

Access to the Banking Services for the Religious Minorities and other Marginalised Groups in Kerala State in India in the Digital Era: A Critical Review

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Abstract

Balanced and equitable growth is the hall mark of sustained economic development of nations that is coupled with the welfare and prosperity of all their citizens. This in turn requires special care and attention to the religious minorities, the poor and other marginalized, and all other disadvantaged social groups. Financial inclusion that seeks to ensure access to formal banking services is a vital need for financially empowering the religious minorities and such other marginalized as well as disadvantaged groups. In fact, ICT has added another dimension to financial inclusion and the overall empowerment of the poor and the marginalized including the religious minorities, especially in the present setting of growing affordability of ICT-based devices like mobile phones. In the above context, this paper makes a closer look into exposure of banks in Kerala for providing access to the minorities and other marginalized groups.

Keywords: Minorities, Financial Inclusion, Microfinance, DRI, NMDFC, Digital India, ICT.

INTRODUCTION

For economic development to be meaningful and sustainable it must be balanced and equitable. This in turn requires that the minorities and such other disadvantaged groups including the poor get their due share of resources, especially finance from formal institutional sources like banks. Financial inclusion and such other measures ensure balanced and equitable economic growth which is sustainable in the long run, thus ensuring that the fruits of development reach all the citizens of the nation. This ensures their welfare and prosperity of all and fast national economic growth. Microfinance, Differential Rate of Interest (DRI) loans etc. deserve mention here.

ICT has added another dimension to the efforts in the direction of financial inclusion, rural development, women empowerment etc., particularly because of the growing affordability of most common ICT-based devices like mobile phones. Global experiences, like, the one cited by Pickens (2009)[17] in the Philippines context is a glaring example, whereby mobile phone could prove to be a great tool for 'banking the unbanked' in that nation, hence empowering the poor and the marginalized including the women. As Govt. of India (GOI) has been aggressively promoting ICT in all the sectors of Indian economy through its *Digital India* and allied schemes, the Govt. of Kerala (GOK) has embarked on a similar drive to transform the State into a *Knowledge Economy* before the whole world. Religious minorities and other marginalized groups should get access to DRI loans, housing loans (HLs), education loans etc. of banks, and also the NMDFC (National Minority Development Finance Corporation) loans. In this context, this paper seeks to study the access to the formal banking and financial services for the minorities and the marginalized groups in Kerala in this ICT era in *Digital India* wherein ICT is keenly promoted in India by the Governments in the Union and State levels.

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Objectives Of the Study

To study the credit portfolio of banks in Kerala, the emerging *Knowledge Economy* in *Digital India*, with a focus on the credit to Religious Minorities and such other groups;

To design strategies for the growth of bank loans (DRI, microfinance, home loans, etc.) to Religious Minorities and such other groups, duly leveraging the potential of ICT.

Research Questions

What has been the trend in the credit portfolio of banks in Kerala in this ICT era?

What is the trend of the bank credit to Religious Minorities and such groups in Kerala?

What are the ICT-based strategies for the sustained Credit flow to Religious Minorities?

