

Access to banking services: an analysis from two Districts of Odisha in India

¹Dipti Ray, ²Himanshu Sekhar Rout

¹Research Scholar, ²Reader

Department of A&A Economics, Utkal University, Vani Vihar, Bhubaneswar, India

dipti_ray2004@yahoo.co.in, hsrout1970@gmail.com

Abstract

Objectives: This study intends to find out the status of access to formal financial services (here it is banking services) in Kendrapara and Sunderagarh districts of Odisha in India.

Methods/Statistical Analysis: We applied the purposive random sampling and multistage random sampling methods for selecting the districts and villages respectively. A total of 400 households are chosen proportionately from the four selected villages. Both primary and secondary data are used in the study. Primary data are collected through direct personal interviews of heads of the households using structured interview schedules. Descriptive statistical tools such as averages, percentages and graphs are used for analyzing the data.

Findings: The provision of banking infrastructure in the sample districts is not adequate particularly in the sample panchayats of Sunderagarh district. A poor geographical penetration of bank branches and ATMs are found in this district in comparison to Kendrapara district. 94.8% of respondents in both the districts have access to banking services with 97% in Kendrapara and 89.5% in Sunderagarh district. The primary reasons for opening bank account are receiving govt. benefit transfers and receiving payments for work under National Rural Employment Guarantee Scheme (NREGS). A majority of respondents are found to have opened their account during the financial inclusion drive i.e. in the year 2005 and onwards. Income level and literacy of the respondents are found to be the major determinants of access to bank account. The financial awareness in both the district is very poor which obstructs the households from accessing the associated facilities of a bank account such as debit card, credit card, loan account, cheque facility and overdraft facility. The primary reasons for not having a bank account are lack of regular and sufficient income and lack of financial awareness.

Application/Improvement: The study explores the accessibility and its determinants at grass roots level by studying the village households it will be helpful for policy makers for designing appropriate schemes and programmes for improving accessibility and utilization of banking services particularly in the rural and tribal areas.

Keywords: Financial Inclusion, Accessibility, Banking Services, Rural and Tribal households.

1. Introduction

Financial inclusion and socio-economic indicators of growth are positively associated. An inclusive financial system by connecting the unbanked households to the formal financial systems facilitates their participation in the mainstream economic life and improves their financial condition and living standard. "Access to finance for large parts of the population is not only important for expanding opportunities beyond the rich and connected but also crucial for a thriving democracy and market economy. It promotes welfare of the people by enabling them create financial assets, generate income and build resilience to meet macro-economic and livelihood shocks" [1, 2].

Financial inclusion is an economic state where individuals and firms are not denied access to basic financial services. It is a multi-dimensional concept which encompasses a number of dimensions in it taking from financial participation to financial wellbeing, literacy and capability. "Financial inclusion is defined as the ease of access, availability and use of the formal financial system by all members of the economy" [3].

The Rangarajan committee on financial inclusion defines it 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].

There are different definitions of financial inclusion across the globe but there is a consensus among all that access to financial products and services such as credit, savings, insurance, payments, and remittances to all sections in general and the lower and vulnerable groups in particular is central to financial inclusion. The financial services should be provided by the formal financial institutions at an affordable, convenient, flexible and transparent manner and the policy initiatives should aim at minimizing all price and non-price barriers associated in accessing and utilizing the services.

However, the spread of banking facilities, which is the prime provider of formal financial services, has been uneven in the country throwing up challenges for achieving financial inclusion. Despite several initiatives a substantial 40% of the total households in the country are out of the banking system. In the context of Odisha, the situation is further worse. Only 4.35 million households constituting 45% of the total households in the State are availing banking facilities with 41.2% in rural areas and 66.58% in urban areas [5]. The exclusion is mostly found in tribal and rural belts of the State. The paper therefore attempts to study the status of financial access in two districts of Odisha with higher concentration of tribal and rural population.

