Empirical Analysis Of Financial Development On Rural Education

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Abstract

Financial development is one of the biggest issue globally. But we can divide regions that needs to emphasize on the said issue. Poverty is one of the biggest issues mainly in rural areas in India. These places are filled with talents such as artwork, craftsmanship, agriculture etc. People of these region cannot afford a decent higher education or any education at all because of having no financial support even though they wish to acquire it. Despite of having so much talent, people in these areas do not get properly paid for their products which lead to a huge financial crisis. Farmers often commit suicide when crops are sold at a considerably low rate than in the markets. Women in village make pottery and foods items which are not bought at an appropriate price from them. The only solution to the problems that we faced and mentioned above is to directly buy the products from the buyers i.e. farmers, crafters etc. This way there will be no involvement of middle men who take up most of the profit and the total fund will go to the seller only.

Keywords: Rural; Development; Financial; Crisis; Literacy; Opportunity

Introduction

Poverty is one of the biggest issues behind India, still being a "developing country" but not a "developed country". The plan of development of India has barely begun. India however a poor country: per capita income remains below $2,000 (INR 143,060) at existing exchange rates[1]. India growth is said to include job creation opportunities, with large numbers of employees in formal jobs, but this has not happened yet. Out of 1.3 billion citizens, India suffers a rate of 12.4% lives in poverty line[2].

India is a country which is also referred to as "mini-world" because of various culture, food, climatic conditions, division of regions etc, out of which if one can emphasize on division of regions then it is clearly divided to two parts: Rural and Urban. The Urban side of the country is pretty much developing with day to day changes. Any kind of new change is first applied on the Urban region. This way the Urban side of the country is getting most of the priority and the Rural side is neglected in terms of development. Be it in terms of education or employment, the Rural regions are the ones that suffer the most. Schools in Rural regions mostly don't have lights, fans and proper sanitary hygiene. It is usually a primary level school which is totally government funded and after primary level, schooling becomes paid to some extent which cannot be usually afforded by people who are already below the poverty line[3]. In this situation, unemployment keeps growing at a higher pace in Rural regions because without a proper education it is not possible to get a decent employment. Though it is indeed the Rural region from where all kind of business starts in terms of agriculture, craftsmanship, artwork, pottery, home made food such as pickles, wapapad etc, this area is highly neglected, rather the people living in these areas are taken for granted.

Generally when the sellers from these areas sell their products to the market, the process is not a direct process. They firstly sell the products to dealers, then dealers sell the products to distributors and then distributors send these products to wholesalers, these wholesalers then sell the products to retailers and finally we as consumers buy the product from the retailers. In this whole process there is a huge involvement of "middle men". These middle men get all the extra profit which is upto 75% of the cost that we consumers pay, in the process of bringing the goods to the doorsteps of the final consumers. [4] Taking a very simple example, suppose potatoes are bought by dealers at a rate of INR 6 per kg. Then the same potatoes are sold by the dealers at a rate of INR 12 per kg (inclusive taxes, carrying charge) to distributors. Now these potatoes price doubles up and are sold at INR 24 per kg (inclusive taxes, carrying charge) to retailers and finally when we go to the retailers to purchase potatoes we get it at a rate of INR 36 per kg (including taxes, carrying charge).
Keeping this example in mind, we can see how much profit these middle men are actually making thus draining a lot of cash frombour side as well as from the original seller's (farmer's) side.

Comparative Study

The comparative study is basically based on both the literacy rate and the poverty rate of the village. It is about time that we take serious actions towards Rural development as a whole if we want the development of our India.[8] The idea is to introduce the idea of self employment to the talented and skillful in the villages so that they no longer need the help of the petty "middle men". Instead they can sell goods at a reasonable price they desire directly to the final consumers (inclusive taxes). The survey that was conducted in a village was based on the literacy rate, the financial details (bank account holders) and their poverty rate .[6][7] These details will help us in the implementation of the solution to the serious problem that we as Indians are facing at present.

Survey Details of village

1. Demographic Profile

Total number of household	163
Total population	604
Gender Ratio	811 female to 1000 male
Average number of Members in one family	4