Previous Studies

Asha Sharma (2016) [1] has pointed that ICT has become an opportunity that India can wisely use in this era when the GOI and RBI are promoting ICT-led growth and financial inclusion. N James and P.K, Manoj (2014) [2], in 'Relevance of E-Banking Services in Rural Area—An Empirical Investigation' *Journal of Management and Science* have noted the ICT imperative in rural banking in Kerala. Harris and Arku (2006)[3] have concluded after a detailed study of post-1945 global experiences that housing drives economic growth. George (2007)[4] has noted special status of Kerala banks in India and analysed their growth. GOI's journal *Yojana* (2023)[5] has noted the India's high GDP growth vis-à-vis other nations. Similarly, GOI's annual publication on the Indian economy *Economic Survey* (2023)[6] has noted the India's high economic growth. National Housing Bank (NHB)(2024)[7] has discussed the developments in housing finance sector in India as of FY 2023, and also key events till Sept. 2023. HDFC Securities (2023) [8] has discussed the major developments in housing finance, including the gradually declining share of 'small-ticket' housing loans and ever growing trend in big-ticket (luxury) loans. Manoj, P.K. (2022)[9], has noted the utmost need for ESG adoption for the sustainability of business in the ongoing globalised regime. So, almost all of these studies have noted the high economic growth (GDP growth) of India, and high growth potential of the housing sector. Manoj, P.K. (2005)[10] 'Cost accounting systems in Banks—for strategic advantage through effective cost management' observes the key relevance of scientific cost management in banks. Manoj, P.K. (2005) [11], 'Scientific pricing of bank products through cost accounting—a vital need in the LPG regime', has noted the special need for scientifically pricing the bank products. Manoj, P.K. (2014)[12], Role of ICT in Women Empowerment: A Study with a Focus on 'Kudumbashree' programme in Kerala State of India, has noted the vast scope of women-based empowerment programme *Kudumbashree* in empowering women through its own women-run SHGs. Knight Frank (2023) [13] has noted the vast scope of SFH (single family housing) while the report by IFC (2019)[14] has noted that 'Green' options can ensure sustainable housing. K.K Nasar and P.K Manoj (2014)[15] 'Factors influencing the purchase of apartments: some empirical evidence' have noted the main factors influencing purchase decision of apartments, like, reputation of the developer, quality, price etc. These studies signify the need for financial inclusion and also the need for inclusive and environment-friendly growth of housing credit.

Many studies have noted ICT adorns a key position as a catalyst of fast economic growth, including growth of diverse sectors like housing; as well as the growth of the rural economy, empowerment of women, etc. The prospects of the ICT industry too were studied by some scholars, like, Manoj (2007)[16] 'ICT industry in India: a SWOT analysis' who made a macro level study of India's ICT industry and noted its vital significance in India. Pickens (2009)[17] has noted how a common ICT gadget (mobile phone) played a key role in financial inclusion, women empowerment and rural development through 'banking the unbanked' in Philippines. Manoj (2010)[18] 'Impact of technology on the efficiency and risk management of old private sector banks in India: Evidence from banks based in Kerala' has noted that ICT usage by banks could make them more efficient. Growing role of ICT in banking, including housing finance, is also noted in two reports: (i) *Banking*, (ii) *Real Estate*, of India Brand Equity Federation.(IBEF. 2023)[19]; thus ICT adoption has become an imperative in India's banking and health sectors. A study by Nasar and Manoj (2013)[20] 'Customer satisfaction on service

quality of real estate agencies: An empirical analysis with reference to Kochi Corporation Area of Kerala State in India' has noted that greater awareness be provided to real estate agents, and that transparency and social networking are needed for customer service and business growth. Manoj (2013)[21] 'Prospects and Challenges of Green Buildings and Green Affordable Homes: A Study with Reference to Ernakulam, Kerala' has noted the good growth potential of green homes as they create huge employment avenues and ensure fast economic growth also. Varghese, K.X, and Manoj, P.K. (2013)[22], 'Educational loans and the higher education sector in India' have noted that study loans can improve HR quality and youth employability, and so they must be promoted. Manoj, P.K. (2015) [23] 'International Container Transshipment Terminal (ICTT) and its impact on coffee exports from India: An analysis' has noted ICTT's key role in boosting exports and economic growth. Manoj, PK (2009)[24], *Special economic zones in India: financial inclusion: challenges and opportunities* has noted the role of SEZs for fast economic growth. Manoj, P.K.(2017)[25] 'Segmentation Strategy for Promotion of Ecotourism Products: Evidence from Thenmala Ecotourism' the author suggests meticulous planning with tourists' segmentation for economic growth via tourism. Manoj, P.K. (2010)[26] 'Determinants of profitability and efficiency of old private sector banks in India with focus on banks in Kerala state: An econometric study' has sought to pinpoint the exact influencing variables that drive the efficiency and operational performance of Kerala-based private banks.

Manoj, P.K. (2010)[27] 'Prospects and Problems of Housing Microfinance in India: Evidence from "Bhavanashree" Project in Kerala State' has sought to probe into the major prospects and problems faced by HMF (housing micro finance) in Kerala with a focus on 'Bhavanashree' project of Kerala-Govt. sponsored 'Kudumbashree' which strives to empower poor women.