2. Materials and Methods

1. Sampling

The study has used purposive random sampling and multi stage random sampling method for selecting the districts and households. By following the method of purposive random sampling, two districts have been chosen as the sample districts. Financial inclusion basically includes rural poor and other weaker sections like scheduled tribes as they are mostly excluded from the formal financial system. The percentage of rural people in Odisha is 83.3 [6]. Out of 30 districts 24 districts have rural population above the state average. From among these 24 districts, by following lottery method one district has been chosen i.e., Kendrapara. Likewise, from among the districts having higher concentration of Scheduled Tribe population, one district has been selected i.e. Sunderagarh. To select the ultimate sample units, multistage random sampling method is used.

Table 1. Sample units and allocation of sample size

Sl. No	Districts Selected	Sample Blocks	Sample Panchayats	Sample Villages	Total Household	Sample Size (Number of Households)
1	Kendrapara	Marsaghai	Bachharai	Pentha	727	131
		Garadpur	Patkura	Patkura	401	72
2	Sunderagarh	Rajagangapur	Kukuda	Kukuda	780	140
		Kutra	Gyanpali	Gyanpali	333	60
Total					2241	n=400

2. Sample size

The sample size is determined proportionately from each village. A total of 400 households (18% from each village) are selected for the study. A detailed description of the sample units and sample size is given in Table 1.

3. Data sources

Both primary and secondary sources of data are used in the study. To find the accessibility status and the factors determining access at household level, primary data are collected from the heads of the households through structured interview schedule. The secondary data are used to analyze the status of banking infrastructure in the study area and the data are collected from Reserve Bank of India (RBI), State Level Banker’s Committee (SLBC), Odisha and Census Websites.

4. Data analysis

The data analysis is done using SPSS. Descriptive statistical tools such as averages, percentages, cross tabulation and graphs are used to analyze the collected data.

3. Results and Discussion

1. Availability of banking infrastructure in the study area

Availability of banking infrastructure in the form of bank branches, ATMs and Business Correspondents (BCs) are key to determine the accessibility. The RBI has advised the banks and set guide lines to provide banking services in all the unbanked villages with population of 2000 and above in the first phase (2010-2013) through a “combination of business correspondence and branches” and it was further extended to unbanked villages with less than 2000 population in the second phase (2013-2016). Despite of such guidelines the progress of banking infrastructure is not satisfactory in the State of Odisha. As on 30th June 2017 there are a total of 5041 bank branches and 6237 ATMs in the State. 62.55% of the total GPs in the State are unbanked and only 30.4% of the GPs are having Brick and Mortar commercial bank and co-operative bank branches within a distance of 5km. The State has taken initiative to provide banking services in the unbanked GPs through the BCs. But only 16.71% of the unbanked GPs are covered under the BC scheme till March 2017. This shows a very tardy progress of the banking infrastructure in the State. The detailed banking profile of the State is given in Table 2.

Table 2. Banking profile of Odisha

Sl No.	Details	GP Position
1	Total number of unbanked GPs till 31 March 2017	4253
2	GPs having Brick and Mortar commercial bank branch (PSB, Pvt banks, RRB) within 5 KM	2000
3	GP having Brick and mortar Rural Co-Operative bank branch or UCB within 5KM	68
4	GPs not having bank branch within a radius of 5KM	2185
5	GPs not having bank branch but having BC	711
6	GPs having neither bank branch nor BC within 5KM	1474

Source: Proceedings of 148 SLBC Meeting, SLBC Odisha [7]

The banking infrastructural scenario in the sample districts is also not satisfactory. In Sunderagarh district, even though it is the 2nd largest district in terms of size (9712 sq.km) but the total bank branches constitute only around 5% (258) of the total bank branches in the State (Table 3).

Table 3. Number of bank branches and ATMs

	Number of bank Branches	Number of ATMs	Number of villages covered under BCs
Sunderagarh District	258	329	1267
Kendrapara District	133	158	796
Odisha	5041	6237	37646

Source: Banking Network in Odisha, RBI [8]

This accounts for 63.7% of total GPs (167 GP) and 67.6% of the total villages (1203 villages) in the district unbanked. The sample district Kendrapara also possesses a poor banking infrastructure with only 133 bank branches and 158 ATMs spread over in 230 GPs and 1547 villages. As such 52% of the total GPs and 48% of the villages in the district are unbanked.

