government. If so, they should take the help of others to understand the scheme instead of waiting for help from the government.
- Most of the respondents watch TV and they like to watch the local channels in Mizo language. So if they prefer watching the news it would aware of the govt. schemes that are advertised through the TV.

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FINANCIAL INCLUSION AMONG STREET VENDORS IN LUNGLEI,
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CERTIFICATE

This is to certify that the dissertation entitled “Financial Inclusion among street vendors in Lunglei, Mizoram” submitted to Mizoram University for the award of Master of Philosophy in Commerce, is a research work carried out by H. Lalenkawli, Research Scholar, in the Department of Commerce, Mizoram University under my supervision and it has not previously submitted for the award of any other University for any research degree.

Date (Prof.Bhartendu Singh)

Place Supervisor

DECLARATION

Mizoram University

July,2020

I H. Lalenkawli, hereby declare that the subject matter of this dissertation is the record of work done by me, that the contents of this dissertation did not form basis of the award of any previous degree to me or to do the best of my knowledge to anybody else, and that the dissertation has not been submitted by me for any research degree in any other University/ Institute.

This is being submitted to the Mizoram University for the degree of Master of Philosophy in the Department of Commerce.

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Acknowledgement

First of all, I would like to thank Almighty God. His guidance and protection, I could finish my research.

Foremost, I would like to express my sincere gratitude to my supervisor Prof. Bhartendu Singh, Head, Department of Commerce, Mizoram University for extending his continuous support and guidance which helped me to sail through this endeavour. His patience, motivational attitude, and immense knowledge backed my courage to fulfil the research. I feel blessed to get this opportunity to work with him.

Besides my supervisor, I would also like to thank all the faculty members of the department of commerce, who gave me valuable suggestions relating to my research area.

I express my heartfelt gratitude to my friend Shubhra, Puipuii and Sangi for giving me moral support throughout my research.

Last but not the least; I would also like to express my honest appreciation to my loving family who stood strong with me throughout this journey. Especially, I would like to express my vote of thanks to my father, Mr H. Lalnunzira, who has been my constant support system.

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ABBREVIATIONS

- 1) FI- Financial Inclusion
- 2) GOI- Government of India
- 3) RBI- Reserve Bank of India
- 4) KCC- Kisan Credit Card
- 5) BSBDA- Basic Saving Bank Deposit Account
- 6) NDP- Net Domestic Product
- 7) PMJDY- Pradhan Mantri Jan Dhan Yojana
- 8) APS- Atal Pension Scheme
- 9) PMJAY- Pradhan Mantri Jan Arogya Yojana
- 10) PMSBY- Pradhan Mantri Jeevan Jyoti Bima Yojana
- 11) PMJJBY- Pradhan Mantri Jeevan Jyoti Bima Yojana

CHAPTER 1

In this chapter, an attempt is made to give an overview of financial inclusion in India. It also presents the profile of Mizoram including the review of literature, significance and scope of the study, objectives of the study, research methodology and research questions etc are also clarified in this chapter.

1. INTRODUCTION

Financial inclusion is the practice of ensuring access to appropriate financial products and services needed by vulnerable groups of society. Just accessing the financial services does not imply financial inclusion, people should know how to access financial services, from where to access and why to access. The banks are supposed to play a key role to make low-income groups gain access to financial services. Knowing numerous problems faced by the lower-income groups and vulnerable groups, the Government of India (GoI) and Reserve Bank of India (RBI) have planned and implemented schemes to increase financial services among the weaker sections and vulnerable groups to foster financial inclusion.

The RBI supports to develop the level of financial inclusion among the lower-income groups and promote the financial inclusion schemes such as *Prime Minister Jan Dhan Yojana (PMJDY)*, *Atal Pension Scheme*, *Pradhan Mantri Suraksha Bima Yojana (PMSBY)*, *Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJB)* and *Prime Minister Jan Arogya Yojana (PMJAY)* etc. With the help of these schemes, the low-income groups and vulnerable groups can access the financial services and the people can be initiated in the financial inclusion.

The Rangarajan committee (2008) defined financial inclusion as “The process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost”. As per definition, financial inclusion plays a vital role in extending financial services to the weaker section of the society and the lower-income groups like uneducated, illiterate

etc. and those who didn't have regular income and permanent job. In India, lower-income groups are gaining access to financial services with the help of schemes made by the government.

In general, the low-income people and unskilled people earn their livelihood by selling their product as street vendors and Mizoram is not an exception to this. This study will focus on finding whether the street vendors are aware of the financial services offered for them and how to access the financial services in their daily lives.

1.1 Financial Inclusion in India

In India, the term financial inclusion was used for the first time in April 2005 in the Annual Policy Statement presented by Y.Venugopal Reddy, the then Governor of Reserve Bank of India, As per the policy statement, Reserve bank of India plays an important role to develop these four dimensions, viz. 1) Branch penetration 2) Deposit penetration 3) Credit penetration 4) Insurance Penetration. In January 2006 the reserve Bank permitted commercial banks to make use of services of Non-Government Organization (NGOs), Micro Finance Institution (MFI) and other civil society organization as intermediaries for providing financial and banking services.

The Reserve bank of India has a vision for 2020 to cover at least 600 million new customers with proper account and services with a variety of channel by leveraging information technology. From the initial period of financial inclusion in India Puducherry became the first village all households were provided banking facilities in India. Sujana (2018) in an article concluded that the government needs to provide quality financial services in rural areas for balanced economic growth. It has been observed that the status of financial inclusion in India is improving and branches are increasing in year after year. Reserve Bank of India implemented several measures to achieve the goal of financial inclusion, such as facilitating no-frills account and General Credit Card (GCCs) and Kisan Credit Card (KCC) for small deposits and credits.

Table 1: Progress of Financial Inclusion at present (as at the end of March 2018)

Parameter of Financial Inclusion	2010	2016	2017	2018
No. of Bank branches in Villages	33,378	51,830	50,860	50,805
No of Business Correspondents (BCs)	34,174	5,31,229	5,43,472	5,15,317
No. of others forms of banking touch points	142	3,248	3,761	3,425
Total No. of banking touch point	67,694	5,86,307	5,98,093	5,69,547
No. of BSBDA* (in millions)	73	469	533	536
Deposit in BSBDA* (amount in Rs. Billion)	55	636	977	1,121

Basic Saving Bank Deposit Account (BSBDA)

Source: Annual Reports of RBI 2016-2017 and 2017-2018

Table 1 depicts that level of financial inclusion in India is improving, No. of branches have increased till 2017 but from 2018 starts declining, financial services are quite accessible now for the general public. It is gradually becoming easier for vulnerable groups and lower-income groups of society to access financial services with the help of government schemes. But to ensure economic growth and inclusive growth only access to financial services is not enough, people need to know how to use financial services in their daily lives and at their working place.

1.2 Financial inclusion in North East

The North East India comprises of eight states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. It covers 8 percent of the geographical area of the country, accounts for 3.9 percent of the population and 2.7 per cent of all India's Net Domestic Product (NDP). The banking development of Northeast India was, only a post nationalization phenomenon. Before to nationalization of banks in 1969, there is no bank branch of commercial bank existed in Arunachal Pradesh and Mizoram. Only two branches of commercial banks served the entire state in Manipur and Nagaland. The nationalization of the major private sector banks in 1969 was a turning point in modern banking development in the North Eastern States. Starting from a low base, the branch network of commercial bank expanded significantly in the North-Eastern States.

The Reserve Bank of India has set up in 2006 a committee on Financial Sector Plan for North Eastern Region chaired by the Deputy Governor for formulating a master plan for financial services development in the region on a war footing basis. Given special difficulties faced by the Northeast Region, the RBI has been undertaking several initiatives for extending the outreach of banking facilities in the region. But the banking policy and the level of banking penetration are still very low in the Northeast Region.

1.3 Profile of Mizoram

Mizoram is located in the North-East corner in India situated between Myanmar and Bangladesh. The people who live inside Mizoram is called Mizo. The name of Mizoram is derived from the words "Mizo " and" Ram " which means the land of mizos. Mizoram is a beautiful mountainous region which became the Indian Union in February 1987. Mizoram is one of the parts of seven sister states i.e Assam, Arunachal Pradesh Manipur, Mizoram, Meghalaya, Nagaland, and Tripura, Within the Northeast region, Mizoram is one of the among member in seven sister states. It has a total of 722km boundary with Myanmar and Bangladesh. Mizoram covers an area of approximately. It

has a great view, ample hot springs, and great scenic nature. Mizoram has a great opportunity to make it a popular getaway for those who live within the state.

Population:

According to the 2011 census, Mizoram population was 10,91,014 consisting of 5,52,339 males and 5,38,675 females. it was also found that it is the second least populous state in India. Mizoram contributes 0.09 percent to the population of India (1,21,08,54,977).

Districts:

According to 2011 census, Mizoram is divided into eight(8) districts namely, Aizawl, Lunglei, Champhai, Serchip, Lawngtlai, Siaha, Kolasib and Mamit. In the year of 2019 three districts were newly formed i.e. Khawzawl, Saitual and Hnahthial. There are three Autonomous District Councils (ADCs) for ethnic tribes in Mizoram, namely “ Chakma Autonomous District Council (CADC) , “ Lai Autonomous District Council (LADC)” and “ Mara Autonomous District Council (MADC). These are the districts of Mizoram with detailed information.

Aizawl:

Aizawl is the largest district in Mizoram and situated in at about 1,132 meters above sea level. It is the most populous district among the other districts. According to the 2011 census, the population of the Aizawl is 400,309 and sex ratio is 1029 per 1000 males. The literacy rate of Aizawl district is 97.89 percent.

Lunglei:

Lunglei is the second largest population in Mizoram. As per 2011 census, the population of Lunglei district is 154,094. Lunglei is situated in the south-central part of Mizoram state. The literacy rate as of 2011 census.

Champhai:

Champhai district constituted third in terms of population in Mizoram. As per 2011 census, the population of the champhai district is 125,370 and the literacy rate of champhai district is 93.51 per cent. The main Administrative headquarters are in Champhai town.

Lawngtlai:

Lawngtlai district is one of the Mizoram states in India. The District is bounded on the north by Lunglei District, on the west by Bangladesh and the east by Siaha district and the South by Myanmar. According to 2011 census, the population of the Lawngtlai district is 117,444 and the literacy rate of Lawngtlai District is 65.88 percent.

Mamit:

Mamit is one of the District in Mizoram state in India. The district-wise population of Mamit District is 85757 and the average literacy rate as per 2011 census was 84.93 percent. The population comprises Mizo, Reang (Bru), Chakma and other backward classes.

Kolasib

The population of Kolasib district is 83,054 and the literacy rate as per 2011 census was 93.50 percent. Kolasib situated in the part of the Mizoram state.

Serchhip:

Serchhip is one of the districts in Mizoram state in India. As per 2011 census, the population of the Serchhip district is 64,875 and the average literacy rate was 97.91 percent. Compares to other districts, Serchhip has a high literacy rate.

Siaha:

The population of Siaha district is 56366. Siaha district is the least populous district among the eight districts of Mizoram. The literacy rate as per 2011 census was 90.01 percent.

In Mizoram, Since 2018 there was eight(8) district i.e Aizawl, Lunglei, Champhai, Lawngtlai, Kolasib, Mamit, Serchhip and Siaha. In 2019, three new districts were newly formed by a meeting of Mizoram Council of Ministers, which were Saitual, Hnahthial and Khawzawl.

Hnahthial:

The smallest district among the three new districts is Hnahthial District and there are 27 villages and 2 are sub-village. The village from Hnahthial District is all from Lunglei district. The population of Hnahthial District is 7,187 out of a total of 3573 are male and 3,614 are female, 1,548 families are residing in Hnahthial District.

Khawzawl:

Khawzawl District covers 28 villages and mostly from Champhai district and only 1 village is from Serchhip district. 7,372 families are residing in Khawzawl District. The population of Khawzawl is 36,381 out of the total population there is 18,447 are male and 17,938 are female.

Saitual:

In 2011 census, among the three new districts, Saitual has the most number of the people as there 50,575 where 25,607 are male and 24,968 are female. They have the largest number of villages which in total is 37 villages.

Climate:

Mizoram has a tropical climate, the temperature ranges from 20 -29 °C in the summer season. However, the temperature of Mizoram during winter is around 7 - 22°C. The rainy season is observed from May to September and In winter it hardly rains. From ancient times, The Mizo people divided the year into 5 seasons.

Thal	February to March	(Spring)
Nipui	April to June	(Summer)
Fur	July to August	(Rainy season)
Favang	September to October	(Autumn)
Thlasik	November to January	(winter)

Food and Culture:

Mizoram is the land of the tribe i.e Mizo. When Christianity came to Mizoram in the 1890s .In Mizoram, Christianity is the prevalent culture and the main festivals that are celebrated here are

Chapchar Kut, Christmas, Pawlkut, Easter, and other festivals.

After the arrival of Christianity, some of the ancient tradition and culture was lost i.e Zawlbuk, Nula rim, Pathlawi, Ramri Lehkha. The usual routine of people of Mizoram pertains to visiting the church and social gatherings in church. The state observed frequent organization of sports, dancing, singing activities etc.

In Mizoram, the main food is rice. The farmers of the state cultivate rice but it is not sufficient of the need of the state. So, the state imports from another state. The Usual food of people staying in Mizoram includes meats like Beef, Pork, chicken, fish, crab, sheep, dog, goats and rabbit etc. The vegetables consumed are Potato, Beans, ladyfingers, The soil of Mizoram is sand- loamy and clay- loamy which is suitable to grow numerous

fruits and vegetables including some exotic fruits like passion fruits, dragon Fruits, Kiwi, Persimmon and Strawberries.

1.4 Street Vendors

Street vending is an old age tradition until today street vending is one of the most popular activities to earn money especially for the weaker section of the society and the uneducated people. Every day we come across street vendors in our daily lives. They are like the pyramid that is at the bottom of the pyramid. Street vendors are the unskilled workers, self-employed in the unorganized sector. Bhowmik and Saha (2011) defined a street vendor as ‘A person who offers goods for sale to the public at large without having a permanent built-up structure from which to sell’. In Mizoram there are more street vendors, not having a proper place to sell their goods to the public while some street vendors have seat to sell.

Street vendors Act 2014 defined a Street vendors as “a person engaged in vending on articles, goods, wares, food items or merchandise of everyday use of offering services to the general public, in a street, lane, sidewalk, footpath, pavement, public park or any other public place or private area, from a temporary built-up structure or by moving from place to place and includes hawker, peddler, squatter and all other synonymous terms which may be local or region-specific and the words street vending with their grammatical variations and cognate expression, shall be constructed accordingly.”

1.5 Street vendors in Mizoram

Mizoram is a small state of India located in North East Region, it is situated in between three Indian states Assam, Tripura and Manipur, and two countries, viz. Myanmar and Bangladesh. According to the 2011 census, Mizoram has a population of nearly 11 lakhs; the main Mizo people are dependent on agriculture for their livelihood and occupation. Mizoram is hilly terrain; Over 60% of the total area is classified as forest. Mizoram street vendors (protection of Livelihood and Regulation of street vending) Act

was passed in 2011. There are around 3,000 vendors in Aizawl, most of them are those who do not have a proper place to seat while some of the vendors have their regular seat.

The Mizo people are mainly dependent on agriculture for their livelihood, as there is no big industry and are remained industrially backward, due to lack of industrial growth; most of the uneducated/fewer people opt for street vending to earn their livelihood. In Mizoram, street vending is one of the most popular occupations for the lower-income groups of society. It is observed that most of the street vendors here in Mizoram are those who carry out vending not regularly, and also some of the street vendors are those who have their regular seat paying rent for the shelter. Rodi and Ramswamy (2012) observed that in their study that lack of transportation is the main problem faced by the street vendors and also lack of accessibility to credit is one of the major problems faced by the street vendors in Mizoram

1.6 Street Vendors in Lunglei

Lunglei is the second most populated district in Mizoram. There are six(06) markets in Lunglei city, viz. Sobji Bazaar, AOC Bazaar, 3Gate bazaar, Rahsiveng Bazaar, Venglai Bazaar and Chanmari bazaar. Most of the street vendors in the city do not own a fixed place while the rest of the street vendors have a regular place for vending by paying money for the respective place. Street Vendors are practising their vending activity in the following three markets only:

Sobji Bazaar :

This Sobji Bazar is the main and biggest market in Lunglei. The seller starts to occupy their seat from dusk till dawn, it is usually crowded in the morning and fewer people in the evening, and especially on Saturday. This market is the oldest in Lunglei. Various goods such as different items of clothes, jewellery, lifestyle, footwear and food items are sold in this market. The peak hours of the market are from 6-10 am when the bazaar is crowded with customers.

AOC bazaar:

This market is also the second-largest Zing bazaar (morning market) which operates on Saturday, there are around 63 street vendors who sell only vegetables in this bazaar. In this bazaar all kinds of fruits, vegetables and meat etc are available. The peak hour of this bazaar is from 6am to 10am on Saturday morning. This market is located inside the AOC area.

Pictures of the AOC Zing bazaar



Picture: Street vendors in AOC bazaar

Venglai Bazar:

The street vendors in Venglai, Lunglei is located below Lunglei Police Station and there are around 15 people. These vendors usually started their vegetables from 6 am to 5 pm. The local council built a small shed for them but it can contain around 5 or 6 people. So the majority of them just expose themselves under the heat. They do not just sit together in one place, they scattered around near the shed or in front of the shop trying their best to support their family. As the place is in the heart of Lunglei town, many office workers and passerby used it as their main sources for vegetable shopping.

Serkawn Bazar:

The street vendors in Serkawn Lunglei are located near Serkawn Hall and around 10 people used it as their main source of income they also started setting up their vegetables at around 7 am to 5 pm. As the place is a bit far from the main town, It is useful for the people of Serkawn, Zotlang and Zohnuai who are their neighbours. The vegetables their sell are mostly fresh and healthy.