Manoj, P.K. (2010) [28]. 'Benchmarking housing finance companies in India: Strategies for enhanced operational efficiency and competitiveness' has sought to make a comparative study of the performance of HFCs (housing finance companies) in India using benchmarking and hence to suggest strategies for their superior financial performance and competitiveness. Manoj (2016) [29] "Bank marketing in India in the current ICT era: Strategies for effective promotion of bank products" observed ICT-enabled marketing as a key need for India's banking sector in this digital era. A study by Lakshmi and Manoj (2017) [30] "Service quality in rural banking in north Kerala: A comparative study of Kannur district co-operative bank and Kerala Gramin bank" has pointed out that KGB could make greater use of ICT than KDCB.

A paper by Lakshmi and Manoj (2017) [31] "Rural Customers and ICT-based Bank Products A Study with a Focus on Kannur District Co-operative Bank and Kerala Gramin Bank" has observed that ICT-enabled services of Kerala Gramin Bank(KGB) have been accepted to a greater level than KDCB's non-ICT-enabled services. A joint study by Joju, Vasantha, and Manoj (2017) [32] "Future of brick and mortar banking in Kerala: Relevance of branch banking in the digital era" has noted the need for 'human touch' as in 'brick and mortar' banking though virtual banking is the new normal. Joju, Vasantha, and Manoj (2017) [33] "Financial technology and service quality in banks: Some empirical evidence from the old private sector banks based in Kerala, India" have noted that Fin-Techs significantly enhanced service quality of banks and they have become essential for superior service delivery by banks. Manoj (2017) [34] "Construction costs in affordable housing in Kerala: Relative significance of the various elements of costs of affordable housing projects" ordered the different elements of cost based on their relative priority for effective control of costs, and ICT has been noted to be a vital tool for effective cost control. Manoj (2017) [35] "Cost management in the construction of affordable housing units in Kerala: A case study of the relevance of earned value analysis (EVA) approach" has demonstrated that EVA could be a powerful tool for effective control of construction costs. Joju, Vasantha, and Manoj (2017) [36] "Electronic CRM & ICT-based banking services: An empirical study of the attitude of customers in Kerala, India" has noted the key significance of ICT-based banking practice called e-CRM (Electronic Customer Relationship Management) as an enabler of efficient and competitive banking, along with noting good feedback of customers to latest ICT-based products like e-CRM.

A CRM study relating to bank management area by Manoj (2018) [37] "CRM in old private sector banks and new generation private sector banks in Kerala: A comparison" has noted that CRM adoption by the new private sector banks (NPBs) being to a greater extent than that of the old private sector banks (OPBs) particularly in respect of the latest ICT-enabled or Electronic version of CRM (i.e. e-CRM); thus enabling the NPBs to get a

clear competitive edge in the market vis-à-vis the OPBs. Manoj (2019) [38] “Social banking in India in the reforms era and the case of financial inclusion: Relevance of ICT-based policy options” has suggested ICT-based strategic options to enhance social banking that fits into the current digital banking regime. Manoj (2019) [39] “Dynamics of human resource management in banks in the ICT era: A study with a focus on Kerala based old private sector banks” observed the key relevance of ICT-enabled policies for the management as well as development of bank staff in this very competitive digital era. Manoj (2019) [40] “Competitiveness of manufacturing industry in India: need for flexible manufacturing systems” pointed out the vital significance for adoption of ICT and other technological advances like flexible manufacturing systems (FMS) in India. A paper by Joju and Manoj (2019)[41] “Digital Kerala: A study of the ICT Initiatives in Kerala state” has studied the main ICT initiatives in Kerala, the State with many unique ‘firsts’ in India (topmost internet penetration, universal literacy etc.) and has suggested strategies for the better use of Kerala’s vast ICT potential for its faster economic development.