Analyzing the geographical and demographic penetration of banking infrastructure it is found that Sunderagarh district possesses a poor geographical penetration of bank branches and ATMs in comparison to Kendrapara district with only 26.5 bank branches and 33.87 ATMs per 1000 sq. km. But from the demographic penetration point of view Kendrapara district is having a poorer status than Sunderagarh with only 1.25 bank branches and 1.49 ATMs per 10000 adult populations (Table 4).

Table 4. Geographic and demographic penetration of bank branches and ATMs

Districts and State	Geographical Penetration of Bank Branches (Branches per 1000 square km)	Geographical Penetration of ATMs (ATMs per 1000 square km)	Demographic Penetration of Bank Branches (Bank Branches per 10,000 adult population)	Demographic Penetration of ATMs (ATMs per 10,000 adult population)
Sunderagarh	26.5	33.87	1.68	2.14
Kendrapara	50.30	59.75	1.25	1.49
Odisha	32.37	40.45	1.65	2.04

Authors' Own Calculation

2. Findings from the households

2.1. Household characteristics

The household characteristics presented in Table 5 reveal that majority of the households in both the districts fall under BPL category with 83% in Kendrapara and 96% in Sunderagarh district. Social Category wise the sample households in Kendrapara district are predominated by OBC category (50.5%) where as in Sunderagarh district the sample households mostly belong to ST category (85%). The households in Kendrapara district have a better housing condition than that of in Sunderagarh district. 60% of the household in Sunderagarh district live in mud and kutcha houses. The average family size in Kendrapara is 4.65 with 1.56 earning member and the households in Sunderagarh district have an average family size of 4.85 with 1.55 earning member. Around 21% of the households in both the districts are land less with highest percentage (25.7) of landless households belong to the village Patkura of Kendrapara district followed by the village Kukuda (22%) of Sunderagarh district. The average land holding in Kendrapara district is 1.84 acre and that of in Sunderagarh it is 1.62 acre. The monthly average income of the household is ₹ 7328/- in Kendrapara district and that of in Sunderagarh district it is ₹ 6050/-.

Table 5. Profile of the households

	Kendrapara			Sunderagarh		
	Pentha	Patkura	Total	Gyanpali	Kukuda	Total
% of BPL Households	78.5	90.0	82.5	95.0	96.4	96.0
Social Category (%)						
SC	13.0	15.7	14.0	13.3	5.7	8.0
ST	0.0	0.0	0.0	83.4	85.7	85.0
OBC	55.4	41.4	50.5	3.3	8.6	7.0
General & Other	31.5	42.9	35.5	0.0	0.0	0.0
Housing Type (%)						
-Pucca	30.8	38.6	33.5	8.3	5.7	6.5
-Semi Pucca	27.7	28.6	28.0	26.7	34.3	32.0
-Brick and Mud Wall (Tile/asbestos and Thatched roof)	37.7	24.3	33.0	0.0	2.1	1.4
-Mud Floor and Wall with thatched/ khaper/ tile roof	3.8	8.6	5.5	56.7	50.0	52.0
-Stone wall & Mud floor with thatched/ khaper/ tile roof	0.0	0.0	0.0	8.3	7.9	8.0
Land Ownership						
Households own Ag. land (In %)	81.5	74.3	79.0	83.3	77.9	79.5
Average land holding (in acre)	1.91	1.58	1.84	1.49	1.68	1.62
Average family Size	4.52	4.87	4.65	4.55	4.97	4.85
Average Earning Members	1.48	1.70	1.56	1.37	1.62	1.55
Monthly Average Income of the Households (In Rs.)	6963	8056	7328	5034	6547	6050