3 Gate bazaar:

This market is located 3 gate area and near the market, there is Assam rifles Place. So most who the seller is from the Army who is staying nearby the market. There are around 15 vendors. These vendors start the vending between 6 am till 5 pm. As the place is on the roadside of 3 gate area, many office workers and local people who passerby the road used it as their main sources for vegetable shopping. Especially it is the main vegetable bazaar for the people of Sethlun, Luangmual who are staying near the market.

2. SIGNIFICANCE AND SCOPE OF THE STUDY

To obtain successful financial inclusion, financial services and banking should reach the weaker section of the society and vulnerable person to access financial services. To select street vendors as a focused group and to study the level of financial literacy and financial inclusion among them has become more challenging because the main activity of earning for the weaker section of the society is by the means of street vending. These people used to depend upon government schemes like MNREGA. Singh and Sailo (2011) observed that 64.5 percent of males and 79.8 percent of females reduce their seasonal distress regards to their work because of the MNREGA scheme. The study will help to understand how much the street vendors are linked with the financial services and level of financial literacy which prevails among the street vendors in the Lunglei district of Mizoram.

The scope of this study is confined to Lunglei District which is having the second largest population in the entire state, According to 2011 census Lunglei had a population of 1, 61,428 (82,891 male) and (78537 female) and the average rate of literacy was 88.86 percent. The study will cover two main street vending markets in Lunglei, viz. Sobji Bazaar and AOC Bazaar. The main aim of the study is to focus on the socio-economic profile of the street vendors, the level of financial literacy of the street vendors and to examine their status of financial inclusion.

3. REVIEW OF LITERATURE

The literature review has been attempted to familiarize with various issues of financial inclusion and financial literacy to identify the research problem. The literature review is divided into three parts namely, review of studies related to street vendors, review of studies related to financial inclusion among the weaker section of society and review of studies related to financial literacy.

3.1 Street vendors

Street vendors are the one who offers goods for sale to the public without having permanent seat among the weaker section of the society and their income level are very low and uncertain. Hernandez et al (1996) surveyed female street vendors in Mexico City and found that most of the street vendors in Mexico City were face lots of problem regards to child care and sanitation in their workplace. They suggested that short term urban recognition are needed only in their workplace so it can affect the positive results for the health of consumers, of workers and the letters immediate social environment.

Mitullah (2003) conducted a case study based on street vending which is drawn from Kenya, Uganda, South Africa, Zimbabwe, Ghana and cote D'ivoire and found that the investment climate constraints that street vendors face mainly include poor policies and regulations, lack of infrastructure, business development and general services such as child care, storage facilities, water and sanitation, refuse collection and lack of effective organization among street vendors. And these issued should be addressed by all the stakeholders with the government playing a triple role of partner facilitators and catalyst.

Bhowmik & Saha (2011) in their study financial inclusion program though targeted at the urban poor, has paid little to no attention to the street vendors. the national policy for street vendors had proposed to address the issue of financial inclusion of the street vendors through the formation of SHGs associations and microfinance institutions but if failed due to the lack of proper implementation.

Saha. D (2011) found that most of the street vendors are dependent on the moneylenders and also a wholesaler for access to credit for their business as well as for social security purposes and also showed that vendors are often forced to pay exorbitant rates of interest for the money borrowed by them and this is also one of the problems faced by the street vendors. He suggested that the government should take a step in to mitigate the financial problems of street vendors by fulfilling its duty of paying social security.

Bhowmik and Saha (2013) concluded that most of the street vendors borrowed money from moneylender and also the demand of loan is high among the vendors. They revealed that 51% of the vendors are linked to their credit source by their fellow vendors and 2% vendors are found to borrow from relatives because of the free charge but they cannot borrow regularly because of the sources of finance. So they also suggested that bank should arrange collateral-free loans for the street vendors and conduct more skill development programmes and training programmes and organized workshop for the weaker section of the society and also should give exclusive programme for the street vendors.

Kaur, B.(2015) pointed that street vending is not only a source of self employment to the poor in cities and towns but also means to 'affordable' as well as 'convenient' services to a majority of the urban population. They try to solve their problem through their meagre financial resource. So that they can provide valuable services to the urban masses while making out of living through their enterprise, limited resources and labour. And also found that street vendors have been demanding protection from civic agencies and the government so that they can earn their livelihood without fear.

Baliyan & Srivastava (2016) examined that women street vendors are faced more problems compared to male counterparts to access financial services in their daily lives and also faced problem regards to child care and sanitation in their workplace. And also in their study, they found that most of the street vendors were living to the below poverty line and most of them had a lower level of education. To overcome this problem, they need to improve the self-empowerment of the street vendors and to access better education for their children and they need to aware about the financial services so that they can access the financial services and overcome the problem that they are facing. From this review, we can know that street vendors faced problems in term of sanitation, water facility, child care and access of financial services and so on, thus this problem is the common problem of street vendors as see in the review.

3.2 Financial Inclusion

Financial inclusion is the process of accessing financial services for the vulnerable groups and weaker section of the society. Not just accessing is not financial inclusion, to inclusive financial services people should know how to access, use financial services for their needs. Mohan, (2006) examined that agricultural credit has played a vital role in supporting agricultural production in India. Though the outreach and the amount of agricultural credit have increased over the years, there are several gaps in the system like adequate provision of credit to small and marginal farmers, the paucity of medium and long term lending and limited deposit mobilization and heavy dependence on borrowed funds by major agricultural credit purveyors. The farmers used to face lots of problems so he suggested that financial institution are needed to cater to the requirement of finance for building necessary institution and marketing infrastructure. The bank should also more alert about the development of agriculture.

Kapoor, (2011) examined that financial inclusion strategy for the northeastern region needs to be built around the existing development and trends in the region the author working building on the mobile-based model for delivery of crop insurance to farmers by creating an enabling transaction environment that will be accessible through the most simplistic handset and he introduced mobile money services that will augment financial inclusion among the unbanked and underbanked consumer segment by bringing financial services to the consumer's mobile device and will create a financial ecosystem that is inclusive, sustainable and scalable.

Bhanot, Bapat & Bera (2012) conducted a study on financial inclusion in two states of northeast i.e Assam and Meghalaya confirm that level of financial inclusion in North East India remains very low and only 18.32 percent of the individuals surveyed were financially included.

Sarkar & Phatowali (2013) examined that improving financial inclusion in the northeastern region, trust is required to be given in improving the branch network as well

as the CDR as contributions of these two indicators are found to below. They suggested that trust is to be given on improvement of per capita credit availability and CDR.

Santoki, Gandhi. & Parekh, (2013) Confirmed that PMJDY scheme was solved the problem facing by the weaker people and low-income groups because of these scheme provides financial literacy to the rural area people and also increase the awareness of the of financial service segment so it helps to access financial service for affordable groups and makes developed financial inclusion.

Thangasamy (2014) realized that the importance of financial inclusion in every state of North Eastern Region and found that North Eastern Region has to strive hard and cooperate with the banks so they can overcome all the problems facing by the weaker people. He also mentioned that financial inclusion is not an obligation but an opportunity for all in the North-Eastern region and even in term of lower population densities, poor infrastructure, inadequate communication facilities and law and order problem.

Chakma, (2014) in his article, confirmed that North Eastern region has still severely under a bank, to achieve the objectives of complete financial inclusion and growth of inclusive, the government and Reserve bank of India play a key role to promote financial services to the weaker section of the society and suggested that coordinated action between the banks and the government and others to facilitate access to bank account among the financially excluded so that the financial inclusion can be taken forward.

Kumari & Reena (2015) examined the regional variation in index of financial inclusion and how they are heterogeneous across the state. It has been found that Lucknow was the top-performing while Kaushambi was at the bottom of performing district attainment of the index of financial inclusion. In region-wise performance, the western region is advanced while the eastern region is backward in financial inclusion. They suggested that there is need to explore more efficiency in the other regions of the state to

see the performance at the micro and disaggregate level in the state so that proper policy could be facilitated by policymakers.

Sandhu & Singh (2016) argued that widening the bank network, technology solutions, targeting the neglected niches, regulatory support and building awareness and trust can help banks deepen financial inclusion in India and found that there is a need to rethink, rework and refine the existing strategies and practices to make a conscious effort to achieve financial inclusion.

Debnath & Tiwari (2016) found that the street vendors from the unorganized groups were living simple and lack of knowledge especially in term of financial service. In their studies, most of the street vendors in Kohima were unaware of banking service, saving in the form of cash instead of saving in the bank

Kaur (2017) found that more consistent and vigorous efforts are required to promote financial inclusion in the state and the banks need to concentrate more efforts at the grass-root level to meet the credit requirements of those regions on a priority basis so that bank can know what people expect from banks and why are not using formal financial services.

Jha & Naik (2017) conducted a study based on the awareness of financial inclusion and suggest that financial literacy need to be changed from distributing printed literature to audio and visual media and awareness should be more in a rural area.

Singh, (2017) in his study, financial inclusion policies and instrument has a positive impact on the level of financial inclusion, especially among the farmer's groups. And suggested that Bank should give more income amount their clients so that they can work on a full-time basis. And also RBI should create a separate data bank in the context of financial inclusion to measure the progress of the financial segment of the society's i.e. farmers, low-income groups etc. From the help of policies and instruments, the financial services program like PMJDY reaches the vulnerable groups and low-income groups.

Mukta Mani(2019) her study attempted to analyze the level of financial inclusion in north India identified through detailed literature review viz banking, borrowing and insurance in the education sections of the society.

3.3 Financial literacy

Financial literacy encompasses the financial knowledge, financial behaviour and financial attitude of the individual. Every individual required knowledge and skills for the financial decision and management of money in their daily lives. Sharma & Kukreja, (2013) found that there is a need for greater support on the micro and distributional diversion of financial resources. It was found that the most important factors causing a low level of financial literacy due to lack of awareness. And need innovative economic strategies that should coordination of the entire stakeholder like sectoral regulators, bank, government, civil societies, NGOs etc to achieve the objectives of financial inclusion and but now Financial inclusion has not yielded the desired result and there is a long road ahead and still now working on the positive side.

Adetunji & David West, (2017) Argued that income and financial literacy of an individual when controlled for age, gender and urban-rural classification determined how often the individual uses financial services. While financial literacy significantly determines how often individuals save formally and informally, income only has a significant effect on formal savings. And found that young women living in rural areas are more vulnerable and hence more financially excluded than any other groups. So, he suggested that low-cost financial services should be provided to them digitally with financial literacy and other intervention from the providers and the government and donor agencies.

Naidu, (2017) in his article review he found that financial literacy level is low in India, especially women and youngsters who are struggling with their basic financial knowledge. Although many initiatives from RBI and Government on financial literacy

improvement but still low that's why to achieve the financial objectives one has to possess basic financial skills, awareness, knowledge, attitude and good demonstrated behaviour.

Agarwal, Kureel, & Yadav, (2017) In their articles, they argued that youth should be educated about financial literacy, So that this will be beneficial for society, individual and whole community and it can help the youth for recruitment and retention and open new doors for the youth as well. Because of this noted, they suggested some principles should be kept in mind while preparing an effective financial literacy programme. These are clear mission and vision, connected to the standard, relevant, community-focused, integrated with other curriculum areas, supported with adequate resources, continuous evolution for effectiveness, learner-centred, effective delivery.

Negi and Gupta (2015) in their studies financial literacy level of Himachal Pradesh, they found that 81% of respondents have savings account in the banks, which shows that the respondents have the adequate knowledge of the financial instrument as 57% of the respondents know National Savings Certificates and 75% of the respondents know about Public Provident Fund, which has been considered as two important saving schemes in the present study.

Dash & Das (2017) suggested that awareness of financial literacy should be created more among the woman entrepreneurs on the importance of participating in financial literacy training programmes to equip the staff with financial literacy skills and also reveal that woman entrepreneur's age positively influences monthly expenditure because of the skills and awareness. And also this study found that the skills and awareness help them to focus on making personal savings, increasing the capital for re-investing and business expansion which brings in more profits in the long run. From this review, financial literacy is low in India, especially in women and youngster who are struggling with their basic financial knowledge.

4. RESEARCH GAP

There are many studies related to financial inclusion and financial literacy among the weaker section of the society and also related to street vendors as noted in the review, financial inclusion is still low among the weaker section of the society in the northeastern region. Thangasamy (2014) found that the northeastern region has to strive hard to cooperate with the banks so that they can overcome the problem faced by the weaker section. However, the studies focusing on financial inclusion in the northeast is more, hilly terrain state of Mizoram are scanty especially in Lunglei. The proposed study is expected to fill up the research gap that exists in the body of knowledge

5. . RESEARCH DESIGN

There are many studies related to financial inclusion and financial literacy among the weaker section of the society and also related to street vendors as noted in the review, financial inclusion is still low among the weaker section of the society in the northeastern region. Thangasamy (2014) found that the northeastern region has to strive hard to cooperate with the banks so that they can overcome the problem faced by the weaker section. However, the studies focusing on financial inclusion in the northeast are more, hilly terrain state of Mizoram are scanty especially in Lunglei. The proposed study is expected to fill up the research gap that exists in the body of knowledge.

5.1 Statement of the problem

Street vendors are one of the most marginalized vulnerable sectors of the urban informal labour market. Although street vending is seen as a growing business, street vending has become one of the means of employment in urban city centres. Women who are economically backward engaging themselves to sustain their families. Coller et al (2009) studied more than 250 financial diaries of low-income individuals in Bangladesh, India and South Africa. Their findings show that each household has problem regards to get financial services. This suggests the low-income individuals do need access to financial services So that there are barriers that prevent their use of formal sector services.

As noted in the Review of literature, financial inclusion is increasing in India even in the North-Eastern part. Kumari & Reena, (2015) in their study state that the educational level among street vendors is very low and female street vendors face more problems rather than the male street vendors, their main problem is to gain access the financial services and also found that about 53.9 percent of the female street vendors and 60.7 percent of the male vendors are dependent on the money lenders, while only 2.6 percent of female street vendors and 4.9 percent of male street vendors are dependent on banks in Lucknow. This may be because of a lack of awareness of financial services among the street vendors and also lack of financial literacy among street vendors. Further, a study conducted among the street vendors in Aizawl district of Mizoram concluded that lack of accessibility to credit is one of the major problems faced by the street vendors in Mizoram (Rodi & Ramswamy, 2012).

Considering the above reasons and findings of the previous studies, there is an urgent need to conduct a focused study on ‘financial inclusion of street vendors’ and besides that, there is no substantial evidence of studies conducted in the area of financial inclusion of street vendors in Mizoram, especially in Lunglei District. Thus, a study on the topic ‘Financial inclusion of street vendors in Lunglei, Mizoram’ is worth undertaking.

5.2 Objectives of the study

To examine the status of financial inclusion among the street vendors in Lunglei, Mizoram, the following research objectives have been put forward:

1. To study the Socio-economic Profile of the street vendors in Lunglei
2. To find out the level of financial literacy of the street vendors in Lunglei
3. To study the status of financial inclusion of the street vendors in Lunglei
4. To examine the problems faced by the street vendors in availing financial services.

5.3 Research Questions

1. Does the financial inclusion schemes launch to reach the socially vulnerable groups including the street vendors?
2. Do the street vendors know about financial services?
3. Does the present scheme of financial inclusion viz, *Pradhan Mantri Jan Dhan Yajona (PMJDY)*, *Atal Pension scheme*, *Prime Minister Jan Arogya Yojana (PMJAY)*, *Pradhan Mantri Suraksha Bima Yajona (PMSBY)* and *Pradhan Mantri Jeevan Jyoti Bima Yajona (PMJJBY)* address the need of financial inclusion?
4. What are the most common sources of borrowing money among the street vendors and the reasons behind opting for such sources in Lunglei, Mizoram?

5.4 Research Methodology

Research Design

The exploratory research design used for this study. This study based on financial inclusion among the street vendors in Lunglei. Especially in Lunglei, there are no more studies about financial inclusion among the street vendors because of that exploratory design will be used for this study.

Population and Sample Size

Mizoram (23rd state of India) is situated in the south part of the northeastern region of India. As per 2011 census, the total population of Mizoram was 1,091,014 spread over the state which measures an area of approximately 21,087 square kilometres. About 37% of the population the state lives in Aizawl, the capital of the state. Lunglei is the largest (area-wise) and second most populous district of Mizoram.

Lunglei, being the largest district of Mizoram with an area of 4,572 km² (1,765 sq mi), has been selected for the present study. There are six recognized markets in Lunglei where

street vendors are operating on a daily or weekly basis. These markets are as under with estimated number of street vendors:

Name of the Market	Estimated No. of Street Vendors
Sobji Bazaar	212
A.O.C Market	43
Rahsi Veng Market	15
Venglai	15
3 Gate Bazaar	15
Serkawn Market	14
TOTAL	314

Source: Pilot study

Above numbers are estimated ones as no official numbers could be found during the pilot study, and has been an outcome of headcount done by the researcher.

The population of the study is all three hundred fourteen (314) street vendors operating in the above six markets in Lunglei district of Mizoram. The standard sample size for a population of 314 with a confidence level of 95% and a confidence interval of 5% is calculated as 173. An attempt is made to select 200 respondents, selected randomly on the lottery method. Schedule method was used to collect primary data. Out of 200 filled schedules, 13 schedules were found inconsistent/defective and thus not considered for the analysis. Thus, finally, responses from 187 respondents were considered for the study, which is 14 more than the minimum sample size required based on the population size.

Data collection method

For collecting data for the proposed study, the study used both primary and secondary sources. Primary data was collected through a structured schedule which is based on Schedule of OECD. The schedule was a mix of open ended and close ended questions. Secondary data collected from Journals, Magazines, Articles, RBI websites, OECD websites, etc.

Schedule Design

Schedule divided into three parts, 1) the first part of schedule contains socio-economic information like age, gender, marital status, family size, educational qualification, income etc of the respondents 2) the second part of schedule focus on the level of financial literacy of the respondent 3) The third part focus status of financial inclusion among the respondent. The schedule prepared in English which is translated into local language i.e. Mizo.