Joju and Manoj (2019)[42] “Banking Technology and Service Quality: Evidence from Private Sector Banks in Kerala” have observed ICT as an enabler of banking quality and as such ICT-adoption should be boosted. Ali and Manoj (2020) [43] ‘Impact of Falling Price of Rubber-A Case Study of Kothamangalam Taluk in Ernakulam District’ has noted that frequent price falls affect the livelihood of rubber farmers and that governmental interventions are vital. Manoj (2015) [44] ‘Prospects of Responsible Tourism in Kerala: Evidence from Kumarakam in Kottayam District’ has noted that responsible tourism has vast potential for supporting economic growth, if duly promoted. Manoj (2016) [45] ‘Determinants of sustainability of rural tourism: a study of tourists at Kumbalangi in Kerala, India’ has identified the key factors that affect rural tourism sustainability and offered strategies like upgrading digital (ICT) resources.

Manoj (2015) [46] ‘Impact of Rural Tourism on the Environment and Society: Evidence from Kumbalangi in Kerala, India’ noted that adverse impacts are imminent in rural tourism and hence it is vital to curb them. Manoj, P.K. (2023) [47] ‘Housing Sector in India: An ESG Route into a Greener Future’ has noted imminent need for an ESG approach for the long term sustainability of the housing sector in India. Manoj (2019)[48] “Tourism Sector in Kerala in the Post-Flood Scenario: Strategies for its Sustainable Growth With a Focus on Responsible Tourism” observed the crucial part that RT could play for revival of flood-hit Kerala economy. Saritha and Manoj (2023) [49], ‘Social inequalities in IT sector: Evidence from Kerala State in India’ find inequality among Kerala’s IT sector employees and argue that it must be curbed.

Manoj, P.K. (2015) [50] ‘Housing Microfinance: A Study on Quality, Cost and Default Rate with Respect to Bhavanashree in Kerala’ has noted that housing microfinance (HMF) home loans have lower quality (higher NPAs) and also that their transactional costs are higher. Manoj (2023)[51] ‘Affordable Healthcare and Affordable Housing: Need for an Integrative Approach for the Holistic Growth of the Digital Economy of Kerala, India’, has noted that a knowledge society of Kerala must promote housing and healthcare sectors together using ICT. Krishna, S. and Manoj, P.K. (2023) [52] ‘Technological Advances and the Sustainability of Natural Rubber Cultivation in Digital India: A Study with a Focus on Kerala State’ has noted the key need of technology for the sustainability of rubber cultivation. Manoj, P.K. (2023)[53] ‘ICT for Sustained Community Development in India in the 5G Era’ has noted that high-end ICT resources and internet connectivity boost economic growth. Pagani, et.al. (2023)[54] have noted spatiotemporal links between factors like housing, health etc. Khan, F. et. al.(2023)[55] ‘Housing Loans by Banks in Kerala and the Assurance Aspect of Service Quality: Housing Finance Strategies for the Banks in the Digital Era’ have noted the key role of the assurance aspect of service quality in the housing loan business of banks. Jose, A.K. et. al. (2023) [56] ‘Responsible Tourism, Economic Growth and Tourism Policies of Kerala’ have noted the need for ICT-based tourism policies for Kerala’s economic growth. Manoj, P. K. (2023) [57] ‘Health Aspect in Housing Development for Attaining Greater Social Value: The Case of ‘Affordable Housing For All’ Goal in Digital India’ has noted the need for an integrative housing and health policy in India. Khan, F. et. al. (2024) [58] ‘Empathy of Bank Employees and Its Influence on Service Quality of Banks: Evidence from the Knowledge Economy of Kerala in Digital India’ have noted that empathy is a key factor that ensures proper provide housing credit by banks. Manoj, P. K. (2024) [59] ‘Housing finance by banks and housing finance companies in India: A review’ *Environment and Social*

Psychology, has made a comparative study of commercial banks (CBs) and housing finance companies (HFCs), the major players in housing finance and noted the falling trend of the share of HFCs vis-à-vis CBs. Manoj, P. K. (2024)[60] 'Formal Housing Finance System in Digital India: The Inclusiveness Imperative' in *Community Practitioner* has pointed out the utmost need for an inclusiveness in India's formal housing finance. Sruthy, K and Manoj, P.K (2024)[61] 'Sustainable Rubber Cultivation in Digital India: Technology-Based Interventions, Skill Development and Rubber-Based Enterprises' have noted that technology is an imperative or a key factor in respect of rubber cultivation in Kerala. William George, A.J. and Manoj, P.K.(2024)[62]. 'Promotion of Green and Affordable Housing and Allied Sectors in India: For the Faster and Sustainable Economic Development in the Digital Era' has noted green housing as an imperative in India for its sustained growth.