2.2. Characteristics of the respondents

The profile of the respondents presented in Table 6 shows that the household's heads are predominantly male as the proportion of male respondents is around 94.5% in both the districts. Data on religious category is skewed towards Hinduism in Kendrapara district with 88% and Christianity in Sunderagarh district with 70%. 12% of Muslim respondents are found in Patkura village of Kendrapara district. The success of financial inclusion drive largely depends upon literacy status in general and financial literacy in particular. The education profile shows a poor picture of Sunderagarh district. Around 24% of the respondents are illiterate who have never attended school. The highest level of education attended by 1.5% of the respondents in this district is under graduation degree. The district Kendrapara on the other hand has a better education profile. Only 4.5% of the respondents are illiterate and the highest level of education attended by 1% of the respondents is Post Graduation degree.

Table 6. Characteristics of the respondents

District	Village	No. of HH	Sex of the respondents		Religion of the Respondents			Respondents ever attended School (Literate)
			Male	Female	Hindu	Muslim	Christian	
Kendrapara	Pentha	130	91.5	8.5	100.0	0.0	0.0	96.2
	Patkura	70	95.7	4.3	65.7	34.3	0.0	94.3
	Total	200	93.0	7.0	88.0	12.0	0.0	95.5
Sunderagarh	Gyanpali	60	91.7	8.3	50.0	0.0	50.0	70.0
	Kukuda	140	95.7	4.3	21.4	0.0	78.6	79.3
	Total	200	94.5	5.5	30.0	0.0	70.0	76.5

2.3. Occupation and Income profile of the respondents

Agriculture is found to be the mainsource of occupation as around 56% of the total respondents in both the districts depends on cultivation and agricultural labour. Kendrapara being coastal district cultivation remain the major occupation with 35% followed by agricultural labour of 27.5%. Another major proportion 19% of the respondents are self-employed in own business/petty shops/family industries/ rajamistri/ traditional family occupation etc. On the other hand, in Sunderagarh district, Non-Agricultural labour (contractual and daily wage basis) is the major occupation as 28% of the respondents depend on it followed by agricultural labour 26% and Cultivation 24%. So far as the average monthly income of the respondents is concerned, it is ₹5775/- in Kendrapara district and ₹ 4708/- in Sunderagarh district. Even though the respondents of Kendrapara have a higher income level but it is highly skewed in distribution in comparison to Sunderagarh district (Table 7).

Table 7. Occupation and income profile of the respondents

District	Village	No. of HH	Occupation (Percent)							Average Monthly Income (Rs.)
			Cultivation	Ag. labour	Business / Self Employed	Non-Ag. Wage Labour	Govt. Salaried	Private Salaried	Non working	
Kendrapara	Pentha	130	47.7	21.5	16.2	2.3	6.9	5.4	0.8	5439.23
	Patkura	70	11.4	38.6	24.3	2.9	2.9	17.1	2.9	6398.57
	Total	200	35.0	27.5	19.0	2.5	5.5	9.5	1.5	5775.00
Sunderagarh	Gyanpali	60	21.7	33.3	8.3	23.3	3.3	8.3	1.7	4003.33
	Kukuda	140	25.0	22.9	11.4	30.0	1.4	9.3	0.0	5010.00
	Total	200	24.0	26.0	10.5	28.0	2.0	9.0	0.5	4708.00

3. Accessibility to formal financial services

Access to a bank account is the very first step towards achieving the broader objectives of financial inclusion. According to Census 2011, the percentage of households with a bank account stood only at 59% and 57% in Kendrapara and Sunderagarh district respectively. However, due to several financial inclusion initiatives taken by the Govt. such as Swabhimaan Scheme during 2011, Pradhan Mantri Jan Dhan Yojanain 2014 and several others, the figure has improved substantially.

The sample data substantiates the improved financial access by the households as 98% and 91.5% of households in Kendrapara and Sunderagarh district respectively are having at least one adult member with a bank account. Comparing the average family members owning a bank account with the average family size, it is found that on an average around 50% of the family size in the sample households have accounts in bank (Table 8).