5.5 Chapterization of the Study

The study has been divided into five Chapters as follows:

Chapter 1-Introduction: This chapter presents an overview of financial inclusion in India, the profile of Mizoram and profile of street vendors in Lunglei, Mizoram. This chapter covers the research problem, need for the study, research design and based on the literature reviewed covering the areas street vendors, financial inclusion and financial literacy

Chapter 2-Profile of street vendors in Lunglei, Mizoram: This chapter covers the studies of the socio-economic & demographic profile of the street vendors in Lunglei, Mizoram viz, gender, religion, caste, marital status, educational qualification, economic status, family size and so on.

Chapter 3- Financial Literacy among street vendors in Lunglei : In this chapter, the study focuses on the level of financial literacy among the street vendors in Lunglei, Mizoram. It also presents the result of the research questionnaire as well.

Chapter 4- Financial inclusion among street vendors in Lunglei, Mizoram : This chapter attempts to find out the status of financial inclusion among street vendors in Lunglei, Mizoram and also mentioned about the problems faced by the respondents availing financial services.

Chapter 5- Findings and Suggestions: The last chapter of this study presents findings of the study and offers suggestions for the government and the street vendors in Lunglei, Mizoram.

6. LIMITATION OF THE STUDY

- 1) The respondents were not able to understand the technical words like “ Crypto-asset” etc
- 2) Due to irregular and heavy footfall during certain times of the day, many vendors could not pay full concentration to the response to the enumerator as they had to attend the customers, while others might have responded without such interruptions. This might have unintentionally affected the answers. Similarly many times the schedule filling was interrupted due to sudden rains.
- 3) The area covered in the research is one of the districts, viz Lunglei, of Mizoram. The socio-economic conditions of the respondents might be similar at the state level, but the results may not be generalized for India.
- 4) Few of the questions like monthly /annual income , saving etc were based on memory and are of personal nature,few of the respondents might not have given correct response, although all precautions were taken to win the confidence of the respondents.

Conclusion

Financial inclusion plays a key role in the economic development of the country. Financial inclusion refers to the practice of accessing financial services with affordable cost for the weaker sections but just accessing financial services does not mean they are financially included. So, they should know how to access, why and where to access. The proposed study tries to find among the street vendors in Lunglei, Mizoram whether they are financially included or not. The profile of Mizoram is also mentioned in this chapter as well.

CHAPTER 2

PROFILE OF THE RESPONDENTS

This chapter proposes to identify and discuss the socioeconomic background of the street vendors in Lunglei, Mizoram in the context of their financial inclusion and financial literacy. In other words, this chapter is based on primary data collected from 187 street vendors in Lunglei, Mizoram. It is attempted to study the socioeconomic background of the respondent in terms of their age, religion, caste, marital status, education qualification, monthly income from business and economic status and also the size of the respondents family, etc.

2.1 Profile of the street vendors in Lunglei

The profile of the street vendors plays an important role to find out financial literacy and financial inclusion of the respondents for the study. In this study, it was evident that most of the respondents were women, no child as a street vendor was seen and very few men. Total sample of the study was 187 respondents, out of which 182 were women, 5 male and 0 children. The main footfall in Lunglei is in Sobji bazaar. In this study it was revealed that street vending in Lunglei is women dominated. In Lunglei the main shopping center is Sobji Bazaar. All kinds of products from cosmetics, shoes, clothes to vegetable and even poultry products are available in this bazaar. The street vegetable markets in Lunglei are Sobji Bazaar, AOC Bazaar, 3 Gate Bazaar, Venglai Market, Rahsiveng. In most of the bazaars, only vegetables are being sold. The present study covers six(6) markets in Lunglei from vendors who used to sell vegetable without having a permanent seat.

To make the study more meaningful and understand the reasons that lay behind the lack of financial awareness among the vulnerable groups of the society the profile of the respondents is detailed below.

Gender:

In the population census of 2011, it was revealed that the population ratio in India 940 females per 1000 of males. There are 5,41,867 females and 5,55,339 males in Mizoram. The gender ratio in Mizoram is 976 females to that of 1000 males. The percentage decadal growth rate of population is 23.48 percent during 2001-2011.

Women play a vital role in term of the informal sector especially in the street enterprise(Thebe, 2015) found that majority of the street entrepreneur in Zimbabwe were female and street vending, in general, is being dominated by the female. Not only outside India, within India Bhowmik(2007) surveyed street vendors and found that street vending is being dominated by a female.

The present study enquired into the gender composition of the street vendors operating in the two largest bazaars in Lunglei City, namely Sobji Bazaar and AOC Bazaar. There is gender inequality that is evident in this study. It is an important finding that the women predominantly conducting business activities in Mizoram.

Table 2.1
Gender of the Respondents i.e. street vendors

Gender	No. of Street Vendors	Percentage
Female	182	97.33
Male	5	2.67
Total	187	100

Source: Field Survey

Table 2.1 shows gender of the respondents i.e. street vendors, majority of the respondents 97.33 percentage of street vendors were women, out of a total number of 187 respondents. Nearly 2.67 percent were male out of a total number of 187 respondents. This speaks of the predominance of women street vendors in street vending in Lunglei. Though the majority of the gender-wise was taken by female, and most were married women. Perceptibly this could be because in Mizo Societies women have a skilled in term of

vending compares to men. Street vending is one of the income-earning opportunities to the marginalized tribal women in Lunglei.

Education:

Many researchers have contended that the educational background of the street vendors plays an important role in managing the financial resources of the enterprise efficiently and effectively. According to the census report 2011, Mizoram ranks among the top states in terms of literacy with a literacy rate about 91.6 percent, of which was much above the national average of 74.04 percent.

Many studies had revealed that street vendors have low levels of education. It is commonly accepted in the nation that the importance of education in the development of standard living of people and human resources. In this study educational qualification plays a vital role to know the results of financial literacy and financial inclusion of the street vendors in Lunglei, Mizoram.

Table 2.2
Educational Qualification of Respondents i.e Street Vendor

Education Qualification	Respondent		Total
	Female	Male	
Illiterate	0	0	0
No formal school	9	0	9 (4.81)
Primary school	49	0	49 (26.20)
Middle school	52	2	54 (28.88)
HSLC school	56	1	57 (30.48)
HSSLC school	14	2	16 (8.5)
Graduate	1	0	1 (0.53)
Post Graduate	1	0	1 (0.53)
Total	182	5	187

Source: Field Survey

Note: Figures in parenthesis are percentage

Table 2.2 highlights the educational qualification of the respondents, it is evident that none of the street vendors was illiterate. Most of the street vendors do not have a higher level of education. Even a few people got no formal education but are literate. The highest percentage of educational qualification among the respondents is 32.62 percent who attended HSLC (class 10th) and follow by 27.27 percent, i.e. Middle school(class7th) and 25.67 percent i.e. Primary school (class 4th). Among the respondent, one person found graduate and post-graduate each. As expected, the majority of street vendors do not have higher levels of education.

Bhowmik &Saha(2011) found that the educational attainment was high among the female as compared to male counterparts, while 32 percent were found to be illiterate among the street vendors. It also found that the percentage of illiterate people were more among the females and one post graduate students among the respondents

Religious and Caste Status:

Religion is one of the measurements of human behaviour and practices related to spiritual elements. The common religious groups are Christianity, Buddhism, Islam, Hinduism and folk religion. In Mizoram the most common religion is Christianity. Cohen and Tinker (1985) in their study, they observed that religious beliefs have a strong influence especially on women in the informal sector regards to the operation.

To measure the caste considerations, there are four tribes, viz Schedule Tribe (ST), Schedule Cast(SC), Other Backward Cast (OBC) and General. This study focuses on caste consideration among the street vendors in Lunglei, Mizoram.

**Table 2.3:
Religion and cast of the Respondents**

Cast	Religion of respondents	Total
	Christian	
ST	187	187
Total	187	187

Source: Field survey

Table 2.3 shows religion and cast of the respondents. Most of the respondents in the present study belonged to the Mizo community. It can be seen that all the respondents were Christian, who belongs to a scheduled tribe in Lunglei, Mizoram.

Marital Status:

Marital status is an important criterion for analyzing the demographic profile of the respondents. The above table 2.3 highlights the cross-tabulation of gender and marital status of the respondents in Lunglei, Mizoram.

Table 2.4
Gender and Marital Status of the Respondents

Marital status	Respondent		Total
	Female	Male	
Married	129	3	132 (70.59)
Unmarried	22	2	24 (12.83)
Divorced	9	0	9 (4.81)
Widowed	22	0	22 (11.76)
Total	182	5	187

Source: Field Survey

Table 2.4 represents gender and marital status of the respondents. Nearly 71 percent of the respondents were female who is married women. Little over 12 percent of the respondents were unmarried women and divorced comprised nearly 5 percent and the widowed 11.76 percent.. It also found Street vending is very popular work among the weaker section and lower-income groups. This study observed that most of the respondents are female and only six (6) male are involved in street vending in Lunglei, Mizoram.

Economic Status:

Economic Status represents the family category under the targeted public distribution system. The Public Distribution System (PDS) evolved as a system for management of scarcity and for distribution of food grains at affordable prices. Over the years, PDS has become an important part of the Government's policy for management of the food economy in the country. PSD is a supplement in nature and is not intended to make available the entire requirement of any of the commodities distributed under it to a

household or a section of the society. In June 1997, The Government of India launched the Targeted Distribution System(TDS) with a focus on the poor. The Following are the categories of Targeted Public Regulatory System.

1) APL (Above Poverty Line)

It means a measure of persons who live above its nationally designated poverty threshold. India divides the poverty threshold into urban and rural areas. People in urban areas must meet higher monthly income minimums to be considered above the poverty line. The World Bank uses a more stringent poverty threshold than the Indian Government. Thus, The above Poverty Line are all those who do not fall under the category of below poverty line.

2) Below Poverty Line (BPL)

BPL is an economic benchmark and poverty threshold used by the government of India to indicate economic disadvantages and to identify individuals and households in need of government assistance and aid. It is determined using various parameters which vary from state to state and within states.

3) Antyodaya Anna Yojana (AAY)

AAY is an Indian Government-sponsored scheme for ten million of the poorest families. It was launched by the NDA government on 25th December 2000. It looks out of for the poorest of the poor by providing them 35 kilograms of rice and wheat at Rs 3 & 2 per kg respectively. Under this scheme, one crore of the poorest among the BPL families covered under the targeted public distribution system was identified. Poor Families were identified by the respective state rural development facility through a below poverty line survey.

Table 2.5
Economic status of Respondents

Economic	Frequency	Percentage
APL	39	20.86
BPL	133	71.13
AAY	9	4.81
Don't know	6	3.20
Total	187	100

Source: Field Survey

Table 2.5 highlights Economic Status of Respondents. The category of the respondent's family as targeted by the public distribution system. The largest numbers of the respondents were from Below Poverty Line (BPL) i.e 133 street vendors which are 71.13 percent. Out of the total 187 respondents, nearly 21 percent of the respondents were from Above Poverty Line (APL) families. The remaining 4.81 percent of the respondents were from Antyodaya Anna Yojana (AAY). Besides, little 3 percent of the respondents do not know about their economic status during the study.

Age:

For this study, the age profile of the respondents has been categorized in different groups like below 30 years of age, between 31 to 40 years, 41 to 50 years of age of the respondents and 51 to 60 years and more than 61 years of age.

**Table No 2.6:
Age of the Respondents**

Age	No. of Respondents	Percentage
Below 30	38	20.32
between 31-40	54	28.88
Between 41-50	37	19.79
Between 51-60	39	20.86
More than 61	19	10.17
Total	187	100

Source: Field survey

Table 2.6 shows the age distribution of select street vendors. A total of 20.32 percent of the respondents belong to the age group of up to 30 years. The modal age group of the respondents was 31 to 40 years of age representing nearly 29 percent of the total. In the category of 41 to 50 years, 19.79 percent of the respondents lie and 20.86 percent of the respondents corresponds to the age group 51 to 60 years. In the category for more than 61 years, percent of the respondents lie. Hence it is evident from table 2.6 that majority of the respondents lie in the category 31 to 40 years.

Monthly Income:

Monthly income refers to the income earned by a person in a month. Money can be earned by doing a job to afford the family needs or personal needs. For this study, income is a part of the measurement of the socio-demographic profile of the respondents. This study covered the monthly income of the respondents distributed into 5 groups i.e. monthly income up to INR 1,000, between INR 1,001 to 3,000, between INR 3,001 to 5,000 monthly, between INR 5,001 to 10,000 and monthly income above INR 10,000.

Table: 2.7
Monthly Income of Respondents

Monthly income(INR)	Frequency	Percentage
Up to 1000	8	4.3
1,001 – 3,000	90	48.12
3,001- 5000	54	28.87
5001-10000	24	12.83
Above 10,000	11	5.88
Total	187	100

Source: Field Survey

Table 2.7 highlights the monthly income of the respondents. It is observed that nearly 49 percent of the respondents have monthly income of INR 1,001 to 3,000 i.e the majority income of the respondents and almost 29 percent of the respondents have a monthly income between INR 3,001 to 5,000. Nearly 13 percent of the respondents earned between INR 5,001 to 10,000 and almost 6 percent of the respondents were earning above 10000 in a month i.e. The highest income among the respondents. The lowest income groups of the respondents i.e below INR 1000 are 4.3 percent.

Family Size:

Family size represents the total number of the individual comprising in a family unit. Counting number of children and number of adults were lived in one family. It is also one of the important factors of the socio-demographic profile of the respondents. To know the family size of the respondents, this study divided the family member as up to 3 members, Between 4 to 6 members, between 7 to 9 members and above 10 members of the family.

Table 2.8
Family Size of the Respondents

No. of member in the family	Frequency	Percentage
Up to 3	36	19.25
4 to 6	124	66.31
7 to 9	23	12.3
Above 10	4	2.14
Total	187	100

Source: Field Survey

Table 2.8 shows the family size of the respondents. Little over 19 percent of the respondent's family belonged to the family size of up to 3 members. Over 66.31 percent of the respondents belonged to the family size of 4 to 6 members and 12.3 percent of the respondents family belonged to the family size of up to 7 to 9 members and the remaining 2.14 percent of the respondents have a big family i.e. more than 10 members.

Working Hours:

There are some works which are non-economic i.e. no payment is made, viz. housewife and personal housework and taking care of their own children etc, while other works are economic works which involves payment. This study covered people engaged in economic activity and, further, who are engaged in selling vegetables on the street side, furthermore, the present study considered only those who do not have a permanent seat to sale vegetables in Lunglei, Mizoram. Most of the street vendors in Lunglei spend up to 4 to 6 hours in the morning on Saturdays. Sometimes to the detriment of their health spending hours used to 2 to 4 hours depending upon their health and personal work as well.

Table 2.9:
Hours spend by the respondents

Hours Spend	Respondents		Total
	Female	Male	
Up to 4 hrs	2	0	2 (1.07)
4 to 6 hrs	161	5	166 (88.77)
More than 6 hrs	19	0	19 (10.16)
Total	182	5	187

Source: Field survey

Note: Figures in parentheses are percentages

Table 2.9. shows working hours spend by the respondents for the street vending job. It can be observed that nearly 89 percent of the respondents were working street vending job till 4 to 6 hrs in a day. Little 10 percent of the respondents spent a working hour more than 6 hrs in a day. Out of 187 respondents, 1.07 percent spent between 2 to 4 hours in a day. The study revealed that street vendors invest fewer labour hours on their vending compares to others like daily labourers.

Self Help Groups:

Self Help Groups is an informal group made by some local women or men to improve their standard of living in term of finance. SHGs play an important role to help people to struggle with money. SHGs are promoted especially in South Africa and India. Majority of the SHG are from India. In India, many NGOs came forward and work to promote SHGs among the weaker section of the society.

Self Help Groups movement helped women to be better at saving money for themselves or their family and even collectively fighting against direct and indirect

barriers faced regards to self-development, the standard of living, and socio-political participation. SHGs focus on the development of the skills of participants in term of saving money and knowledge.

In Mizoram, women from deferent districts used to start SHGs among themselves at their place to help women who do not have a proper income and who are willing to save money to develop their living standards.

Table 2.10:
Members of Self Help Groups

Members of SHG	Yes	No	Total
Female	35	147	182
Male	0	5	5
Total	35 (18.72)	152 (81.28)	187

Source: Field Survey

Note: Figures in parenthesis indicate percentage

Table 2.10 indicates the members of Self Help Group among the respondents in Lunglei, Mizoram. Out of a total of 187 respondents, less than 19 percent was a member of Self-help Groups. The major proportions of the respondents were not a member of any Self Help Group. Hence, it is evident that the respondents were not involved in SHGs due to less or no awareness about it.

**Table 2.11:
SHG Membership Beneficial or not**

Respondents	Yes	No	Total
Female	15	20	35
Male	0	0	0
Total	15 (42.85)	20 (57.14)	35 (100)

Source: Field survey

Note: Figures in parentheses are percentages

Table 2.11 shows whether the member of SHG get benefits or not. It observed that among the 35 members of Self Help Groups, only 15 women got benefits while the remaining 20 members do not get any benefits from SHGs.

Conclusion

The socioeconomic profile of the respondents indicates that street vendors are from unorganized groups. Education, age, income and family play important roles in shaping the respondents to be financially included or excluded. The analysis of data reveals that the respondents under this study were not having a proper standard of living. An overwhelming majority of the respondents were found literate although most of them were from a rural background. The study further reveals that most of the respondents under the study were married. Another interesting finding is that the street vending in Lunglei, Mizoram is dominated by the women. It also found that there is gender equality among the street vendors which is one of the goals of UN sustainable Development Goals 2030.

CHAPTER 3

LEVEL OF FINANCIAL LITERACY AMONG STREET VENDORS

This chapter proposes to study the level of financial literacy among the street vendors in Lunglei, Mizoram. To study the level of financial literacy, a modified version of the questionnaire developed by OECD, viz. ‘2018 OECD/INFE Toolkit for Measuring Financial Literacy and Financial Inclusion’, has been used. The present study has added a few questions in the pre-developed questionnaire while a few questions have been dropped as well, as per the need of the study. There were three parts of the measurement of financial literacy, viz. Financial Knowledge, Financial Behavior and Financial Attitude. Besides, the relationship between financial literacy and socio-economic and demographic profile of the respondents have also been collected and used.