In view of the foregoing analysis it is noted that not a single study has focused on the performance of the banks in Kerala for granting credit to the Religious Minorities and similar groups. So, this study analyses the above aspect and suggest suitable strategies and that too ICT-enabled ones, so that bank loans (microfinance, housing loans, education loans etc.) reach the religious minorities in Kerala, thus enabling balanced and equitable economic growth.

Significance of the Study

Active participation in various economic activities by the members of the religious minorities (mainly Muslims and Christians in the Kerala context) and so also by the marginalized groups (e.g. fisher folk), the physically challenged etc. as well as the poor, widowed women etc., is vital for the balanced and equitable growth of any nation. This is particularly true in respect of a developing nation like India, wherein multiple religions, cultures etc. co-exist and there is high level disparities in the distribution of resources among these social groups. Because of diverse reasons, members of minority religions (Muslims and Christians in the Kerala context) as well as socially disadvantaged groups (like, the SCs/STs/OBCs etc.), the poor, the rural households and the women often lack access to formal sector financial services of banks and other financial institutions, Corporations etc. So, these disadvantaged groups deserve special policy support as well as specialized schemes earmarked to them; e.g. DRI loans for minorities.

A critical study of the performance of various types of banks in Kerala in terms of their reach to the religious minorities and other marginalized or disadvantaged groups, the poor etc. can throw meaningful insights into the kind of remedial measures required to ensure the access of such groups to the services provided by the banks. There is enough significance for a study of the access to religious minorities and such other groups to banking services in this era of vast ICT adoption wherein multiple delivery channels can effectively reach all the stakeholders.

Research Design

Structured as a descriptive-cum-analytical-cum-exploratory research study, this paper basically depended on authentic secondary data for analysis and interpretation. Thus, data from sources like Government publications, of both Govt. of India (GOI) and Govt. of Kerala (GOK), and also national bodies like National Minority Development Finance Corporation (NMDFC), Reserve Bank of India (RBI) etc. were used. Commonly used statistical tools were used for data analysis and interpretation. The conceptual framework underlying this paper is that of balanced and equitable economic growth that is sustainable in the long run requires adequate representation for those belonging to the minority communities and such other groups in all economic activities. Hence, access to the services of the formal sector financial intermediaries like the banks needs to be ensured for the members of the minority communities and other such deprived groups; thus enabling faster, balanced and equitable economic growth of the State.

Religious Minorities in Kerala and the Loans Available to Them: An Overview

Religious Minorities are included under the category of Priority Sector Loans (PSL) for the purpose of providing loans as per the RBI guidelines. As per the RBI guidelines in this regard, it is mandatory for the Domestic SCBs (Scheduled Commercial Banks) in India and also the FBs (Foreign Banks) functioning in India if they have more than 20 bank branches in India, to extend as loans to the extent of 40 percent of their ANBC (Adjusted Net Bank Credit) or Credit equivalent amount of the Off-Balance Sheet exposure of such banks (whichever is

higher). Minority Category Advances (MCA) thus falls under the PSL type and are hence considered to be loans to ‘Weaker’ sections of the Indian society. As per the Ministry of Welfare of GOI, MCs (Minority Communities) are: Muslims, Christians, Buddhists, Sikhs, Zoroastrians, Jains. These MCs are identified based on their population vis-à-vis the India’s overall population. Banks are mandated to provide MCA loans to applicants belonging to the above MCs. The terms of the MCA loans relatively flexible, thus, making MCA attractive to the applicants.

The major types of loans provided as MCA include DRI loans at 4 percent rate, GOI’s loans routed through NMDFC, like, Microfinance, Educational loans, Mahila Samridhi Yojana (loans for empowering women), and so on.