Table-1:Demographic profile

Gender	0-5years	6-18years	19 - 45years	46 & above	Total

Male	44	71	125	81	321
Female	15	43	162	43	263

Table-2: Gender wise population across different age group

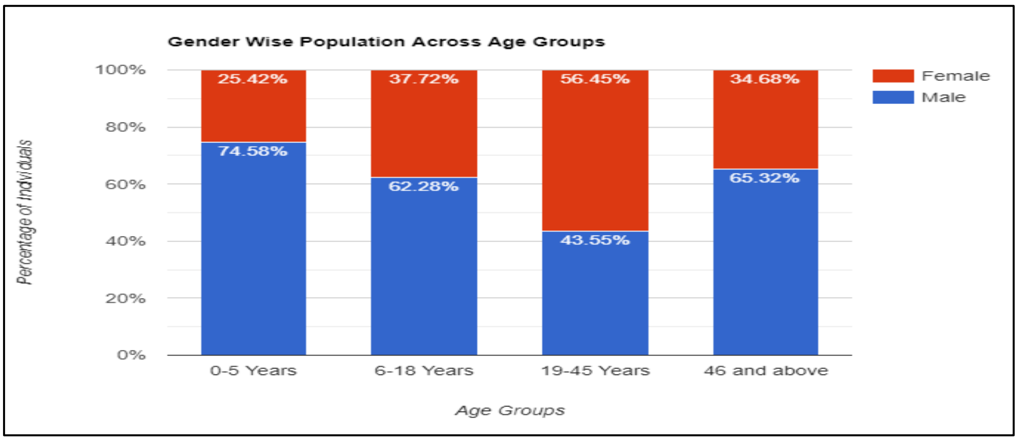

Figure-1: Gender wise population of different age group

Caste	With bank account	Without bank account	Total
SC	266	38	304
ST	4	0	4
OBC	16	7	23
GEN	108	60	168
Total	394	105	499

Table-3: Bank Details based on different caste

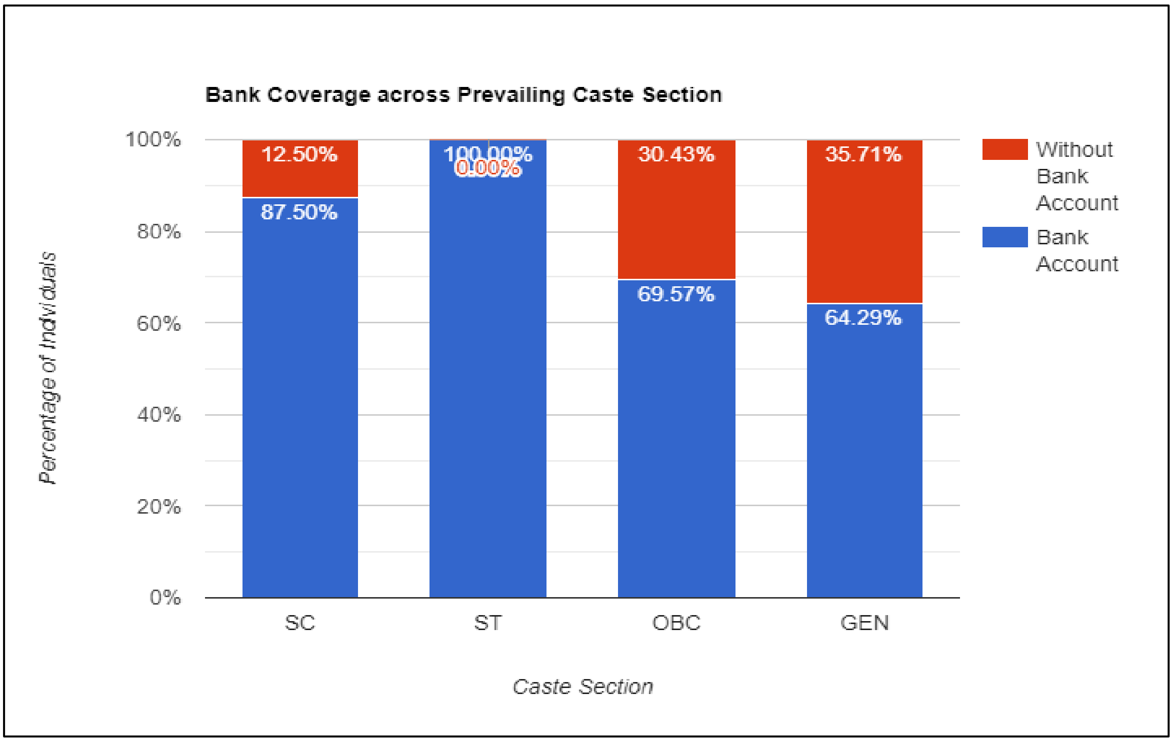

Figure-2:Bank Coverage across Prevailing of different Caste

Caste	**BPL**	**APL**	**Total**
SC	52	46	98
ST	1	0	1
OBC	5	3	8
GEN	24	33	57
Total	82	82	164