3.1 Introduction

Financial Literacy is the ability to understand how someone manages to their own money in terms of savings or manage properly. More specifically, it refers to the understand and effectively apply various financial skills including personal financial management, budgeting and investing. Negi & Gupta (2015) conducted a case study in Shimla the capital of Himachal Pradesh revealed that most of the respondents around 81 percent had a saving bank account which shows that the respondents have adequate knowledge of the financial instrument as 57 percent of the respondent know National Savings Certificate and 75 percent of the respondents have knowledge of public provident fund, which has been considered as two important savings scheme for their study. The OECD has a working definition of financial literacy. It considers it ‘a combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well being’.

“Financial literacy is the ability to make informed judgments and to take effective decisions regarding the use and management of money. Financial literacy is, therefore, a

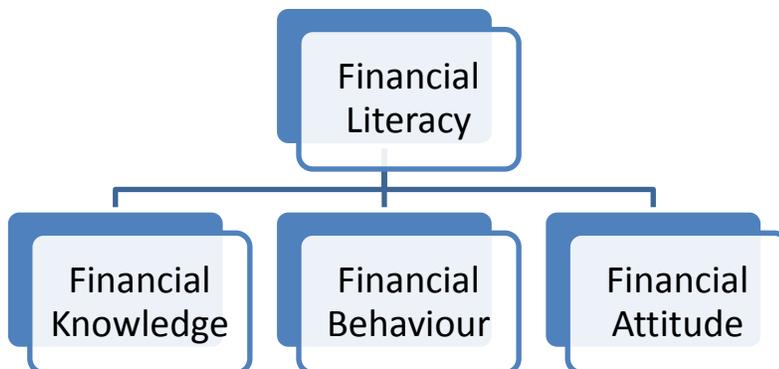
combination of a person’s skills, knowledge, attitudes and ultimately their behaviour about money” (ANZ Bank, 2011)

Financial literacy is an important tool for promoting financial stability therefore developed and developing countries are focusing on programmes for financial literacy. In India, according to 2010 census

Nowadays, people used to maintained the household cash management to improve the household management, on the other side some people who don’t know how to manage due to lack of skills or knowledge to make well informed financial decisions. So, Financial literacy can help them to cope up in a better way when a financial emergency arises and they can save themselves from unnecessary debt. A person should be financially literate to know the importance of preparing household budgets, cash flow management to meet financial goals. People occasionally save money for future needs but without preparing household budgets.

3.1.1 Measurement of the level of Financial Literacy

To know the level of financial literacy, OECD developed questionnaire was used and divided into three parts, viz. financial knowledge, Financial Behavior and Financial Attitude. OECD toolkit for measuring financial literacy and financial inclusion is a popular toolkit to measure the level of financial literacy worldwide.



3.2 Financial Knowledge

Financial knowledge is an integral part of, but not equivalent to, financial literacy. Financial Knowledge plays an important role to know the level of financial literacy and shows whether the individual must have the ability and confidence to use his/ her financial knowledge to make financial decisions.

3.2.1 Loan taken by the street vendor

To fulfill the study of a score of financial knowledge, taking a loan is one of the measurements of financial knowledge. The result will be shown in table 3.1.

Table 3.1
A loan is taken by the respondents

	Yes	No
Female	31	151
Male	1	4
Total	32 (17.11)	155 (82.89)

Source: Field Survey

Note: Figures in parenthesis are the percentage

Table 3.1 indicates the loan taken by the respondents, the majority of the respondent's i.e. 82.89 percent have not taken any loan from their business and even for their personal used as well. Only 17.11 percent have taken loan for personal used and even for their business. Taking a loan does not imply whether the financial behaviour of the respondent good or bad. The respondents should know how much interest will charge for that loan. If he/she knows the interest of that loan it means he/she had high financial behaviour. This study found that some people were taking a loan but only a few people knew how to calculate interest.

3.2.2 Level of financial knowledge

To check the level of financial knowledge of the respondents on a scale of 1 to 6 where 1-3 is low, 4-5 is moderate and 6 represents a high score. Table 3.2 shows the financial knowledge of the respondents in Lunglei district.

Table 3.2
Level of financial knowledge

Financial Knowledge			
Level	Score	Frequency	Percentage
High	6	0	0
Moderate	4-5	97	51.87
Low	Up to 3	90	48.13

Source: Field Survey

Table 3.2 observes the score of financial knowledge among the respondents. Nearly 52 percent of the respondents have a moderate level of financial knowledge; little over 48 percent of the respondents have low financial knowledge. None of the respondents is found to have a high level regarding financial knowledge this may be due to the low level of Educational Qualification among the respondents.

3.3 Financial Behavior

To study the financial behaviour among the street vendors in Lunglei OECD toolkit measurement was applied. To know the level of financial literacy among the respondents, i.e., street vendors, financial behaviour is one of the measurements of the level of financial literacy.

3.3.1 If the respondents take a decision about their money

Table 3.3 will show whether the respondents make day to day decision about their money.

Table 3.3
If the respondents decide their money

	Yes	No
Female	143	39
Male	4	1
Total	147 (78.60)	40 (21.40)

Source: Field survey

Percentage: Figures in parenthesis are percentage

Table 3.3 highlights the decision made by the respondents. Making own decision is one of the measures of the financial behaviour among the respondents and shows that out of total 187 respondents nearly 79 percent made their own decision for using own money while 21.40 percent were not taking their own decision about money.

3.3.2 Meeting of household need without the vending income.

It is attempted to find out whether the respondents could continue living if they lost their vending income due to some reasons. The questionnaire was developed and the result is shown in table 3.4.

Table 3.4
Meeting of household need without the vending income

	Female	Male	Total
Less than week	163	5	168(89.84)
Up to one month	16	0	16(8.570)
Up to three month	1	0	1(0.53)
Between three to six month	1	0	1(0.53)
More than six month	1	0	1(0.53)

Source: Field survey

Note: Figures in parenthesis are the percentage

Table 3.4 represents if the vendors lose the vending income how long can they survive. Out of 187 respondents, nearly 90 percent could survive for less than a week, while only one responded that she can survive for more than 6 months, with help of her husband's income from his job. This study revealed that vending does not give much income to save for the future, among the vendors who sell goods to the people without having a permanent seat.

3.3.3 Investment options availed by the respondents

To find out the responses of the respondents regards to investment options availed. The result is shown in table 3.5.

Table 3.5
Investment options availed by the respondents

Particulars	Yes	No	Total
Saving cash at home or in wallet	97 (51.87)	90 (48.13)	187
Paying money into a saving/deposit account	71 (37.97)	116 (62.03)	187
Giving money to family to save on your behalf	3 (1.60)	184 (98.40)	187
Saving in an informal club		187 (100)	187
Buying bonds or time deposit		187 (100)	187
Investing in crypto assets or ICOs		187 (100)	187
Investing in stocks and shares		187 (100)	187
Saving or investing in some other ways	4 (2.14)	183 (97.86)	187

Source: Field survey Note: figures in parenthesis are percentages

Table 3.5 indicates that the savings made by the respondents in the past 12 months and whether they still have the balance or not. Nearly 52 percent had been saving cash at home or in the wallet while 48.13 percent did not save cash at home or wallet.

Out of 187 respondents, only 37.97 percent used to save money to their account but the majority of the respondents i.e. 62.03 percent never deposit money into the bank. This can be because of the 37 respondents were not have a bank account to save money, while others were found ignorant about the importance of bank account.

The statement number 3, i.e. “Giving money to family on your behalf” revealed that only 1.03 percent used to give money to their relatives to invest on behalf of them. Majority of the respondents (98.40 percent) do not give money to family to invest on their behalf.

None of the respondents saved in an informal club during the period of the study, but some of the respondents had invested some of the money with some informal clubs which were proved a scam at the end.

The statement number 5 i.e. “Buying bonds or time deposit” revealed that all of the respondents do not practice in terms of buying bonds or time deposit primarily due to the lack of awareness among the weaker section and also because they do not want to commit money for a longer duration.

The statement number 6 i.e. “Investing in Crypto Assets or ICOs” this study observed that 100 percent of the respondents had never heard about crypto Assets in their daily lives, and this is not surprising. Especially in Mizoram most of the people are not aware of Crypto Assets.

The statement number 7 i.e. “Investing in shares and stocks” Table 3.5 revealed that 100 percent of the respondents do not have a practice of investing in stocks and shares due to low Income among the weaker section and also because of the lack of awareness about stocks and shares.

The study found that 2.14 percent of the respondents used to save or invest their money to some Micro finance or some small groups like Self Help Groups. While the majority of the respondents do not invest in their money in another way.

3.3.4 Management of household expenses

Table 3.6 reflects how the respondents manage their household expenses and plan for savings.

Table 3.6
Management of household expenses

Particulars	Yes	No	Total
Make a plan to manage your income and expenses	85 (45.45)	102 (54.55)	187
Keep a note of your spending	39 (20.85)	148 (79.15)	187
Keep money for bills separate from day to day spending money	23 (12.30)	164 (87.70)	187
Make a note of upcoming bills to make sure you don't miss them	18 (9.63)	169 (90.37)	187
Use a banking app or money management tool to keep track of your outgoings		187 (100)	187

Source: Field survey

Note: Figures in parenthesis indicate the percentage

Table 3.6 shows that nearly 46 percent of the respondents make a plan to manage income and expenses while 54.55 percent of the respondents do not practice managing the income or expenditure in their daily lives. Out of the total 187 respondents, only 20.85 percent of the respondents keep a note for spending and most of the respondents, i.e 79.15 percent, do not practice to keep a note for spending. In terms of keeping money for bills separate from day to day spending, only 12.30 percent of the respondents used to practice

this and the majority of the respondents nearly (88 percent) do not keep separate money for bills. This can be because of the low income among the respondents.

The study revealed that less than 10 percent of the respondents make a note on upcoming bills to make sure that they don't miss them, while over 90 percent never practised this in their lives. In term of use banking apps or money management tools to keep track of their outgoing, none of the respondents had banking apps and smartphone to tract their outgoing status due to lack of income to buy a smartphone or due to lack of knowledge regarding financial services

3.3.5 Financial behaviour

To find out the level of financial behaviour, the responses of the respondents have been recorded on the scale of 1 – 6 score. 6 represent positive, 4-5 represent average score and 1 to 3 represent indifferent behaviour.

Table 3.7
Financial Behavior Score or respondents

	Score	Frequency	Percentage
Positive	6	98	52.4
Average	4 -5	78	41.71
Indifferent	Up to 3	11	5.89

Source: Field Survey

Financial Behavior score was found high among the respondents, majority of the respondents (52.4 percent) had a high score (i.e. scored 6 or more). It can be seen that 41.71 percent were scored average (i.e. between 4-5)with regards to the level of financial behaviour. Out of 187 respondents, nearly 6 percent had low score regards to the financial behaviour. So it can be concluded that majority of the respondent had positive financial behaviour for their daily lives.

3.3.6 Financial goals for household

To check the respondents whether they have financial goals or not, this study was conducted and the result is shown in table 3.8.

Table 3.8
Financial Goals for household

Qualification	Yes	No	Total
No formal Education	9	0	9
Primary	31	18	49
Middle	32	22	54
HSLC	37	20	57
HSSLC	8	8	16
Graduate	0	1	1
Post Graduate	1	0	1
Total	118(63.10)	69(36.9)	187

Source: Field Survey

Note: Figures on parenthesis are the percentage

Table 3.8 highlights having financial goals to the respondents, it is found that most of the respondents, i.e. 63 percent, had financial goals, out of the total 187, only 69 street vendors did not have financial goals in their family.

3.3.7 Budget of household

It is attempted to find out whether the respondents have a household budget or not. The present study has developed a questionnaire to know the responses of the respondents having a household budget.

Table 3.9
Budget of Household

	Yes	No	Total
No Formal Education	2	7	9
Primary	16	33	49
Middle	13	41	54
HSLC	13	44	57
HSSLC	8	8	16
Graduate	0	1	1
Post Graduate	0	1	1
Total	52	135	187

Source: Field Survey

Note: Figures in parenthesis are the percentage

Table 3.9 shows the budget made by the respondents and it revealed that many of the street vendors do not have a budget in their family only 52 street vendors had a budget in their household. This table also shows that having high qualification does not affect having a budget in their family. So it can be seen that having a budget is possible for the weaker section but to make

3.3.8 Decision maker of the household

To know the Karta (head) of the respondent's family, the one who decides on the household. Table 3.10 was formulated.

Table 3.10
Decision maker of the household

	Married	Unmarried	Divorced	Widowed
You make the decision	31	9	5	7
Make with someone	99	12	4	15
Someone else makes decision	2	3	0	0
Total	132	24	9	22

Note: figures in parentheses are percentages

Source: Field Survey

The majority of the respondents, i.e. 130, used to make financial decisions with someone. Therefore, majority of the married respondents (all were women) make a decision with their spouse and while 31 street vendors made their financial decision by own (table 3.10) took the majority and 52 street vendors made their own decision regards to their own money. And 5 street vendors need to ask someone else among their family of the groups.

3.3.9 Financial Attitude of the respondents.

Table 3.11 attempts to find out the responses of the respondent's financial attitude based on the score of the scale completely agree, Agree, Neutral, Disagree and completely disagree.

Table 3.11
Financial attitude

Particulars	Completely Agree	Agree	Neutral	Disagree	Completely disagree	No respond	Total
I find it more satisfying to spend money than to save it for long term	65 (34.75)	73 (39.04)	9 (4.81)	36 (19.24)	4 (2.14)	0	187
I am prepared to risk some of my own money when saving or making an investment	21 (11.22)	115 (61.49)	9 (4.81)	29 (15.50)	9 (4.81)	4 (2.13)	187
Money is there to spend	103 (55.08)	77 (41.18)	6 (3.20)	1 (0.53)			187
I am satisfied with my present financial situation	115 (61.49)	56 (29.94)	14 (7.48)	2 (1.06)			187
I used my mobile phone to make or received payments	--	--	--	--	--	187	187
My financial situation limits my ability to do the things	78 (41.71)	95 (50.80)	14 (7.48)				187
I set long term financial goals and strive to achieve them	75 (40.10)	95 (50.80)	14 (7.48)				187
I believe that money in a bank will be safe even if the bank fails	4 (2.13)	2(1.06)	4(2.13)	126 (67.37)	51 (27.27)		187
I have too much debt right now	1 (0.53)	4 (2.14)	10 (5.34)	121 (64.70)	49 (26.20)		187
If I borrow money I have a responsibility to pay it back	187 (100)						187

Source: Field survey

Note: CA= Completely Agree, A = Agree, N = Neutral, D = Disagree, CD= CompletelyDisagree

Table 3.12 represents the responses given by the respondents about the statements on financial attitude. Mode and the median response has been observed for every statement.

Statement 1: I find it more satisfying to spend money than to save it for long term

135 of the respondents agree that spending money instead of saving it for the long term is better. Whereas, 21.38 percent of respondents didn't agree that spending money is better than saving it for the long term. Out of the total 187 respondents, nearly 5 percent have no opinion about this statement.

Thus, the modal response is 2 i.e. agree and the median is also 2 (Agree). It is revealed that all the respondents agree to this question.

Statement 2: I am prepared to risk some of my own money when saving or making an investment

In regards to this statement, approximately 72 percent of the respondents agree to put their money at risk by saving or making an investment while the other respondents i.e. 20.21 percent do not agree with this statement

Statement 3: Money is there to spend

From this statement, little over 96 percent of the respondents agree with this statement i.e. money is there to spend this statement highlights their financial behavior, out of the total 187 respondents, only 3.2 percent had no opinion regarding this statement and only 0.53 percent did not agree with the statement.

Statement 4: I am satisfied with my present financial situation

From the point of the study, little over 91 percent of the respondents are satisfied with their present financial situation. Only 1.06 percent of street vendors do not agree with this statement.

Statement 5: I used my mobile phone to make or receive payments

As can be seen in the table, All of the respondents do not agree with this statement. Most of the respondents had their phone however the phone they used were not

smartphones and that is the reason why the respondent couldn't make or receive payments through their mobile phone.

Statement 6: My financial situation limits my ability to do things

It is revealed that 92.51 percent of the respondents agree with the statement that their financial situation limits their ability to do the things that they want to do. Out of 187 respondents, 7.49 percent had no opinion concerning this statement. However, none of the respondents disagrees with this statement.

Statement 7: I set long term financial goals and strive to achieve them

Out of 187 respondents, nearly 91percent agree with the idea to set long term financial goals and strive to achieve those goals. However, 7.48 percent of the respondents had a neutral opinion concerning this statement. None of the respondents was found to be disagreeing with this statement.

Statement 8: I believe that money in a bank will be safe even if the bank fails

This statement shows that 3.19 percent of the respondents agree and believe that money in a bank will be safe even if the bank fails whereas 2.13 percent had no opinion regarding the statement. Nearly 95 percent of the respondents from the street vendors disagree with this statement.

Statement 9: I have too much debt right now

Out of 187 respondents, nearly 3 percent of the respondents agreed with this statement whereas 2.13 percent of the respondents had no opinion in regards to this statement and over 94 percent disagreed with this statement.

Statement 10: If I borrow money, I have a responsibility to pay it back

This statement revealed that out of a total of 187 respondents ,all the respondents agreed that if they borrowed money, they have a responsibility to pay it back. None of the respondents disagreed with this statement.

Financial Attitude Score of the respondents

The study measured the financial attitude using OECD toolkit. The responses were measured using a scale from 1-5, with 5 indicating the highest positive financial attitude. Respondents with an average score of 3 or above across the three items were categorized as those with positive financial attitude; Respondents with a score of 2 or less were categorized as possessing indifferent financial attitude.

Table 3.12
Financial Attitude Score of the respondents

	Score	Frequency	Percentage
Positive	5	94	50.26
Average	3-4	87	46.52
Indifferent	2	6	3.21

Source: Field Survey

Table 3.12 shows the financial attitude score by the respondents. It can revealed that little over 50 percent of the respondents have a positive score in financial attitude followed by nearly 47 percent of the respondents score average and the remaining 3.21 percent of the respondent have a low score in financial attitude.