Table 8. Ownership of bank account

District Name	Village Name	Any adult member in family has a formal account.	Average Family Size	Average family members own a bank account
Kendrapara	Pentha	97.7	4.52	2.46
	Patkura	95.7	4.87	2.04
	Total	97.0	4.65	2.31
Sunderagarh	Gyanpali	88.3	4.55	2.23
	Kukuda	90.0	4.97	2.41
	Total	89.5	4.85	2.36
Grand total		94.8	93.3	2.34

4. Description of the accounts opened

4.1. Purpose of opening account

The primary purpose of opening a bank account in both the districts taken together was to receive government benefit transfers as around 39% of the respondents in the districts revealed it as the first reason for opening an account in a bank. Looking into the individual districts, government benefit transfer remains the primary reason in Kendrapara district as 49% of the accounts were opened for this purpose. On asking the respondents regarding the types of benefit transfers it was overwhelmingly for receiving compensation related to flood damages. The other kinds of benefit transfers include Indira Awas Yojana (Currently Pradhan Mantri Awas Yojana-Grameen), fund transfers for toilet construction etc. The second highest reason cited by around 15% of respondents in Kendrapara district is for receiving NREGS payment followed by 16.4% for receiving payment (other than NREGS) /salary or remittances.

Table 9. Reasons for opening account

Reasons for Opening account	Kendrapara			Sunderagarh			Total
	Pentha	Patkura	Total	Gyanpali	Kukuda	Total	
To receive government benefits transfer	55.1	37.3	49.0	26.4	29.4	28.5	39.1
To receive NREGS payment	11.0	20.9	14.4	32.1	38.9	36.9	25.2
Money Transfer (Salary/remittances/Other, except NREGS Job)	8.7	16.4	11.3	11.3	8.7	9.5	10.5
Saving/To keep money in a safe place	11.0	6.0	9.3	7.5	7.1	7.3	8.3
To apply for a loan	8.7	13.4	10.3	7.5	9.5	8.9	9.7
To get access to insurance	4.7	4.5	4.6	3.8	4.0	3.9	4.3
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

In Sunderagarh district on the other hand, the highest response is found to be for receiving NREGS payment with 37% followed by 28.5% for receiving Govt. benefit transfers and 10.5% for money transfer (Table 9). The reasons cited by the respondents thus show that compulsion of bank account for receiving govt. welfare benefits of several kinds and for receiving payments for work under NREGS has driven the respondents for opening bank account. There is lack of self-motivation among the respondents for accessing saving, credit and insurance facilities provided by banks.

4.2. Year of account opening

The data on year of account opening by the respondents presented in Figure 1 which shows a sharp increase (more than tripled) in 2005 and onward. In both the districts taken together around 79% of the respondents have opened account during this period with the highest 26.8% during 2005-2010 followed by 26.3% in 2014 and onwards. This is a clear reflection of the outcome of the introduction of No frill accounts in the year 2005 by the RBI to promote financial inclusion. Also, the formal adoption of the financial inclusion objective in the eleventh five-year plan gave boosts to several financial inclusion initiatives such as “Swabhimaan – a financial security programme” in 2011 and the Pradhan Mantri Jan Dhan Yojana (PMJDY) in 2014.

Figure 1. Year of account opening



4.3. Difficulties in account opening

Due to the simplified procedures of account opening adopted by banks only 10% of the respondents in both the districts said to have faced difficulty in opening bank account. Relatively a higher percent of respondents in Sunderagarh district (13%) faced difficulty in account opening in comparison to the respondents of Kendrapara with only 6% (Table 10). The major difficulty faced by the respondents in both the districts is the time taking process. Other difficulties experienced by the respondents in both the districts include difficult official procedure, lack of proper information, and document requirement. Distance of the banks remains as a difficulty in the district of Sunderagarh as they had to travel a distance of 4k.m to reach the bank branch. On the other hand, corruption or demand for money for opening bank account remained as an issue in the Kendrapara district. This particularly happened with the respondents who have opened their account to receive benefit transfers.