Table-4: Poverty status based on different Caste

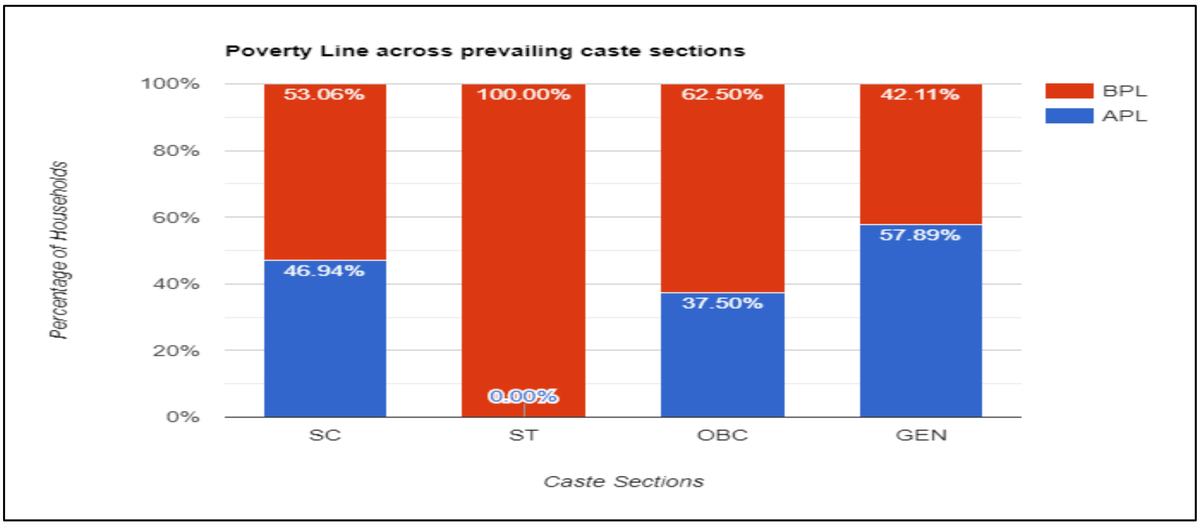

Figure-3:Poverty line across prevailing different caste

2. Basic Amenities

Particular	**Data about village**
Male literacy rate	76.88
Female literacy rate	71.85
Rate of total literacy	74.50
Male students enrolled in school (in %)	81.94
Female students enrolled in school(in %)	69.57
Ratio between boys and girls having school education	59:33
Ratio between boys and girls having college education	15:11

Table-5: Literacy Rate

Particulars	**Village data**
Total no. Of Govt. primary schools or Distance (Km) if located outside village	1
Total no. of Private middle schools or Distance (Km) if located outside village	1.5km
Total no. of Govt. secondary schools or Distance (Km) if located outside village	1.49 km
Total no. of Private secondary schools or Distance (Km) if located outside village	2km
Total no. of ITI/Diploma institutes or Distance (Km) if located outside village: Govt	4km
Total no. of ITI/Diploma institutes or Distance (Km) if located outside village: Private	4km
Total no. of colleges or Distance(Km) if located outside village: Govt.	6km
Total no. of colleges or Distance(Km) if located outside village: Private	4km

Table-6: Availability of Schools and Colleges

With the above mentioned data we can clearly see that this particular village has an average population i.e. 604 people in total but their poverty rate is high. The literacy rate of the village at primary level is at an average scale but at high school level education rate is not at a good pace. There is a sudden loss of interest of the students towards education or fund due to which students do not go for further education which brings in an effect on their employment.

Future Scope

The solution to the problem is simple. For basic development to promote education and employment in villages such as this we need to:

- Promote higher education for school dropout children.
- Organize awareness campaign to spread the need of education.
- Sensitize youth about the consequences of illiteracy.
- Arrange literacy drives to familiarize villagers with the use of computers.
- Conduct sessions on how to proceed with banking and paper works.
- To enhance the use and understanding of the language in practical and technical terms.
- To help them understand electronic gadgets, equipment and commands better thus opening a lucrative employment opportunity.
- To enable them to be self-sufficient in various life activities like understanding banking, form fill-ups so on and so forth.
- To spread the culture of education and encourage them in undertaking higher studies.
- To encourage the use of the language in daily life through newspaper and so on.

But the main objective is to promote business among these people. To encourage them to become direct sellers and contact with the final consumers i.e. us directly. For that we can provide them an online platform where they can easily sell their products and receive the cash amount direct in their bank accounts. This help in their economic development.

Conclusion

India is a developing country but it has not reached the level of a developed country. A lot of factors comes into scene among which poverty is a factor.

Eradication of Poverty seems nearly impossible in our country with almost no solutions. But with ideas as we have mentioned above might come handy for our purpose of making India a "Developed Country".

If self-employment is made a thing in the rural regions, people living in this area can easily earn a decent living and also will be able send their children to schools and colleges and these children can fulfill their dreams of studying and get a decent job.

It is our country so it happens to be our duty to come forward to help our countrymen. If only Poverty rate would decreases in our country, India will get a step forward in becoming a "developed country".

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