Overall financial literacy score

The overall financial literacy score is obtained as the sum of the three scores viz. financial knowledge (7), financial behaviour (9) and financial attitude (5). The questions are based on OECD toolkit measurement of financial literacy and financial inclusion. To measure the score of financial literacy the method adopted by Chen and Vlope(1998) was referred.

Table 3.13
Measurement of Level of financial literacy

	Score	Frequency	Percentage
High	More than 80	20	10.69
Medium	Between 60 – 79	134	71.66
Low	Below 60	33	17.65

Source: Field Survey

Table 3.13 shows the overall score of financial literacy among street vendors in Lunglei, Mizoram. Nearly 72 percent of the respondents have a medium score in financial literacy. Nearly 18 percent of the respondents have scored low in financial literacy and the remaining nearly 11 percent of the respondents found high score in financial literacy.

3.1.1 Relationship between Financial Literacy and Socio-demographic profile of the respondents

The present study attempted to find the relationship between the socio-economic demographic profile of the respondents with their financial literacy level. To know the level of financial literacy there is a measurement i.e. financial knowledge, financial behaviour and financial attitude. The knowledge score is computed as the number of correct responses to the financial knowledge questions from OECD /INFE Toolkit(2018).

3.1.2 Relationship between Financial Literacy and the Age of the respondents

The correlation between financial literacy and age of the respondents can be seen in the table 3.13. on the basis of age, respondents have been classified into five different categories in the table.

Table 3.13
Financial Literacy and Age of the respondents

Age groups	Financial Literate	Financial Illiterate	Total
Below 30	21 (39.28)	17 (60.71)	38
Between 31-40	24 (44.44)	30 (55.55)	54
Between 41-50	7 (18.92)	30 (81.08)	37
Between 51-60	6 (15.4)	33 (84.62)	39
More than 61	1 (5.3)	18 (94.73)	19
Total	59(31.550)	128(68.45)	187

Source: Field Survey

Note: Figures in parenthesis are the percentage

Table 3.13 presents the level of financial literacy among respondents in different age groups. It can be seen that out of the total respondents who belong to the age group of below 30 years found little over 39 percent were financially literate while about 61 percent of the respondents were financially illiterate. In the age group of between 31 to 40 years, 44.44 percent were financially literate and the rest 55.55 percent were financially illiterate. Among the age group of between 41 to 50 years, 18.92 percent of the respondents were financially literate and 81.06 percent were financially illiterate. The age belongs to between 51 to 60 years, 15.4 were financially literate and 84.62 percent were financially

illiterate. Among the respondents with age above 60 years, less than 6 percent were found financially literate in other words about 95 percent were financially illiterate. Therefore, the majority of the respondents do not have a high score in terms of financial literacy due to a lack of knowledge among the weaker section.

Negi and Gupta (2015) found in their study that the percentage of financial literacy was low among the respondents; the highest number of financial literates was found in the age group above 50 years. However, in this study, the highest number of financial literates belongs to the age group 31 to 40 year

3.1.3 Relationship between Financial Literacy and education of respondents

Table 3.15 highlights the relationship between financial literacy and education of the respondents.

Table 3.15
Education of Respondents and Financial Literacy

	Financial Literate	Financial Illiterate	Total
No Formal Education	0	9 (100)	9
Primary	12 (24.5)	37 (75.51)	49
Middle	14 (25.93)	40 (74.07)	54
HSLC	16 (28.07)	41 (71.93)	57
HSSLC	5 (31.25)	11 (68.75)	16
Graduate	1 (100)	0	1
Post graduate	1 (100)	0	1
Total	49 (26.20)	138 (73.80)	187

Source: Filed Survey

Note: Figures in parenthesis are percentage

Table 3.15 represents the educational qualification of the respondents and financial literacy whether the respondents are financially illiterate or not. It can be seen that the total score of the financial literate among the respondents was little over 26 percent while 73.80 percent were found financially illiterate. The respondents who do not have formal schools were financially illiterate and the respondents who attend primary level i.e 24.5 percent were financially literate and 75.51 percent of the respondents were financially illiterate. The respondents who attend the school till the middle level i.e 25.93 percent were financially literate and the remaining 74.07 percent were financially illiterate. The respondents having qualifications until matric have 28.07 percent in terms of financial literate and 71.93 percent in terms of financially illiterate. The respondents who are attending the school Higher.e 31.25 percent were financially literate while 68.75 percent of the respondents were financially illiterate. The respondents who are graduate and post-graduate were financially literate among the respondents in Lunglei, Mizoram. Therefore It can be seen that the Majority of the respondent were not financially literate due to the low education qualification among the respondents.

An interesting study was done by Negi and Gupta (2015) and observed that the majority of the respondents were financially illiterate due to the completion of the higher education was not done among the respondents that are is in their study financial literacy score was low.

3.1.4 Relationship between Marital status of the respondents and financial literacy

An attempt is made to see if any significant relationship existed between the marital status of the respondents and their financial literacy, the relevant frequency is shown in Table 3.16. For this section of the study Married people includes divorced and widowed.

Table 3.16
Respondents' Marital status and financial literacy

	Financial literates	Financial Illiterates	Total
Married	52 (31.90)	111 (68.10)	163
Unmarried	3 (12.5)	21 (87.5)	24
Total	55 (29.41)	132 (70.59)	187

Source: Field Survey

Note: Figures in parenthesis are percentage

It is evident that married respondents were more financially literate compares to unmarried. Table 3.16 depicts that out of a total of 163 married respondents, more than 31 percent of respondents were found financially literate but on the other hand, less than 13 percent unmarried respondents (out of total 24 respondents) were found financially illiterate. This may be because of the higher financial burden a married respondent experience as compared to unmarried. Nega and Gupta (2015) observed that married respondents are more financially literate than unmarried because married people have more concerned about financial needs and want and planning of finance for the future and present while unmarried people do not think about that.

3.1.5 Relationship between Monthly income of the respondents and Financial literacy

It is attempted to find out the relationship between monthly income and financial literacy. Monthly income groups are high or low regards to financial literacy and the result will be shown in the below table 3.18.

Table 3.18
Monthly Income of the Respondents and Financial Literacy

Monthly Income	Financial Literate	Financial Illiterate	Total
Below 5000	42 (27.45)	111 (72.55)	153
5001 to 10000	7 (3.74)	16 (8.56)	23
10000 to 15000	2 (50)	2 (50)	4
15001 to 20000	2 (40)	3 (60)	5
Above 20000	2 (100)	0	2
Total	55 (29.41)	132 (70.59)	187

Source: Field survey

Note: Figures in parenthesis indicate the percentage

Table 3.18 highlights the monthly income of the respondents and Financial Literacy. It shows that among the income of below 5000 in a month, 27.45 percent were financially literate and 72.55 percent of the respondents were financially illiterate. And following the income groups which is INR 5001 to 10,000 were financially literate with 3.74 percent and 8.56 percent were financially illiterate. The respondents who are the income groups belong to 10000 to 15000 were having the percentage of financially literate i.e 50 percent and another 50 percent of the respondents were financially illiterate. The income groups which are 15001 to 20000 i.e 40 percent were having financial literate and the remaining 60 percent were financially illiterate. The highest income groups among the respondents i. e above 20000, here only 2 respondents were in the groups and both of them were financially literate. From this study, the Majority of the lower-income groups were

financially illiterate it can be because of low income. Negi and Gupta(2015) conducted a study base on financial literacy and found that financial literacy was low among the fewer income groups because of the respondents do not have enough money to save and keep it a bank or to invest in some other financial institutions.

3.1.6 Economic Status of the respondents and Financial Literacy

In order to find the result of the economic status of the respondents regards to whether there are financially literate or not. The result is shown in table 3.20

Table 3.20
The economic status of the respondents and Financial Literacy

Economic status	Financial Literate	Financial Illiterate	Total
APL	2 (5.13)	37 (94.9)	39
BPL	16 (12.03)	117 (87.97)	133
AAV	0	9 (100)	9
Total	18 (9.63)	169 (90.37)	187

Source: Field Survey

Note: Figures in parenthesis indicate the percentage

Table 3.20 observes the economic status of the respondents and financial literacy. It is seen that out of a total of 187 respondents only 9.63 percent were financially literate and more than 90 percent of the respondents were found financially illiterate. Economic status is divided into three groups' i.e. APL, BPL, and AAY. Among the APL family, 5.13 percent were financially literate and 94.9 percent were financially illiterate. The economic groups belong to BPL were financially literate with 12.03 percent and 87.97 percent among the BPL groups were financially Illiterate. The AAY

groups none of the total 187 of the respondents were found in financially literate. Note: Figures in parenthesis are the percentage

Conclusion

The main purpose of this study is to examine the level of financial literacy among the respondents with the relationship between the demographic, socio-economic profiles of the respondents. To measure the level of financial literacy, OECD toolkit measurement for financial literacy and financial inclusion was used. To financial knowledge, Most of the respondents had a moderate score and none of the respondents was found with a high score and the behaviour of the respondents is also moderate. So it can conclude that financial literacy was low among the street vendors in Lunglei, Mizoram.

CHAPTER 4

STATUS OF FINANCIAL INCLUSION AMONG STREET VENDORS

This chapter proposes to study the status of financial inclusion among street vendors in Lunglei, Mizoram. The current study examined whether the weaker section knows about financial services, schemes launched by the government and the extent of their involvement in the financial services.

4.1 Introduction:

Financial Inclusion mainly focuses on accessing financial services and products in our daily lives. However, accessing financial services does not mean that they are financially included rather people should know how to access, why to access and when to access. The Rangarajan Committee (2008) defined financial inclusion as “The process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost”.

4.1.1 Bank branch in respondent’s locality:

Having a bank branch in the locality is one of the most important desks to promote financial inclusion. The respondents were asked whether they have a bank branch in their locality or not. Table 4.1 shows whether there is a bank branch in their locality.

Table 4.1
Availability of Bank branch in respondent’s locality

	Yes	No
Female	56	126
Male	1	4
Total	57 (30.48)	130 (69.52)

Source: Field Survey

Note: Figures in parenthesis are the percentage

Table 4.1 shows the availability of bank branch in respondent's locality, out of a total of 187 respondents only 30.48 percent had bank branch in their locality. On the other hand, nearly 70 percent does not have a bank branch in their locality.

Bank Account:

Having a bank account is one of the main ways to promote financial inclusion. For the financial inclusion of the weaker section, they must at least have a bank account. To meet financial requirements proposed by the Government such as gas subsidy, MGNREGS wage, etc.

Table 4.2
Own a Bank Account

	Yes	No
Female	150	32
Male	5	0
Total	155(82.89)	32(17.11)

Source: Field Survey

Note: Figures in parenthesis are percentages

Table 4.2 shows how many respondents own a bank account. Approximately 83 percent of the respondents have a savings bank account and the remaining 17.11 percent of the respondents do not have any type of bank account, mainly due to lack of bank branch in their locality/village. At the same time, Mukta Mani (2019) conducted a study in urban areas of North India and found that majority of the respondents had bank account only 15 percent did not have a bank account, many holders of bank account have non-PMJDY savings accounts.

Purpose of Using Bank Account:

If the respondents have a bank account they can keep their savings and may conveniently receive a subsidy from the government. Table 4.3 brings forward various reasons why respondents maintain bank accounts.

Table 4.3
Primary Purpose of using Bank Account

S. No	Primary Purpose	Frequency	Percentage
1	For saving money	80	51.61
2	To receive governments payments/ subsidies (like LPG subsidy, MNREGS etc)	65	41.94
3	Force to open from relatives	5	3.23
4	To make payments/Received money	3	1.94
5	To request loan	2	1.29
	Total	155	100.00

Source: Field Survey

Note: Figures in parenthesis are percentage.

As indicated in the above table, it can be seen that the main purpose of using a bank account is to keep savings. Majority of the respondents nearly 52 percent open bank account to keep savings. On the contrary, nearly 42 percent of the respondents have a bank account to acquire some government schemes. Only 3.23 percent of the respondents have a bank account as per request from their relatives. Nearly 2 percent of the respondents opened a bank account to make or received money and also only 1.29 percent of the respondents opened a bank account to take a loan. It is indeed rare to open an account for a loan due to lack of awareness among the weaker section.

Reasons for not having or not using the Bank account

The present study identifies the reason why the respondents do not have a bank account. The reasons for not having an account are classified into 1) Have no money to keep in bank account 2) I do not understand the process, it is too difficult 3) one of the family members have, so no need for me 4) no bank branch nearby 5) I do not have ID proof/address proof for account opening 6) due to religious beliefs I cannot have adhaar card and hence I can't have a bank account 7) I do not trust bank for keeping my money. Table 4.4 represents the various prominent reasons why the respondents do not have a

bank account. There can be numerous reasons for not having a bank account and some of the major reasons which were observed have been listed below.

Table 4.4
Reasons for not having or not using the bank account

S. No	Reasons	Frequency	Percentage
1	Have no money to keep in a bank account	14	43.75
2	I do not understand the process, it is too difficult	7	21.88
3	One of the family members have, so no need for me	6	18.75
4	No bank branch nearby	2	6.25
5	I do not have ID proof/Address proof for account opening	1	3.13
6	Due to religious beliefs, I cannot have Adhaar Card and hence I can't have a bank account	1	3.13
7	I do not trust bank for keeping my money	1	3.13
	Total	32	100

Source: Field Survey

Note: Figures in parenthesis are the percentage

Table 4.4 describes the reasons why the respondents didn't have a bank account. As seen above, the majority of the respondents, i.e 43.75 percent didn't have a bank account as they don't have money to keep in the bank. Nearly 22 percent didn't have a bank account as they don't understand the process of opening a bank account. 18.75 percent of the respondents didn't feel the need to have a bank account as their family members already have an account in the bank. Not having a bank in locality contributed 6.25 percent, 3.13 percent accounted to the reason-due to my religious beliefs I cannot have Aadhaar card either a bank account. "I do not have ID proof/Address proof for account opening" and "I do not trust bank for keeping my money" had same percentage i.e. 3.13 contribution in the total reasons of not having a bank account or why I don't have a bank account.

PMJDY (Zero Balance bank account):

The government launched a scheme known as Pradhan Mantri Jan Dhan Yojana (PMJDY) in August 2014. PMJDY wants to cover the weaker section of the society under financial inclusion by promoting them to have No frill Account/ Zero balance Savings Bank Account. The proposed study try to find out if the street vendors have opened a savings bank account under the scheme or not. Table 4.5 shows the extent of coverage under this scheme.

**Table 4.5
Zero Balance Bank Account**

	Yes	No	Total
Male	3	2	5
Female	57	125	182
Total	60 (32.09)	127 (67.91)	187

Source: Field Survey

Note: Figures in parenthesis are the percentage

Table 4.5 shows the respondent's responses whether they open bank account with zero balance or not. It can seem that most of the respondents nearly 68 percent do not open a bank account with zero balance. Only 32.09 percent of the respondents opened a bank account with zero balance.

The confrontation of problems while availing the government schemes

Although government continuously tries to promote the well being of the weaker and vulnerable section of the society however its challenging to reach them as there are various barriers due to which either the scheme loses its effect and sometimes it can't reach to the targeted people. Also, factors like lack of awareness and low quality of education and ignorance lead to the poor performance of the schemes. Table 4.6 shows

the response of the respondents regarding if they encountered problems while availing the launched schemes.

Table 4.6
Problems faced in availing government schemes

	Yes	No
Female	132	50
Male	3	2
Total	135 (72.19)	52 (27.81)

Source: Field survey

Notes: Figures in parenthesis indicate percentage

Table 4.6 represents problems faced by the respondents in availing government schemes. It is clear that majority of the respondents i.e. 72.19 percent faced some problems in their access to the government schemes while 27.81 percent did not face any problems to get government services for personal users or business.

Savings to secure old age

The respondents were asked whether they have made savings plans to support themselves when they grow old. Table 4.7 illuminates and brings forward if the respondents are futuristic enough to secure their old age.

Table 4.7
Savings to secure old age

	Yes	No
Female	44	138
Male	1	4
Total	45 (24.06)	142 (75.94)

Source: Field survey

Note: Figures in parenthesis indicate the percentage

As indicated in the above table among the respondents only 24.06 percent have a plan for savings to secure old age while 75.94 percent of the respondents lack knowledge

on how to plan. It meant that the street vendors in Lunglei were not aware of savings secure of old age this can be as the results of the low income among the respondents.

Frequency of bank visit within a Year

After questioning the respondents about how frequently they visited the bank within a month Table 4.8 was formulated. This question highlights how proactively the respondents access financial services. To know the frequency of their visit to the bank this study divided the monthly period as Never, Occasionally, Once in a month and Fortnightly.

Table 4.8
Frequency of bank visit within a year

	Female	Male	Total
Never	138	4	142 (75.94)
Occasionally	39	1	40 (21.39)
Once in a month	4	0	4 (2.14)
Fortnightly	1	0	1 (0.53)
Total	182	5	187

Source: Field Survey

Note: Figures in parenthesis indicate percentage

Most of the respondents, i.e. over 75 percent never visited bank within a month which is considered a negative step towards financial inclusion while 21.39 percent of the respondents visited bank occasionally and some of the respondent's i.e 2.14 percent visited the bank once in a month.

Number of times ATM services used within a month

The respondents were asked how often they use ATM service within a month. Table 4.9 shows the frequency of visits to an ATM made by the respondents within a

month. To make it more comprehensive this study divided a month in: never in a month, Occasionally, Once in a month.

Table 4.9

Number of times ATM used within a month

	Female	Male	Total
Never	159	4	163(87.17)
Occasionally	21	1	22(11.76)
Once in a month	2	0	2(1.07)
	182	5	187

Source: Field Survey

Note: Figures in parenthesis indicate the percentage

Table 4.9 represents how many times the respondents used ATM services within a month. Most of the respondents little 87 per cent don't own ATM card, most of them didn't know how to use ATM card as well. Only 11.76 per cent know how to maintain ATM card and they used to make a transaction only when it is required so, otherwise, there is no chance in using for them. Out of 187 respondents, only 2 respondents know how to access the ATM services and making a transaction once in a month.