Table 10. Types of difficulties

Difficulties in Account Opening	Kendrapara		Sunderagarh		Total Count
	Count	% within District	Count	% within District	
Time Taking	10	34.5	18	32.7	28
Difficult official procedure	5	17.2	14	25.5	19
Lack of information	4	13.8	8	14.5	12
More document requirement	3	10.3	8	14.5	11
Distance of the bank	0	0.0	7	12.7	7
Corruption/ demand for bribe	4	13.8	0	0.0	4
Non-cooperation of bank staff	3	10.3	0	0.0	3
	29		55		84

*Multiple response analysis of difficulties**Percentages and totals are based on responses

***Dichotomy group tabulated at value 1

4.4. Type of account

Analyzing whether the respondents have opened normal savings account or any other specially provisioned accounts under different financial inclusion schemes, it is found that a majority of 54.4% of the respondents in both the districts had opened their account under No frill and Pradhan Mantri Jan Dhan Yojana (PMJDY) Scheme.

Among these respondents 9.9% of respondents have converted their accounts to normal saving accounts later for getting other benefits of a bank account. Focusing on the PMJDY scheme it was found that around 24% of the respondents have PMJDY accounts. The percent of PMJDY accounts is almost double in Sunderagarh district than that of in Kendrapara district which indicates that unbanked household heads of the former district were benefited a lot through this scheme (Table 11).

Table 11. Type of account

Districts	Villages	No Frill Account (Basic Savings Bank Account)	Opened under PMJDY	Normal savings account	No- frill but now changed to Normal Saving Account	Total
Kendrapara	Pentha	15.7	12.6	59.1	12.6	100.0
	Patkura	14.9	23.9	55.2	6.0	100.0
	Total	15.5	16.5	57.7	10.3	100.0
Sunderagarh	Gyanpali	24.5	37.7	26.4	11.3	100.0
	Kukuda	27.0	29.4	34.9	8.7	100.0
	Total	26.3	31.8	32.4	9.5	100.0
Total		20.6	23.9	45.6	9.9	100.0

4.5. Access to facilities associated with bank account

To get a complete picture of financial access it is necessary to find out whether the households have access to the facilities associated with a bank account. The data reveals that around 47% of the respondents are yet to have access to ATM/Debit card in Kendrapara district where as the figure stood around 59% in Sunderagarh district. So far as cheque facility is concerned the status is very poor with only 12.6% of respondents in both the district have access to this. Similarly, only 52.6% of the households possess a loan account in Kendrapara district where as in Sunderagarh district it shows a poorer picture with only 33.5% have access to a loan account (Table 12).

Table 12. Facilities

	ATM/ Debit Card	Cheque	Loan Account
Kendrapara	53.3	13.9	52.6
Sunderagarh	40.8	11.2	33.5
Total	48.6	12.6	43.4

5. Factors of access to Financial services

5.1. Income and Financial access

Analyzing the ownership of bank account by income group presented in Figure 2, it is found that the proportion of respondents who do not have a bank account mostly belong to the lower income group. From among the respondents in the income group ≤ 2500 around 14% in Kendrapara and 17% in Sunderagarh district do not have bank account. As we move toward the higher income group the percent gets lower and from the income group above ₹5000/- all the respondents own a bank account.

5.2. Literacy and Financial access

Looking from the literacy perspective Figure 3, it is found that the percent of respondents with a bank account is higher in the literate group than that of in the illiterate group.