Religious Minorities in Kerala and the Loans Available to Them: An Overview

Though MCs in India include Muslims, Christians, Buddhists, Sikhs, Zoroastrians and Jains, as already noted, in respect of Kerala in particular the major MCs are Muslims and Christians. MCA (Minority Community Advances) provided by the banks in Kerala and the share of MCA (in percentage) to the Total PSL (Priority Sector Loans) are shown in Table I.

Table I: Religious Minorities in Kerala – Advances Availed from Banks (MCA).

Sl. No.	As on	PSL (Total) (Crore)	MCA (Crores)	MCA as % of PSL
01	31.03.2017	168469	115287	68
02	30.06.2017	177607	87229	49
03	30.09.2017	183374	94941	52
04	31.12.2017	188954	88302	47
05	31.03.2018	196517	102578	52
06	30.06.2018	197987	93016	47
07	30.09.2018	191518	96961	51
08	31.12.2018	197488	99560	50
09	31.03.2019	206718	104380	50
10	30.06.2019	203434	91918	45
11	30.09.2019	209449	100627	48
12	31.12.2019	210679	94127	45
13	31.03.2020	214016	150250	45
14	30.06.2020	206750	98250	70
15	30.09.2020	213787	104882	48
16	31.12.2020	216908	104903	48
17	31.03.2021	220212	115166	52
18	30.06.2021	216622	121224	56
19	30.09.2021	223616	133544	60
20	31.12.2021	225870	121224	54
21	31.03.2022	237898	134414	57
22	30.06.2022	243712	108754	45
23	30.09.2022	244991	106292	43
24	31.12.2022	250511	114321	46
Mean of the Share of MCA in Total PSL				51.17
Std. Deviation (SD) of the Share of MCA in Total PSL				6.77
Co-efficient of Variation (CV) of the Share of MCA in Total PSL				13.24 Percent

Source: Data Compiled from Review Reports SLBC, Kerala.

From Table I, it may be noted that the values of MCA of the banks in Kerala as a percentage of their total PSL have been about 50 percent (mean 51.17 percent, to be specific). The CV value has been just 13.24 percent which means that CV = 51.17 percent has got very high consistency (stability); i.e. MCA of banks in Kerala roughly 51 percent of PSL. (Table I).

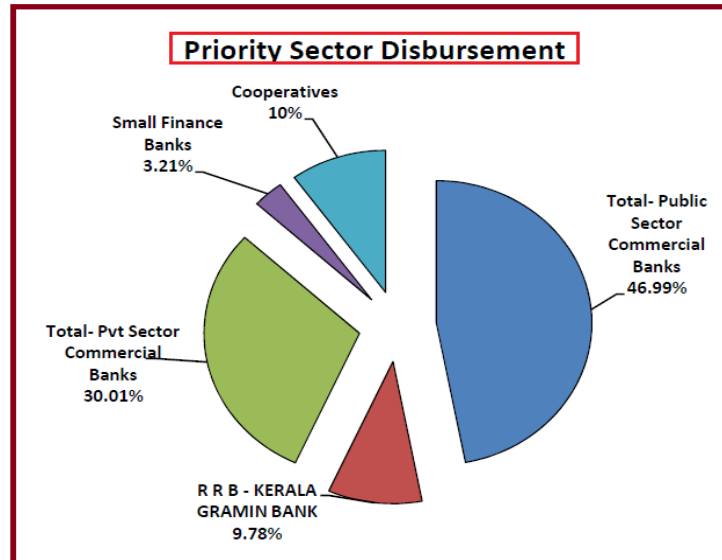


Figure I: Priority Sector Loans (PSL) by the banks in Kerala – Share of Major Players.
Source: SLBC, Kerala (2023), *Review Report 2023*, p.2.