Research Question 2: Do the street vendors know financial services

The respondents were asked whether they avail the existing financial services in their locality that is a loan from their home branch, ATM service, Cheque book, Debit card, credit card, Insurance, Kisan Credit Card. Table 4.10 shows the result of research question 2

Table 4.10**Exercising the available financial services**

Particulars	Never	Occasionall y	Considerabl y	Almos t	Alway s	Tota l
Loan	156 (83.42)	31 (16.57)	0	0	0	187
ATM	16 (8.23)	2 (1.06)	1 (0.53)	0	19 (10.16)	187
Cheque Book	58 (31.01)	123 (65.77)	5 (2.67)	0	1 (0.53)	187
Internet Banking	187 (100)	0	0	0	0	187
Mobile banking	187 (100)	0	0	0	0	187
Debit card	187 (100)	0	0	0	0	187
Credit Card	187 (100)	0	0	0	0	187
Kisan Credit card(KCC)	186 (99.47)	1 (0.53)	0	0	0	187
Insurance	18 7(100)	0	0	0	0	187

Source: Field Survey

Note: Figures in parentheses are percentages

Table 4.10 highlights the availing of financial services among the respondents. It is seen that in term of taking loans, only 16.57 per cent were availing the loan, the majority of the respondent never pursue loan for their business purpose and even for other cases. In this study, the researcher found that the reasons for not taking a loan which is described as under;

- 1) It required guarantor which is difficult to get for those who do not hold any government jobs among the family
- 2) Lack of awareness regards to financial services among the weaker sections

- 3) Most of the respondents afraid of taking a loan
- 4) Need only a small amount of money
- 5) No time for waiting for the process of loan

In term of Automated Teller Machine (ATM) only 0.53 per cent used regularly when its needed and out of 182 respondents only 1.06 percent occasionally used when they needed. Still, the majority of the respondents, mostly older people, didn't even know how to use ATM resulting with a percentage of 88.23, who were not aware of ATM in their livelihood.

The present study found that majority of the respondents lack awareness regards to financial services and they occasionally access the financial services. The reasons behind the less used of financial services among the street vendors are due to low of income, low quality of education, poverty and ignorance.

Awareness check of the respondents regarding financial products and services

This study attempts to check the awareness of the respondents concerning the financial services and the product is used. The technical advancement made in their banking sector has exposed the weaker section of the society to many cyber fraud and scums.

Table 4.11

Awareness check of the respondents regarding financial products and services

Particulars	Yes	No	Total
Have you accepted advice to invest in a financial product that you later found to be a scam	29 (15.50)	158 (84.49)	187
Have you accidentally provided financial information in response to an email or phone later found out was genuine	0	187 (100)	187
Have you found that someone used your card details to pay for goods without your authorization	0	187 (100)	187
Have you queried a transaction listed on your bank or debit card statement that you did not recognize?	0	187 (100)	187
Have you made a formal complaint about the service you have received from bank or financial institution	1 (0.63)	186 (99.47)	187
Have you tried to open a bank account and then refused for any reasons?	16 (8.55)	171 (91.44)	187
Have you tried to take loan from bank and then refused for any reasons	39 (20.85)	147 (78.60)	187
Have you been refused to claim on an insurance product that you expected to cover you	0	187 (100)	187
Have you ever make a complaint to remittance provider about high charges when sending or receiving money	0	187 (100)	187
Have you lost money because of the scams	28 (14.97)	159 (85.02)	187

Note: Figures in parentheses are percentages

Source: Field Survey

Based on the analyzing reports, as shown in table 4.11, a survey is conducted on 187 respondents to found out if they have any issues on financial products or services in the past year which resulted in the following mentioned below:

In regards to financial products and services experienced by the respondents, out of 187 respondents, a total number of 29 i.e,15.50 percent admitted to taking advice on investing in financial product and later found out to be a fraud while there is 100 percent denial in regards to things such as providing financial information in response to email or phone which later found out to be genuine, someone using their cards details for payment without authorization, not recognizing transaction listed on their bank or debit card statement, refusing to claim on the insurance product that was expected to cover them and making a complaint to remittance provider about high charges when paying or receiving money. Meanwhile, 1 respondents i.e, 0.63 percent made a formal complaint about the service received from the bank or financial institutions in contrast to that the remaining 186 respondents i.e.99.47 percent had no issues in regards to this. A total number of 171 respondents i.e. 91.44 percent have no withdrawals when trying to open a bank account and then refused for any reason while the remaining 16 respondents i.e. 8.55 percent admitted. Similarly,39 respondents i.e. 20.85 percent accepted on trying to take a loan on the bank and refused for any reason while the remaining 147 respondents i.e,78.60 percent denied doing so. Lastly, out of 187 respondents,28 respondents i.e. 14.97 percent lose money due to scam whereas 159 respondents i.e. 85.02 per cent have never experienced this.

Awareness of Financial Products

To analyze the awareness of financial products among the respondents, the study adopted the questions mentioned in Table 4.12 regarding the financial products available in Mizoram.

Table 4.12
Awareness of financial products

Particulars	Yes	No	Total
A pension or retirement product	181 (96.79)	6 (3.20)	187
Home loan or Mortgage loan	154 (82.35)	33 (17.65)	187
car loan	163 (87.16)	24 (12.84)	187
Credit card	59 (31.55)	128 (68.45)	187
Current/Checking /Payment account	85 (45.45)	102 (54.54)	187
Savings Account	145 (77.54)	42 (22.46)	187
Fixed Deposit	65 (34.76)	122 (65.24)	187
Insurance	109 (58.29)	78 (41.71)	187
Life insurance	71 (37.96)	116 (62.03)	187
Post Office Savings	44 (23.53)	143 (76.47)	187
Microfinance Loan	149 (79.68)	38 (20.32)	187
Crypto assets or ICOs	0	187 (100)	187
Mobile Payments	2 (1.07)	185 (98.93)	187
Stock and Shares	0	187 (100)	187
Bonds	0	187 (100)	187

Source: Field Survey

Note: Figures in parentheses are percentages.

Financial services play a vital role to access financial Inclusion among the weaker sections. To access financial inclusion, financial services play a role to improve. It can be seen in table 4.12, out of 187 respondent, 96.79 percent know in regards to pension and retirement. On the context of the Home Loan and mortgage loan, majority of the respondents i.e,82.35 percent heard about this financial services, Meanwhile87.16 per cent heard about the car loan and only31.55 percent heard about the credit card while 45.45 percent of the respondents knew about the current account, payment and checking payment.

Research Questions 5:

Awareness about government schemes

To uplift the weaker section of the society who are deprived of facilities the Indian government has been making tremendous efforts like giving goods at subsidized rates, loans at cheaper prices, insurance policy, zero balance bank accounts and various other schemes such as PMJDY,APY, PMJJBY, PMJAY,PMSBY. Table 4.13 shows the awareness of the respondents regards to government schemes.

Table 4.13

Aware of available government schemes

Particulars	Yes	No	Total
Pradhan Minister Jan Dhan Yojana	123 (65.78)	64 (34.22)	187
Atal Pension Scheme	111 (59.36)	76 (40.64)	187
Pradhan Mantra Jeevan Jyoti Bima Yojana	6 (3.21)	181 (96.79)	187
Pradhan Mantri Jan Arogya Yojana	6 (3.21)	181 (96.79)	187
Pradhan mantri Suraksha Bima Yojana	7 (3.74)	180 (96.26)	187

Source: Field Survey

Note: Figures in parentheses are percentages

This table shows that the government schemes like PMJDY, APS, PMJJBY, PMJAY and PMSBY developed for the weaker sections and lower-income groups, the government made those scheme to developed financial inclusion. Majority of the respondents i.e 65.78 percent were aware of the scheme Pradhan Mantri Jan Dhan Yojana. Among those who were aware of this scheme, only () percent made bank account under this scheme. Over 59.36 percent of the respondents were aware of the scheme o Atal Pension Scheme whereas 40.64 percent were not aware of this at all. Regards to PMJJBY scheme, Most of the Respondents were not aware of this scheme, resulting in only 3.21 percent who were aware of this scheme. Only 3.21 percent of respondents were aware of the scheme of PMJAY and only 3.74 percent of the respondents were aware of the scheme of PMSBY.

From this study, it is revealed that most of the scheme developed by the government is not popular among the street vendors. The major reasons which back this circumstance are less awareness, less time spent on social media, less use of android phones as they can't afford and unwillingness to cope up with the technological advancements due to low quality of education.

Borrowings:

Borrowing from the bank or any formal institution is one of the major criteria of financial inclusion. For this study, the respondents were enquired about the sources of borrowings which they avail. Table 4.14 lists the various sources of borrowings availed by the respondents and the frequency of their use.

Table 4.14
Sources of Borrowing

S. No	Source of borrowing	Frequency	Percentage
1	Family/Relatives/Friends	114	60.96
2	Moneylenders	40	21.39
3	Microfinance Institutions	18	9.63
4	Bank	15	8.06
	Total	187	100

Source: Field Survey

Following the survey based on knowing the sources of borrowing as shown in Table 4.14, the respondents were asked questions related to their source of borrowings. Firstly, out of 187 respondents, only little over 08 percent borrows money from a bank. Secondly, nearly 61 percent of the respondents reported family, friends and relatives as their source of borrowing. Thirdly, from Microfinance Institutions, out of 187 respondents, approximately 10 percent of the respondents accepted as their source of borrowing. Lastly, little over 21 percent of the respondents borrowed money from moneylenders.

Purpose of Borrowing

The study attempts to bring to notice the purpose of borrowings made by the respondents according to their respective needs. Table 4.16 shows the reasons for which respondents borrowed money.

Table 4.15
Purpose of Borrowings

S. No	Purpose	Number	Percentage
1	Business needs	155	82.89
2	Personal used	27	14.44
3	Construction/ Purchase/ Renovation of house	4	2.14
4	Agriculture Loan	1	0.53
	Total	187	100

Source: Field Survey

The purpose of borrowing money varied for different reasons. Some of the main reasons are highlighted in Table 4.15. The study is based on analyzing 187 respondents, on which the outcome is 4 respondents i.e. 2.14 percent borrows money for constructing, purchasing and renovating the house. Nearly 83 percent of the respondents borrowed money for business needs. For Agricultural loan, only 1 respondent (0.53 percent) borrowed money while little over 14 percent of the respondents admitted personal needs as the purposed of borrowing money.

INSURANCE:

Insurance is a very important aspect of financial literacy and one of the major criteria of financial inclusion. However, in India, insurance agents, insurance companies and banks, play a crucial role to promote insurance among the customers. Table 4.16 brings to notice the various types of insurance practised by the banks such as life, health, vehicle, crop insurance etc.

Table 4.16
Insurance Policies Owned

S. No	Type of Insurance	Number	Percentage
1	Life Insurance	0	0
2	Health Insurance	0	0
3	Vehicle Insurance	0	0
4	Crop Insurance	0	0
5	No Insurance Policy	187	100
Total		187	100

Source: Field Survey

From the above Table 4.16, it can be seen that insurance is mostly neglected due to lack of awareness as well as financial problems. Out of 187 respondents, none of them holds any of the insurance policies like Life Insurance, Health Insurance, Vehicle Insurance and Crop Insurance.

Reasons for not Buying Insurance

Reasons for not holding an insurance policy by the weaker section of society that was found prominent in this study have been accumulated in Table 4.17. The prominent reasons, as reported by the respondents, behind not having insurance are: they found the policies expensive; they felt they don't need insurance, lack of knowledge about insurance and the process of insurance.

Table 4.17
Reasons for not buying Insurance

S. No	Reasons	Frequency	Percentage
1	No knowledge about Insurance	105	56.15
2	Too expensive, cannot pay a premium	55	29.41
3	No need for having any insurance	15	8.02
4	Want to buy but do not know how to buy	12	6.42
Total		187	100

Source: Field survey

As mentioned in Table 4.17, the total of 187 respondents stated the reasons for not owning Insurance policy due to the following reasons: out of the total 187 respondents, most of the respondents (56.15 percent) do not know policy. Little over 30 per cent claimed that the reason of not owning Insurance policy is the fact that it is too expensive and they cannot afford the premium, while 8.02 percent does not know the need of having Insurance. On the contrary, moreover, little over 7 percent stated that they want to have Insurance Policy but does not have any idea on the process of how to buy Insurance Policy.

Status of Financial Inclusion among street Vendors in Lunglei, Mizoram

In this chapter, the existing scenario of the street vendors of the Lunglei, Mizoram concerning the financial inclusion is brought to light. To measure the status of financial inclusion among street vendors in Lunglei, Mizoram CRISIL Inclusix methodology was adopted. The study enlightened the fact that the street vendors of Lunglei, Mizoram are not financially included even after the constant efforts of the Indian government.

Table 4.18
Level/Status of Financial Inclusion

Score	Level of financial Inclusion	Frequency	Percentage
More than 65	High	5	2.67
Between 50.1 to 65	Above Average	27	14.44
Between 35.0 to 50	Below Average	98	52.41
Less than 35	Low	57	30.48

Source: Field Survey

Table 4.18 shows the status of financial inclusion among street vendors in Lunglei Mizoram. It can be seen that most of the respondents, i.e. 52.41 percent, had been found the below-average score in financial inclusion, followed by 30.48 percent of the respondents found low score in financial Inclusion. Only 15 percent of the respondents could score above average i.e. between 50.1 to 65%. Merely 2.67 percent of the respondents could score high, i.e. above 65%. The finding of this study is in line with

Mukta Mani (2019) study which revealed that the respondents are not financially included due to lack of awareness and the government schemes & programs does not have a far-reaching effect.

4.2 Problems faced by street vendors in availing financial services

The various problems faced by street vendors in Lunglei, Mizoram will discuss and the focus of the analyses is based on primary data collected from the sample street vendors in Lunglei. During the study, it was observed that the street vendors were suffering from several problems that obstructed the availing in financial services.

4.2.1.INTRODUCTION

Financial services are one of the services viz money, finance, bank facility, investment etc provided by the finance market which is focused on the customers and holder of financial services. Every business activity has problems in this world. In term of availing financial services, some people used to get problems because of misunderstanding the services. (Sivaloganathan, 2004)in his study the small and medium sectors have limitations as compared to the large sector in facing different problems due to the majority of functions have to be performed by the owners themselves due to limitation of resources.

The problems faced by the vendors may be different from place to place and even within the same occupation and also different state/ country, the problems may be different from vending to vending and also from vendors to vendors. The study will focus only on the problems faced by the street vendors availing of financial services,

4.2.2 Problem faced by respondents while availing of financial services

To know the problems faced by the respondents the study were asked whether they have face problems regarding the availing of financial services. The table will highlight the result of the respondents.

Table 4.19
The problem faced by respondents while availing of financial services

Respondents	Yes	No
Female	133	49
Male	2	3
Total	135 (72.2)	52 (27.8)

Source: Field survey

Note: figures in parentheses are the percentage

The table shows that whether the respondents have faced problems availing financial services or not. It can seem that majority of the respondents (72 per cent) faced problems availing financial services while nearly 28 per cent of the respondents were not faced any problems availing of financial services in their daily lives.

The major problems faced by the respondents availing of financial services are as follows

- Less Income: most of the street vendors do not get high income from their vending. So, Even though they are willing to save money in the bank because of low income they can not avail financial services.
- Misunderstanding the process: while the study was conducting, the meat of the respondents have misunderstood the process of how to take a loan, deposit money and even withdraw money from Bank and ATM
- Lack of awareness: the study was found that of the majority of the charts of the respondents were lack of awareness of availing financial services viz, ATM, Loan, Debit card, etc.
- A small amount of money needed: Especially the street vendors, when they try to take a loan, but instead of taking a loan from the bank they used to prefer borrowed money from relatives because they need an only small amount of money which is less than Rs 5,000.

- No guarantor: Taking a loan is difficult for the weaker section it required guarantor. So the street vendors faced a problem when they try to take a loan.
- Lack of information and experience: most of the respondents get information regards to financial services from their relatives. So, if their relatives are not aware of this, there is a less to chance to availed financial services among weaker sections. It also experiences helpful to availed financial service.

Conclusion

With the help of this chapter the status of financial inclusion among street vendors in Lunglei, Mizoram is brought to the light. Financial Inclusion refers to the practice of ensuring access to appropriate financial products and services needed by vulnerable groups of society. The study also highlights that the government schemes implemented for the weaker section and available financial services. The study revealed that the weaker section in Lunglei Mizoram, viz. street vendors, were not financially included and most of the respondents could score below average score in Financial inclusion. The study also revealed the problems faced by the respondents availing financial services in their daily lives.

CHAPTER 5

FINDINGS AND SUGGESTIONS

This chapter brings forward the major findings and valuable suggestions based on empirical research. It summaries the findings related to the socio-economic-demographic profile of the respondents. The chapter also includes the findings relating to the level of financial literacy among the respondents and the financial inclusion of the respondents in Lunglei, Mizoram. The study was conducted in Lunglei, Mizoram. The sampling was based on the Lottery method.

5.1 The Socio-demographic profile of the respondents, i.e. street vendors in Lunglei

Gender: An attempt is made to count the number of street vendors in the two biggest markets in Lunglei, Mizoram, Out of the population of the vendors in Lunglei, only street vendors who do not have permanent seats for vending were considered for the study. Out of 212, random samples of 187 vendors were drawn based lottery method. Out of 187 respondents, 182 street vendors were women, while less than 03 percent were male. This speaks of the predominance of women street vendors in street vending in Lunglei. Interestingly, it was also found that no child practised street vending in Lunglei, Mizoram.

Marital Status:

Out of 187 respondents, 123 respondents were married women and 3 respondents were married, male. The study revealed that the status of women in Lunglei, especially in the field of street vending, is dominated by women.

Religion and Caste:

The study found that all the respondents were Christians who belong to Schedule Tribe.

Education Qualification

The highest percentage of educational qualification among the respondents is 32.62 percent who attended HSLC (class 10th) and follow by 27.27 percent, i.e. Middle

school(class 7th) and 25.67 percent i.e. Primary school (class 4th). Among the respondent, one person found graduate and post-graduate each. As expected, the majority of street vendors do not have higher levels of education.