Figure 2. Account ownership by income group

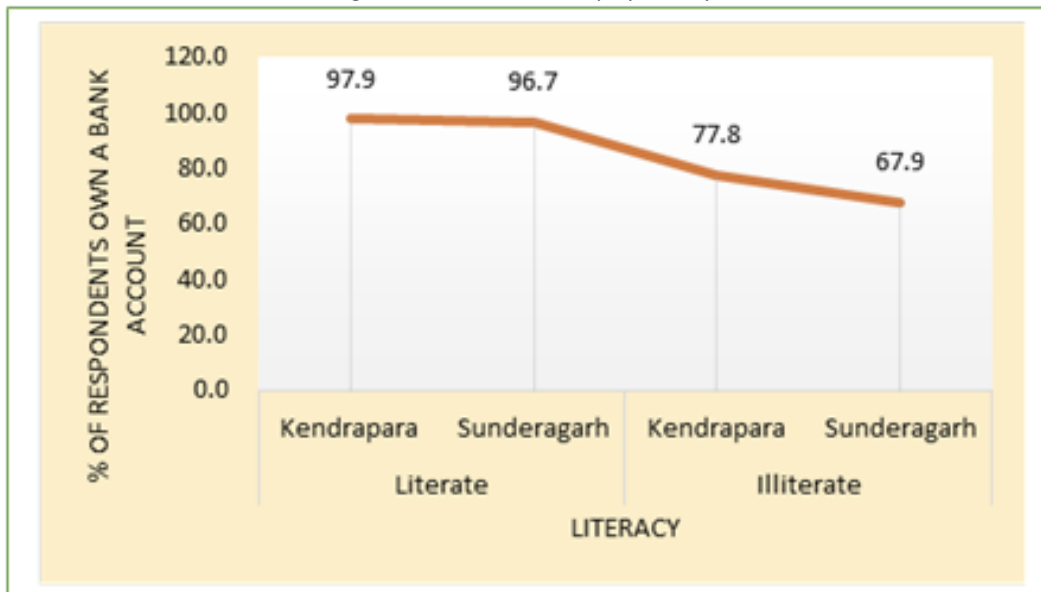


Source: Field survey 2016

5.3. Awareness

The respondents were asked about whether they know the benefits of having a formal account. Cross tabulating the response obtained with the status of holding a bank account, it is found that out of the total respondents having an account 22% are not aware about the benefits. On the other hand, the figure is around 89% among the respondents who do not have a bank account. This indicates a strong association of awareness about the benefits of a bank account with having a bank account Table 13.

Figure 3. Account ownership by literacy



Source: Field survey 2016

5.4. Distance, Transportation and Waiting hour

Time and cost involved in reaching and waiting at bank branches have effect on the frequency and regularity of visiting bank branches and ATMs. An average distance of 1.5 km is travelled by the respondents in Kendrapara district to reach their bank branches and ATMs whereas in Sunderagarh district they travel three times longer distance than Kendrapara with an average distance of 4.5 km.

In Gyanpali village the households travel the longest minimum distance of 4km to reach their bank branch and ATM in comparison to all other villages. Therefore, distance as a difficulty in opening bank account was reflected in the responses (12.7%) presented in Table 10. The popular mode of transport used by the households in both the districts is bicycle. As the bank branch is situated only within an average distance of 1.5km, the second highest 23% of respondents in Kendrapara district reach the bank branches by walking followed by 16.5% travel by their own motor bikes. In Sunderagarh district on the other hand public transport is used mostly with 32% of respondents depend on this after bicycle. Around 3% of the respondents walk an average distance of 4.5km to reach their bank branches.

Table 13. Awareness about holding a bank account

District	Have Bank Account	Whether aware about the benefits of holding a bank account?	
		Yes	No
Kendrapara	Yes	88.1	11.9
	No	16.7	83.3
Sunderagarh	Yes	67.0	33.0
	No	9.5	90.5
Total	Yes	78.0	22.0
	No	11.1	88.9

5.5. Transportation cost

An analysis of the transportation cost in terms of money spent by the respondents indicates that around 70% of the respondents in both the districts taken together said not to have spent any money to reach their bank branch or ATM as they either go by cycle or walking. From among the respondents who travel by motorbikes or public transport they spend an average of ₹10 (One side) in Kendrapara district with minimum of ₹10 and maximum ₹40. In Sunderagarh district on the other hand they spend little higher with of ₹15 (One side) with minimum ₹10 and maximum ₹30 to reach their bank branches. Calculating for both sides an average of ₹20 and ₹30 is spent in one visit to the bank branches by the respondents of Kendrapara and Sunderagarh district respectively which indicates that it puts financial burden to some extent on the households who require visiting in short intervals for financial transaction Table 14.