As noted earlier, roughly above 50 percent of the total PSL advances in Kerala has been granted to the members of the MCs in the State. The PSL are granted in Kerala State by five main financial intermediaries: (i) Public Sector Banks (PSBs), (ii) Private sector Banks (PVBs), (iii) Co-operative Sector (Co-ops), (iv) Regional Rural Banks (RRBs), and lastly (v) Small Finance Banks (SFBs). The relative shares of these five agencies in the total PSL credit disbursed in Kerala are as follows: (i) PSBs – about 47 percent, (ii) PVBs – about 30 percent, (iii) Co-ops – about 10 percent, (iv) RRBs – about 10 percent, and SFBs – about 3 percent. Of these agencies, PSBs and PVBs are the most prominent players who account for nearly eighty percent of the total PSL advances granted by the formal institutional system in Kerala State. Thus, for providing better share of loans to the members of MCs too, these two major player have got the highest capacity and responsibility too, especially the PSBs – the Government controlled banking entities. Of the rest, both RRBs and Co-ops have roughly equal share of nearly 10 percent each. By default both these entities primarily focus on the poor, the rural sector and such other common masses, rather than the rich and the urban populace. This ‘rural’ and pro-poor nature of RRBs and Co-ops have fetched them both a relatively higher share of about 10 percent of the total PSL advances, i.e. about one-fifth or twenty percent of the total. Or, in other words, both these ‘rural focused’ and ‘common-man focused’ entities have a higher share of PSL loans within their total credit portfolios – higher than the mandatory minimum share of 40 percent of their ANBC (Adjusted Net Bank Credit). Somewhat similar is the case of SFBs- one of the youngest intermediary groups in Indian financial system which has begun only one decade back, i.e. from 2014 when RBI permitted SFBs so as to promote financial inclusion in India. SFBs are mandated to set aside 75 percent of their ANBC as PSL advances. Of the 11 SFBs in India one SFB (viz. ESAF SFB based in Trichur) is in Kerala. Being the latest entrant into the field the share of SFBs is very low, and so also in PSL. In Kerala, SFB’s share in total PSL advances is only about 3 percent. However, in future the same may go up. Figure I shows the position as of 31 March 2023 regarding the PSL by banks in Kerala.

Having noted that MCA – the loans to religious minorities - account for 51.17 percent of the total PSL granted by the banks in Kerala (Table I) and also the general breakup of the PSL loans among the five intermediary groups (PSBs, PVBs, Co-ops, RRBs and SFBs) (Figure I), let us now study the trend of the share (percent) of MCA in the PSL granted by banks in Kerala. It is noted that the trend in MCA (i.e. advances to religious minorities) which is roughly above 50 percent has got a slightly falling trend also over the years. (Figure II).