Economic Status:

Out of the total 187 respondents, nearly 21 percent of the respondents belong to Above Poverty Line (APL) families. The largest numbers of the respondents 71.13 percent (133) are from Below Poverty Line (BPL) families, while 4.81 percent of the respondents were found to be part of Antyodaya Anna Yojana (AAY) family.

Age of the Respondents:

It is found that a total of 20.32 percent of the respondents belong to the age group of up to 30 years. The modal age group of the respondents was 31 to 40 years of age representing nearly 29 percent of the total. In the category of 41 to 50 years, 19.79 percent of the respondents lie and 20.86 percent of the respondents were at the age group between 51 to 60 years. In the category for more than 61 years, little over 10 percent of the respondents lie. Hence, the present study found that the majority of the respondents lie in category 31 to 40 years.

Monthly Income of the Respondents:

It is found that 48.12 percent of the respondents have an average monthly income of INR 1,001 to 3,000 and almost 29 percent of the respondents have a monthly income between INR 3001 to 5000. Nearly 13 percent of the respondents earned between INR 5001 to 10000 and almost 6 percent of the respondents earned above 10,000 in a month. The respondents who earn up to INR 1000 are 4.3 percent.

Family Size: It is found that little over 19 percent of the respondent's family belonged to the family size of up to 3 members. Over 66.31 percent of the respondents belonged to the family size of 4 to 6 members and 12.3 percent of the respondent's family belonged to the

family size of up to 7 to 9 members and the remaining 2.14 percent of the respondents have a big family i.e. more than 10 members.

Time: It is found that the majority of the respondents (88.77 percent) were working for 4 to 6 hrs in their vending and 9.63 percent of respondents spend between 6 to 8 hours in a day. Out of 187, only 02 respondents spend between 2 to 4 hours in a day and only 01 of the respondents spend more than 8 hours in a day

Self Help Group:

Out of a total of 187 respondents, less than 19 percent was a member of Self-help Groups. The major proportions of the respondents were not a member of any Self Help Group. Hence, it is evident that the respondents were not involved in SHGs due to less or no awareness about it

5.2 Level of Financial Literacy among the street vendors in Lunglei, Mizoram

To know the level of financial literacy, financial literacy had been divided into three groups viz Financial knowledge, Financial Behavior, and financial attitude. The result of each measurement will show in the above.

5.2.1. Financial Knowledge

- It is found that less than 52 percent of the respondents have a moderate level of financial knowledge, while the remaining 48.13 percent of the respondents had low financial knowledge.
- None of the respondents is found to have a high score in financial knowledge. One of the reasons may be the low level of educational qualification among the respondents.

5.2.2 Financial Behavior

- Financial Behavior score was found high among the respondents, less than 53 percent had a high score (i.e. scored 6 or more out of 8). It is found that 41.71

percent scored average (i.e. between 4-5). Out of a total of 187 respondents, nearly 6 percent had low scores.

Financial Goals:

- It is found that majority of the respondents from street vendors had financial goals, out of a total of 187, only 69 street vendors did not have financial goals in their family

Budget:

- It is found that the majority of the respondents, i.e 72.19 percent did not have a budget while only 27.81 percent had a budget for their family. the study revealed that most of the respondents had financial goals but to fulfil the goals they don't have a budget. So it knows that they aware of having financial goals but because of low literacy among respondents, they cannot move forward.
- One interesting finding is that 50 percent of the respondents among the married women were willing to do their children get the best education even though their income is less they want their children would work some government jobs rather than street vending. At the same time, it is a challenging task for the government to uplift the weaker section children in terms of education.

5.3 Status of Financial Inclusion among Street Vendors in Lunglei, Mizoram

- For this study regarding the awareness, it was found that all of the respondents were aware of banks from various sources, but out of 187 respondents, 155 (82.89 percent) have a bank account among them only 60 respondents opened a bank account with zero balance facility. It was also found that mainly they have a savings account as they required operating hardly for small withdrawals and avail government schemes.
- Out of a total of 187 respondents, only 30.48 percent had a bank branch in their locality. On the other hand, nearly 70 percent does not have a bank branch in their locality

- As far as the bank account is concerned, the finding shows that 32 respondents do not have a bank account. The main reasons are: they don't have money to keep in the bank, they even don't understand the process of opening a bank account, they didn't feel the need to have a bank account as their family members already have an account in Bank and 1 respondent could not have a bank account due to her religious beliefs and also they didn't trust the bank to save money.
- It is found that less than 53 percent of the respondents scored below average in financial inclusion, followed by 30.48 percent of the respondents found with a low score in financial inclusion. Only 15 percent of the respondents could score above average, i.e. between 50.1 to 65%. Merely 2.67 percent of the respondents could score high, i.e. above 65%. Looking at the score, it appears that the respondents were not financially included due to low financial literacy, lack of awareness, lack of knowledge, ignorance, etc.
- **Problems faced in availing government schemes:**
It is found that the majority of the respondents i.e. 72.19 percent faced some problems in their access to the government schemes while 27.81 percent did not face any problems getting government services for personal users or business. The main problems that they are facing: less awareness, less time spent on social media, less use of android phones as they can't afford, and unwillingness to cope up with technological advancements due to the low quality of education.
- **Savings to secure old age:**
It is found that among the respondents less than 25 percent have a plan for savings to secure old age while over 75 percent of the respondents are not saving money due to lack of knowledge.
- **Frequency of bank visit:**
Visiting the banks depends on the requirement of the respondents. In general most of the respondents, i.e. over 75 percent did not go to the bank in a year which is considered negative for the upliftment of financial inclusion. Little over 21 percent

of the respondents visited the bank twice in a year and only 2.14 percent visited the bank once in a year.

- **The Number of times ATM used within a month:**

Most of the respondents (little over 87 percent doesn't own ATM card), most of them didn't know how to use ATM card as well. Only 11.76 percent know how to maintain an ATM card and they used to make a transaction only when it is required. Surprisingly only 2 respondents were making a transaction at least once in a month.

- **Awareness among respondents regarding financial products and services:**

Regarding the awareness these of financial products and services such as loan, ATM, chequebook, internet banking, mobile banking, debit card, credit card, Kisan credit card, insurance, and others it is found that the percentage of the users were less as they do not have chance to used that services. Most of the respondents were aware of but not availed of these services. While some of them are unaware.

- **Awareness of government schemes:**

.Indian Government has launched many schemes, during the study it was found that more than 65 percent of the respondents were aware and have availed of the schemes such as Pradhan mantra Jan DhanYojana and Atal Pension scheme. Regarding these three schemes such as Pradhan mantra JeevanJyotibimayojana, Pradhan mantra Jan Arogya yojana and pradhanMantriSurakshabimayojana, respondents do not get any benefits at all and also nearly 4 percent of the respondents were aware of these schemes

- **Borrowings:**

It is found that nearly 61 percent of the street vendors borrowed money from their relatives and friends instead of financial institutions because the guarantor is not required. Getting a guarantor is difficult to get for those who do not hold any government jobs among the family. They can get easily borrow from their relatives and friends. Sometimes they need only a small amount of money and there is a time

constraint that's why most of the respondents prefer to borrow money from their relatives rather than opting for bank loans.

- **Purpose of Borrowing:**

Regarding the purpose of borrowing, out of 187 respondents, the majority of the respondents i.e. 82.89 percent borrowed money for business needs and little over 14 percent of the respondents admitted needs as the personal needs. It was also found that 2.14 percent borrows money for constructing, purchasing and renovating the house and 1 respondent borrowed money for agriculture loan

- **Insurance**

It is found that insurance is mostly neglected due to a lack of knowledge as well as financial problems. Out of 187 respondents, none of them holds any of the insurance policies like Life Insurance, Health Insurance, Vehicle Insurance, and Crop Insurance. The main reasons of not buying insurance are: too expensive and they cannot afford the premium, they don't know about this policy, they do not know the needs of having Insurance some of the respondents want to have Insurance Policy but does not have any idea on the process of how to buy Insurance Policy.

5.4. Suggestions

In the year 2012, the Indian government stated 22% of the Indian population is living below the poverty line. Out of the total population of India, 108(8.5%) million people belong to the ST category and 43% of it is living below the poverty line. Mizoram is a state of tribes and 20% of the total population of Mizoram is below the poverty line. The Indian government has launched various schemes for raising the standard of living of the weaker and vulnerable section of our society. As a result of constant and tremendous efforts, in only 10 consecutive years 271 million Indians have been uplifted out of poverty. However, still in some states like Mizoram deprived people are living below the poverty line and the schemes launched by the government fail to reach the targeted people. Hence,

based on this research some suggestions are offered to the government and people as efforts need to be made from both ends.

Suggestions for the Government

The study has given some suggestions to the government as follows:

- The government should conduct more awareness among the targeted people.
- Special campaign program for the weaker sections
- the government should introduce financial service subjects in school.
- For better financial inclusion, the government should adopt simple, easy, and understandable procedures to encourage more people to use banking and financial services.
- The government should organize a financial literacy program to improve financial literacy levels among the people, especially for the weaker sections.
- Interestingly, the majority of the respondents in the study claimed to watch TV regularly. Concerning TV commercials, the government and state should take a step to introduce new schemes with the help of TV commercials. So that at least people can know about the scheme which is targeted for the weaker sections.
- The government should organize a relevant camp to create awareness about the recent schemes through NGOs or bank officials so that they can communicate to society about government schemes.
- Increase awareness – seminars, workshops, and training should be conducted and booklets should be distributed to increase awareness of their rights among the street vendors. Also, the translation of the government schemes guidelines in Mizo will be very helpful in understanding
- Cold storage facilities and proper sanitation facilities should be worked upon.
- There should be linkage programs tied up with SHG or NGOs. So that they can seek to reach the targeted people to achieve financial inclusion.

- Social media, Local authority, and some / voluntary organizations can play an important role to change the social lives of the people. So if the government can use this platform as a key to create awareness among the people it can produce a better result.
- The majority of the respondents were women in this study, this indicates that there is a need to encourage women cells in Mizoram, These cells should be managed by women. Also, the state government should give special incentives to women from weaker sections for a certain period. The government should also evolve schemes of assistance exclusively meant for women.
- The government schemes should reach people in the local language so that it is easy to understand.
- The documents required for banking and financial services should be less and the process should be speedy.

Suggestions for the street vendors

The study has also given some suggestions to the people who reside inLunglei, Mizoram as follows.

- Unfortunately, to note that most of the street vendors do not keep proper records of their expenses and income. So, it suggested that the street vendors should maintain proper books of account to keep systematic records of all income and expenses, to know the financial position of their vending.
- It is found that some of the respondents have financial goals but to achieve those goals they do not have a proper budget. So, the respondents should also focus on how to prepare a proper budget and try to achieve their financial goals as well.
- To promote financial inclusion, people should save money in the bank instead of keeping at home.
- The people should alert in term of Indian government facility available for them

- Concerning the problem of financial services, the respondents were known about financial services but most of them were not accessing financial services. To access financial services they should be educated. So the street vendors at least should try to educate their children if possible.
- Most of the respondents did not understand the scheme offered by the government. If so, they should take the help of others to understand the scheme instead of waiting for help from the government.
- Most of the respondents watch TV and they like to watch the local channels in Mizo language. So if they prefer watching the news it would aware of the govt. schemes that are advertised through the TV.

If these suggestions will be worked upon the living condition of street vendors will improve and they could be covered under the financially included section of the population. This move will help to tackle the existing poverty and low quality of education persisting in the state. These suggestions if incorporated might increase the level of financial literacy and financial inclusion in the state.

Future Scope of the research:

This study was based on Lunglei, Mizoram further it could be extended to the Whole of Mizoram and could be compared with the North Eastern States of India. CRISIL did a study that was based on financial literacy through secondary data. So there is scope for further study which would be based on primary data. .

Appendices

INTERVIEW SCHEDULE FOR STREET VENDORS

Dear Respondents,

I am a research scholar working under Prof Bhartendu Singh, Department of Commerce, Mizoram University and my topic is 'Financial Inclusion of Street Vendors in Lunglei, Mizoram'. The interview schedule examines the significance of socio economic profile of the street vendors, level of financial literacy and financial inclusion among the street vendors in Lunglei. Your response will greatly contribute towards meeting this objective and shall be used only for the purpose of this study. Your sincere answers will be very much appreciated. The confidentiality of your responses is assured.

With regards

H.Lalenkawli

Department of Commerce

Mizoram University

Part 1: Demographic Profile of the street vendors

The part 1 questions will help to examine the profile of street vendors in Lunglei.

1. Name: _____

Address: _____

2. Age: _____

3. Gender: Male Female Others

4. Education Qualification:

Illiterate Primary Middle HSLC HSSLC Graduate

5. Marital status:

Married Unmarried Divorce Widowed

6. Religion:

Christian Hindu Muslim others

7. Cast: ST SC OBC GEN

3. If you lost your vending income, how long could your household continue to cover living expenses, without borrowing any money or moving house?

- a) Less than a week b) At least a week but not one month
b) More than one month c) More than 3 months d) Six month or more

4. Who is responsible for making day to day decision about money in your household?

- a) You make these decisions by yourself b) Make with someone
(_____)
c) Someone else makes these decisions (_____) d) Don't know

5. Does your household have a budget? Yes No

6. Do you have financial goals? Yes No

7. If yes then can you tell me your financial goals?

7. In the past 12 months have you been (personally) saving money in any of the following ways, whether or not you still have the money?

- a) Saving cash at home or in your wallet deposit b) Paying money into a fixed deposit
c) Paying money into recurring account d) Paying money into current account
e) Paying money into a saving account g) Has not being actively saving
f) Giving money to family to save on your behalf h) Don't know i) Refused

8. Do you do any of the following for yourself or your household?

- a) Make a plan to manage your income and expenses
b) Keep a note on your spending
c) Keep money for bill separate from day to day spending money
d) Make a note of upcoming bills to make sure you don't miss them
e) Use a banking app or money management tool to keep track of your outgoings

Financial Attitude:

Statement	Completely Agree				Completely Disagree	Don't know	Refused
	1	2	3	4	5		
I find it more satisfying to spend money than to save it for the long term							
I am prepared to risk some of my own money when saving or making an investment							
Money is there to spend							
I am satisfied with my present financial situation							
I kept a close personal watch on my financial affairs							
I used my mobile phone to make or received payments							
My financial situation limits my ability to do the things that are important							
I set long term financial goals and strive to achieve them							
I believe that money in a bank will be safe even if the bank fails							
I have too much debt right now							

If I borrow money I have a responsibility to pay it back							
I believe that bank should check the ethics of companies before providing them with banking							

Financial Knowledge

1. Have you taken a loan? If yes, how much interest do you pay on your loan?

2. Suppose you have Rs 20,000 in your bank account, how much would be in the account at the end of five years if you don't deposit or withdraw anything?

- a) more than Rs 20,000 b) less than Rs 20,000
c) exactly Rs 20,000 d) don't know e) refused

3. I would like to know whether you think the following statement is true or false.

- a) An investment with a high return is likely to be at high risk
b) High inflation means that the cost of living is increasing rapidly
c) It is usually possible to reduce the risk of investing in the stock market by buying a wide range of stocks and shares

4. Now imagine that, at present there is land which costs Rs 5 lakh, After 1 year what would be the price of land?

- a) more than 5 lakh c) less than 5 lakh
b) the same amount d) don't know e) refused

Part - III: Status of Financial Inclusion:

Given below are the questions and statements related to the financial inclusion, the questions are mix with open ended and close ended and the statements have ratings scale to measure financial inclusion .

1. Is there any bank branch in your town/Village? Yes No
2. Do you have any bank Account? Yes No

If yes, which type of bank?

- a) Current Account Account b) Saving Account c) Fixed Deposit
 d) No frill Account

3. Did you open “Zero Balance Account” with your bank? Yes No

4. Which year did you open your bank account? _____

5. How frequently do you visit Bank in a month _____

6. How many times do you use ATM card in a month? _____

7. When you need to get cash from your account, how do you usually to get

- a) Cheque book b) ATM c) From Bank

8. Do you face any problem in taking loan? If yes, what problem?

9. Are you aware of following government schemes?

- a) Prime Minister Jan Dhan Yojana b) Atal Pension Scheme
 c) Pradhan Mantra Jeevan Jyoti Bima Yojana d) P.M Jan Arogya Yojana
 e) Pradhan Mantri Suraksha Bima Yojana

If Yes, from which source of information

10. Do you face problem to get the details of government schemes? Yes No

If yes then what kind of problem? _____

11. Do you face problem availing of financial services? Yes No

If Yes, then the reason _____

12.

Particulars	Can you tell me whether you have heard of any of	If yes then, can you tell me whether you	If yes then in the last two years, which of the

	these types of financial products?		personally or jointly currently hold any of these types of product?		financial products have you chosen?	
	Yes	No	Yes	No	Yes	No
A pension or retirement product						
A mortgage or home loan						
Car loan						
Credit Card						
Current/Checking/payment account						
Savings account						
Fixed deposit						
Insurance						
Life insurance						
Post office savings						
A microfinance loan						
Crypto assets or ICOs						
Mobile payments						
Stock and shares						
Bonds						

13. If Yes, then which of these sources of information do you feel most influenced your decision?

Particulars	Yes	No	Don't know	Refused	Not relevant
Specialist products (eg magazines etc)					
A recommendation from an independent financial advisor					
Information from an advertisement					
A recommendation from friends, family					
Information provided by bank staff					
Some other type of information					

14. Are you availing of this services?

Services	Never	Occasionally	Considerably	Almost	Always
Loan					
ATM					
Cheque Book					

Internet banking					
Mobile Banking					
Debit card					
Credit card					
KCC					
Insurance					

15. Thinking about financial products and services in general, in the past years, have you experienced any of the following issues?