Table 14. Transportation cost and time to reach bank branch

District	Cost to reach bank branch (One Side, in Rs)				Time to reach bank branch (One Side, in min)			
	Median	N	Minimum	Maximum	Median	N	Minimum	Maximum
Kendrapara	10.00	36	10	40	10.00	194	5	40
Sunderagarh	15.00	74	10	30	20.00	179	10	45
Total	15.0	110	10	40	15.00	373	5	45

On the other hand, data on the time of reaching bank branches shows that on an average the households spend 20 minutes and 40 minutes respectively in Kendrapara and Sunderagarh district for travelling to and from the bank branches. Analyzing the same for reaching ATM, there is not much difference found in the transportation time and cost to reach bank branches and ATMs in the study areas as the ATMs are located either adjacent to or in little distance from the bank branches. Calculating the average waiting hour of the respondents to be served in the bank it is found that comparatively the respondents in Kendrapara district wait less hours than that of in Sunderagarh district. In Kendrapara they wait for an average of 30 minutes with minimum 15 minutes up to a maximum of 1 hour. On the other hand, the respondents in Sunderagarh district wait for an average time of 40 minutes to be served in the bank with minimum waiting hour of 20 minutes up to a maximum of 2 hours. Adding the time spent in transportation and the waiting hour in the bank, for a single visit to the banks it costs an average of 40 mins in Kendrapara district and 1 hour in Sunderagarh district.

As the sample households in Sunderagarh district mostly work as wage labourer, finding 1hour of time from their working hours is expressed as difficult for them. Further looking at the maximum waiting hour point of view around 4% of the respondents spend around 3hrs for single visit to the banks which compel them to sacrifice entirely 1 working day.

6. The unbanked households

All the unbanked households in the sample belong to below poverty line. In Kendrapara district the total monthly income of 83.4% of unbanked households is less than equal to ₹5000/- with 16.7% of the households earn ₹2500 or less in a month. 83.5% of the households hold land size less than 1 acre with 16.5% is land less. On the other hand, in Sunderagarh district 95.2% of the unbanked households' total monthly income is less than equal to ₹5000/- with 9.5% earn ₹2500/- or less in a month. 48.5% of the household own land size less than 1 acre and 42.9% of the households are land less. The main reason for not having a bank account as given by 60% of the households in Kendrapara district is lack regular and sufficient income and 40% of the households said the reason as lack of knowledge about banking facilities. In Sunderagarh district on the other the main reason was lack of regular income revealed by 70.6% of the respondents and the remaining 29.4% said the reason as lack of banking awareness and fearness.

7. Conclusion and Suggestion

Access to formal financial services through bank account is crucial not only from financial inclusion point of view but also for maintaining financial stability of a household. The study found that even though several measures have been taken but the provision of banking infrastructure in the sample districts are not adequate particularly in the sample panchayats of Sunderagarh district where the households have to travel a minimum distance of 4.5km to reach to their bank branch or ATM. The financial inclusion schemes along with the govt. benefit transfer of various welfare schemes and compensation for natural calamities have played a major role in providing access to a bank account in the study area. However, the status of financial awareness in both the district is very poor which obstructs the households from accessing the associated facilities of a bank account such as debit card, loan account cheque facility etc. Hence along with banking infrastructure financial awareness programme and technology should be spread to facilitate effective utilization of the accounts.

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The Publication fee is defrayed by Indian Society for Education and Environment (www.iseeadyar.org)

Cite this article as:

Dipti Ray, Himanshu Sekhar Rout. Access to banking services: an analysis from two Districts of Odisha in India. *Indian Journal of Economics and Development*. Vol 6 (11), November 2018.