Particulars	Yes	No	Don't know	Refused	Not relevant
Have you accepted advice to invest in a financial product that you later found to be a scam like Chiahpuam?					
Have you accidentally provided financial information in response to an email or phone later found out was not genuine?					
Have you found that someone used your card details to pay for goods without your authorization?					
In the last 2 yrs have you queried a transaction listed on your bank or debit card statement that you did not recognize?					
Have you made a formal complaint about the service you have received from a bank or other financial institution?					
Have you tried to open a bank account and then refused for any reason?					
Have you tried to take loan from a bank and then refused for any reason?					
Have you been refused a claim on an insurance product that you expected to cover you?					
Have you ever make a complained to a remittance provider about high					

charges when sending or receiving money?					
Have you lost money because of the hackers or scams					

16. From where do you borrow money in case of financial crisis?

17. If not from Bank?. What is the reasons_____?

18. Did you ever make a plan for retirement Savings?

Yes

No

19.

	Statement	Ratings				
1	Services provided by your bank	1	2	3	4	5
2	Quick access to your deposit/loan	1	2	3	4	5
3	Bank employees attitude and behavior	1	2	3	4	5
4	Timing of bank	1	2	3	4	5
5	Bank charges	1	2	3	4	5

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BIO-DATA

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EDUCATIONAL QUALIFICATION

Exam Passed	Name of the Institution	Board/Universities	Year of Passing	Percentage
M.com	Mizoram University	MZU	2018	67.6
B.com	HATIM	MZU	2016	63.8
HSSLC	Gov't Higher Secondary School, Lunglei	MBSE	2013	50.2
HSLC	Zobawk High School	MBSE	2011	53.8

Financial Inclusion
among Street Vendors in Lunglei, Mizoram

Abstract

For

The award of Mphil Degree

Submitted by

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17th july2020

Under the supervision of

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Introduction

Financial inclusion is the practice of ensuring access to appropriate financial products and services needed by vulnerable groups of society. Just accessing the financial services does not imply financial inclusion, people should know how to access financial services, from where to access and why to access. The banks are supposed to play a key role to make low-income groups gain access to financial services. Knowing numerous problems faced by the lower-income groups and vulnerable groups, the Government of India (GoI) and Reserve Bank of India (RBI) have planned and implemented schemes to increase financial services among the weaker sections and vulnerable groups to foster financial inclusion.

The Rangarajan committee (2008) defines financial inclusion as a “The process of ensuring access to financial services and timely and adequate credit by where needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost”.

Significance and scope of the study

To get successful financial inclusion, financial services and banking should reach the weaker section of the society and vulnerable person. To select street vendors as a focused group and to study the level of financial literacy and financial inclusion among them has become more important because the main source of earning for the weaker section of the society is by the means of street vending. Meanwhile, several studies

brought out that financial inclusion is key to introduce the financial services and products among the weaker sections with benefits.

The scope of this study is confined to Lunglei district which is the largest district of Mizoram and having the second largest population in the entire state. According to the 2011 census, Lunglei had a population of 1,61,428 (82,891 male and 78,537 female) and the average rate of literacy was 88.86 percent. The present study covers two largest bazaars in Lunglei, viz Sobji bazaar and AOC bazaar. It studied the financial inclusion among street vendors in Lunglei relating to Socio-economic-demographic profile, financial literacy, the status of financial inclusion and problems related to availing of financial services. Besides, the study tried to know awareness among respondents about the select schemes launched by the Indian government.

Review of literature

The literature review is divided into three parts and 30 studies were reviewed. The literature review has been attempted to familiarize with various issues of financial inclusion and financial literacy to identify the research problem. The literature review is divided into three parts namely, review of studies related to street vendors, financial inclusion among the weaker section of society and financial literacy.

Studied related to street vendors

Bhowmik and Saha (2013) concluded that most of the street vendors borrowed money from a moneylender and also the demand for a loan is high among the vendors. Baliyan & Srivastava (2016) examined that women street vendors are faced more problems compared to male counterparts to access financial services in their daily lives and also faced problem regards to child care and sanitation in their workplace. And also

in their study, they found that most of the street vendors were living to the below poverty line and most of them had a lower level of education.

Studies related to financial inclusion

Kumari & Reena (2015) examined the regional variation in the index of financial inclusion and how they are heterogeneous across the state. It has been found that Lucknow was the top-performing while Kaushambi was at the bottom of performing district attainment of an index of financial inclusion. They suggested that there is need to explore more efficiency in the other regions of the state to see the performance at the micro and disaggregate level in the state so that proper policy could be facilitated by policymakers. Thangasamy (2014) realized that the importance of financial inclusion in every state of North Eastern Region and found that North Eastern Region has to strive hard and cooperate with the banks so they can overcome all the problems facing by the weaker people.

Studies related to financial literacy

Jha & Naik (2017) conducted a study based on the awareness of financial inclusion and suggest that financial literacy need to be changed from distributing printed literature to audio and visual media and awareness should be more in the rural area. Negi and Gupta (2015) in their studies financial literacy level of Himachal Pradesh, they found that 81% of respondents have savings account in the banks, which shows that the respondents have the adequate knowledge of the financial instrument as 57% of the respondents know National Savings Certificates and 75% of the respondents know about Public Provident Fund, which has been considered as two important saving schemes in their study.

Research Gap

There are many studies related to financial inclusion and financial literacy among the weaker section of the society and also related to street vendors as noted in the review, financial inclusion is still low among the weaker section of the society in the northeastern region. Thangasamy (2014) found that the northeastern region has to strive hard to cooperate with the banks so that they can overcome the problem faced by the weaker section. However, the studies focusing on financial inclusion in the northeast is more, hilly terrain state of Mizoram are scanty especially in Lunglei. The proposed study is expected to fill up the research gap that exists in the body of knowledge

Statement of the Problem

Street vendors are one of the most marginalized vulnerable sectors of the urban informal labour market. Although street vending is seen as a growing business, street vending has become one of the means of employment for the weaker sections in the society. Women who are economically backward engaging themselves to sustain their families. As noted in the Review of literature, financial inclusion is increasing in India even in the North-Eastern part. Kumari & Reena, (2015) in their study state that the educational level among street vendors is very low and female street vendors face more problems rather than the male street vendors, their main problem is to gain access the financial services and also found that about 53.9 per cent of the female street vendors and 60.7 per cent of the male vendors are dependent on the money lenders, while only 2.6 per cent of female street vendors and 4.9 per cent of male street vendors are dependent on banks in Lucknow. This may be because of a lack of awareness of financial services among the street vendors and also lack of financial literacy among street vendors. Further, a study conducted among the street vendors in Aizawl district of

Mizoram concluded that lack of accessibility to credit is one of the major problems faced by the street vendors in Mizoram (Rodi & Ramswamy, 2012).

Considering the above reasons and findings of the previous studies, there is an urgent need to conduct a focused study on ‘financial inclusion of street vendors’ and besides that, there is no substantial evidence of studies conducted in the area of financial inclusion of street vendors in Mizoram, especially in Lunglei District. Thus, a study on the topic ‘Financial inclusion of street vendors in Lunglei, Mizoram’ is worth undertaking.

Objectives of the study:

1. To study the profile of street vendors in Lunglei, Mizoram
2. To study the level of financial literacy among street vendors in Lunglei, Mizoram
3. To study the status of financial inclusion among street vendors in Lunglei, Mizoram
4. To examine the problems faced by street vendors in availing financial services.

Research Questions

1. Does the financial inclusion schemes reach the socially vulnerable groups including the street vendors?
2. Do the street vendors know about financial services?
3. Does the present schemes of financial inclusion viz, *Pradhan Mantri Jan Dhan Yajona (PMJDY)*, *Atal Pension scheme*, *Prime Minister Jan Arogya Yojana (PMJAY)*, *Pradhan Mantri Suraksha Bima Yajona (PMSBY)* and *Pradhan Mantri Jeevan Jyoti Bima Yajona (PMJJBY)* address the needs of financial inclusion?

4. What are the most common sources of borrowing money among the street vendors and the reasons behind opting for such sources in Lunglei, Mizoram?

Research Methodology

1. Research Design- Exploratory research design was used for this study. This study is based on financial inclusion among the street vendors in Lunglei. Especially in Lunglei, there are not many studies available about financial inclusion, that is why exploratory design is adopted for the study.

2. Population and Sample size- Mizoram (23rd state of India) is situated in the south part of the northeastern region of India. As per 2011 census, the total population of Mizoram was 1,091,014 spread over the state which measures an area of approximately 21,087 square kilometres. About 37% of the population the states lives in Aizawl, the capital of the state. Lunglei is the largest (area-wise) and second most populous district of Mizoram.

Lunglei, being the largest district of Mizoram with an area of 4,572 km² (1,765 sq mi), has been selected for the present study. There are six recognized markets in Lunglei where street vendors are operating on a daily or weekly basis. These markets are as under with estimated number of street vendors:

Name of the Market	Estimated No. of Street Vendors
Sabji Bazaar	212
A.O.C Market	43
Rahsi Veng Market	15
Venglai	15
3 Gate Bazaar	15
Serkawn Market	14
TOTAL	314

Source: Pilot study

Above numbers are estimated ones as no official numbers could be found during the pilot study, and has been an outcome of headcount done by the researcher.

The population of the study is all three hundred fourteen (314) street vendors operating in the above six markets in Lunglei district of Mizoram. The standard sample size for a population of 314 with a confidence level of 95% and a confidence interval of 5% is calculated as 173. An attempt is made to select 200 respondents, selected randomly on the lottery method. Schedule method was used to collect primary data. Out of 200 filled schedules, 13 schedules were found inconsistent/defective and thus not considered for the analysis. Thus, finally, responses from 187 respondents were considered for the study, which is 14 more than the minimum sample size required based on the population size.

3. Data collection method- The study used both primary and secondary sources data. Primary data was collected through a structured schedule which is based on OECD/INFE Toolkit for measuring Financial Literacy and Inclusion. Secondary data was collected from Journals, Magazines, RBI website, OECD website, etc

4. Design of the Schedule - Schedule was divided into three parts, 1) the first part of schedule contains socio-economic information like age, gender, marital status, family size, educational qualification, income etc of the respondents, 2) the second part of schedule focuses on the level of financial literacy of the respondent 3) The third part cover status of financial inclusion among the respondent. The schedule was prepared in English which is translated into local language i.e. Mizo.

Chapterization

This study is divided into five chapters. Chapter 1 presents an overview of financial inclusion in India, the profile of Mizoram and profile of street vendors in Lunglei, Mizoram. This chapter covers the research problem, need for the study, research design and based on the literature reviewed covering the areas street vendors, financial inclusion and financial literacy.

Chapter 2 studies the socio-economic & demographic profile of the street vendors in Lunglei, Mizoram viz, gender, religion, caste, marital status, educational qualification, economic status, family size and so on.

Chapter 3 focuses on the level of financial literacy among the street vendors in Lunglei, Mizoram

Chapter 4 attempts to find out the status of financial inclusion among street vendors in Lunglei, Mizoram and also mentioned about the problems faced by the respondents availing financial services

Chapter 5 focuses on the findings of the study and offers suggestions for the government and the street vendors in Lunglei, Mizoram.

Major Findings

Socio-economic demographic profile of the street vendors in Lunglei, Mizoram

Gender: Out of 187 respondents, 182 street vendors were women, while less than 03 percent were male. This speaks of the predominance of women street vendors in street vending in Lunglei.

Marital status: Out of 187 respondents, 123 respondents were married women and 3 respondents were married, male. The study revealed that the status of women in Lunglei, especially in the field of street vending, is dominated by women

Education Qualification It is found that none of the street vendors was illiterate. The highest percentage of educational qualification among the respondents is 32.62 percent who attended HSLC (class 10th) and follow by 27.27 percent, i.e. Middle school (class 7th) and 25.67 percent i.e. Primary school (class 4th). Among the respondent, one person found graduate and post-graduate each.

Economic Status: Out of the total 187 respondents, nearly 21 percent of the respondents belong to Above Poverty Line (APL) families. The largest numbers of the respondents 71.13 percent (133) are from Below Poverty Line (BPL) families, while 4.81 percent of the respondents were found to be part of Antyodaya Anna Yojana (AAY) family.

Age of the Respondents: It is found that a total of 20.32 percent of the respondents belong to the age group of up to 30 years. The modal age group of the respondents was 31 to 40 years of age representing nearly 29 percent of the total. In the category of 41 to

50 years, 19.79 percent of the respondents lie and 20.86 percent of the respondents were at the age group between 51 to 60 years. In the category for more than 61 years, little over 10 percent of the respondents lie.

Monthly Income of the Respondents: It is found that 48.12 per cent of the respondents have an average monthly income of INR 1,001 to 3,000 and almost 29 percent of the respondents have a monthly income between INR 3,001 to 5,000. Nearly 13 percent of the respondents earned between INR 5,001 to 10,000 and almost 6 percent of the respondents earned above 10,000 in a month. The respondents who earn up to INR 1,000 are 4.3 percent.

Family Size: It is found that little over 19 percent of the respondent's family belonged to the family size of up to 3 members. Over 66.31 percent of the respondents belonged to the family size of 4 to 6 members and 12.3 percent of the respondents family belonged to the family size of up to 7 to 9 members and the remaining 2.14 percent of the respondents have a big family i.e. more than 10 members.

Level of financial literacy among street vendors in Lunglei, Mizoram

Financial Knowledge: It is found that less than 52 per cent of the respondents have a moderate level of financial knowledge, while the remaining 48.13 percent of the respondents had low financial knowledge. None of the respondents is found to have a high score in financial knowledge. One of the reasons may be the low level of educational qualification among the respondents

Financial Behavior: Financial Behavior score was found high among the respondents, less than 53 percent had a high score (i.e. scored 6 or more out of 8). It is found that 41.71 percent scored average (i.e. between 4-5). Out of total of 187 respondents, nearly 6 percent had a low score.

Financial Goals: It is found that majority of the respondents had financial goals, out of a total of 187, only 69 street vendors did not have financial goals in their family. The study revealed that most of the respondents had financial goals but to fulfil the goals they don't have a budget.

Status of financial inclusion among street vendors in Lunglei, Mizoram

- It was found that all of the respondents were aware of banks from various sources, but out of 187 respondents 155 (82.89 percent) have a bank account among them only 60 respondents opened a bank account with zero balance facility. It was also found that mainly they have a saving account as they required operating hardly for small withdrawals and avail government schemes.
- It is found that 32 respondents do not have a bank account. The main reasons are: they don't have money to keep in the bank, they even don't understand the process of opening a bank account, they didn't feel the need to have a bank account as their family members already have an account in Bank and 1 respondent could not have a bank account due to her religious beliefs and also they didn't trust a bank to save money.

- It is found that less than 53 percent of the respondents scored below average in financial inclusion, followed by 30.48 percent of the respondents found with a low score in financial inclusion. Only 15 percent of the respondents could score above average, i.e. between 50.1 to 65%. Merely 2.67 percent of the respondents could score high, i.e. above 65%. It can seem that the respondents were not financially included due to low financial literacy, lack of awareness, lack of knowledge, ignorance etc.
- **Problems faced in availing government schemes:** It is found that the majority of the respondents i.e. 72.19 percent faced some problems in their access to the government schemes while 27.81 percent did not face any problems to get government services for personal user or business. The main problems that they are facing: less awareness, less time spent on social media, less use of smartphones as they can't afford and unwillingness to cope up with the technological advancements due to low quality of education.
- **Frequency of bank visit:** Visiting the banks depends on the requirement of the respondents. In general most of the respondents, i.e. over 75 percent did not go to the bank in a year which is considered negative for the upliftment of financial inclusion. Little over 21 percent of the respondents visited the bank twice in a year and only 2.14 percent visited the bank once in a year.
- **Awareness among respondents regarding financial products and services:** Regarding the awareness these of financial products and services such as loan, ATM, cheque book, internet banking, mobile banking, debit card, credit card,

Kisan credit card, insurance and others it is found that the percentage of the users were less as they do not have chance to used that services. Most of the respondents were aware of but not availed these services. While some of them are unaware.

- **Awareness of government schemes:** Indian Government has launched many schemes, during the study it was found that more than 65 percent of the respondents aware and have availed of the schemes such as Pradhan Mantra Jan Dhan Yojana and Atal Pension Scheme. Regarding these three schemes such as Pradhan Mantra Jeevan Jyoti Bima Yojana, Pradhan Mantra Jan Arogya Yojana and Pradhan Mantri Sukraksha Bima Yajona were failed to make an impact in the surveyed area.
- **Borrowings:** It is found that nearly 61 percent of the street vendors borrowed money from their relatives and friends instead of financial institutions because the guarantor is not required. Getting a guarantor is difficult to get for those who do not hold any government jobs among the family. They can get easily borrow from their relatives and friends. Sometimes they need only a small amount of money and there is a time constraint that's why most of the respondents prefer to borrow money from their relatives rather than opting for bank loans.
- **Insurance:** It is found that insurance is mostly neglected due to a lack of knowledge as well as financial problems. Out of 187 respondents, none of them holds any of the insurance policies like Life Insurance, Health Insurance, Vehicle Insurance and Crop Insurance. The main reasons of not buying insurance are:

too expensive and they cannot afford the premium, they don't know about this policy, they do not know the needs of having Insurance some of the respondents want to have Insurance Policy but does not have any idea on the process of how to buy Insurance Policy.

SUGGESTIONS

Suggestions to the Government

- The government should conduct more awareness among the targeted people.
- Special campaign program for the weaker sections
- the government should introduce financial service subjects in school.
- For better financial inclusion, the government should adopt simple, easy, and understandable procedures to encourage more people to use banking and financial services.
- The government should organize a financial literacy program to improve financial literacy levels among the people, especially for the weaker sections.
- Interestingly, the majority of the respondents in the study claimed to watch TV regularly. Concerning TV commercials, the government and state should take a step to introduced new schemes with the help of TV commercials. So that at least people can know about the scheme which is targeted for the weaker sections.
- The government conducts awareness programs but still, there is a need for more awareness to the targeted people. So the government should organize a special

campaign program to motivate the customer even the person who doesn't have a bank account as well.

Suggestions for the Street Vendors

- Proper Records of income and expenditure should be maintained.
- Prepare financial goals and try to achieve that goal.
- Most of the respondents did not understand the scheme offered by the government. If so, they should take the help of others to understand the scheme instead of waiting for help from the government.
- Most of the respondents watch TV and they like to watch the local channels in Mizo language. So if they prefer watching the news it would aware of the govt. schemes that are advertised through the TV.

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