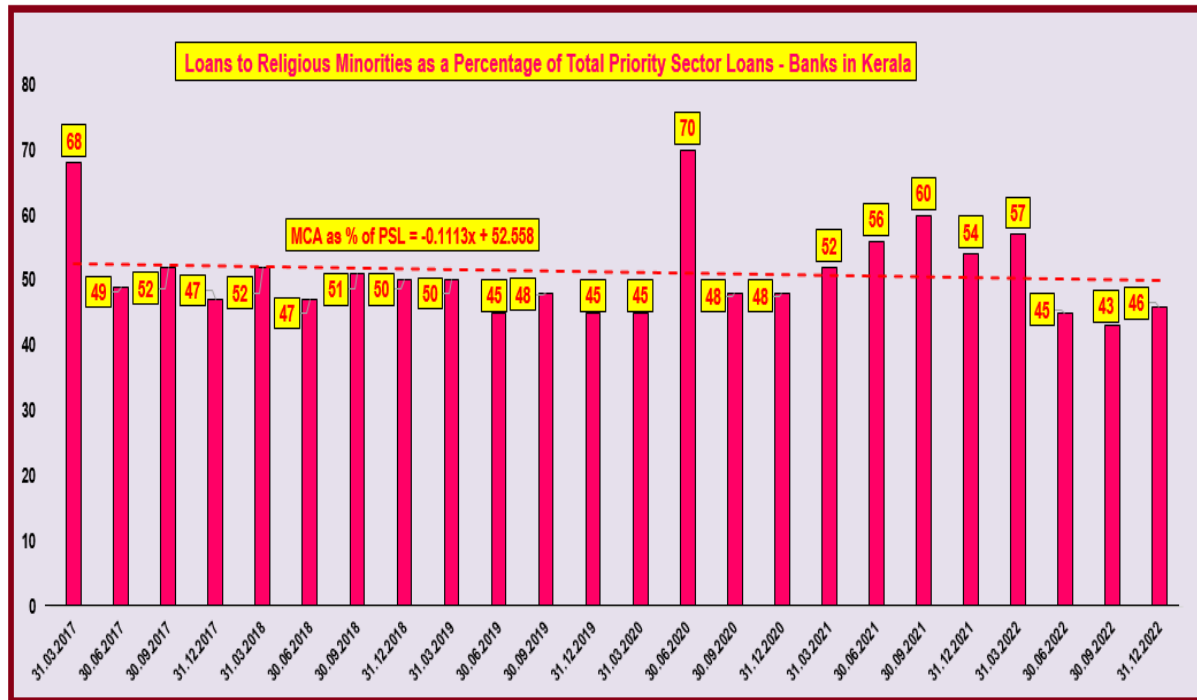


Figure II: Religious Minorities in Kerala – Share of Advances (MCA) as Percentage of PSL.

Source: Based on Capital Market data on market prices of shares of banks in India

Besides, the loans granted to the members of MCs by the banks in the State of Kerala, there are some other schemes for financial and other sorts of assistance to the MCs extended by the Govt. of Kerala (GOK). An overview of such schemes are included in the next session.

Religious Minorities in Kerala: Welfare Schemes by the Govt. of Kerala (GOK).

In Kerala, about 45 per cent of the total population (i.e. 26.56 per cent Muslims, 18.38 per cent Christians, 0.014 per cent Buddhists, 0.013 per cent Jains, 0.011 per cent Sikh and Parsi) form the MCs. Members of the MCs are entitled to minority rights as per the Article 29 and 30 of the Constitution of India. Among the various MCs as noted above, Muslims, Latin Catholics, Converted Christians and Neo Buddhists are considered as backward communities (BCs) in the context of Kerala. Under the Govt. of Kerala (GOK), the Directorate of Minority Welfare was formed in the year 2008 for the overall welfare and advancement of the MCs in Kerala.

The Minority Welfare Department of GOK has been preparing and implementing various projects that focus on the education, health, housing and employment of the members of MCs. Major welfare schemes implemented by the Department are: Educational Assistance Scheme, Water Supply Scheme in areas with concentration of the members of MCs, Housing Scheme for divorcees, widows and abandoned women from MCs, PMJVK (Pradhan Mantri Jan Vikas Karyakram), Pre-marital Counselling Centres, and Minority Research Wings in Universities. Pradhan Mantri Jan Vikas Karyakram (PMJVK) is a scheme sponsored by the GOI that seeks to enhance infrastructure projects that are community assets in identified areas with development deficits for the socioeconomic development within minority populated areas.

Table II: Housing Scheme for the Religious Minorities – Covered by the Minority Dept.

District	Phase I	Phase II	Phase III	PMAY (U)	PMAY (R)	SC Dept.	ST Dept.	Fisheries Dept	Minority Dept.	Additional List SC/ST/Fisheries) Homeless with land	Additional List SC/ST/Fisheries) Acquired land	Rehabilitated by flat	LIFE 2020	EPEP	Total
Thiruvananthapuram	6050	15528	1417	11049	5033	2399	351	2007	152	1238	0	31	104	15	45374
Kollam	3618	8530	3995	6512	2822	1986	152	824	107	1722	12	44	289	4	30617
Pathanamthitta	1176	2042	836	1684	1331	1195	42	25	75	1016	50		167	7	9646
Alappuzha	2728	9367	1198	4905	1682	1324	89	822	193	1856	0		463	32	24659
Kottayam	1102	4292	2021	2444	900	959	61	104	81	603	84	44	733	12	13440
Idukki	3138	10160	1257	1784	1637	855	940	71	97	1218	52	256	125	32	21622
Ernakulam	1059	5716	2219	10970	1252	1965	107	420	79	1958	0	24	509	35	26313
Thrissur	2997	5100	2278	7959	2612	2264	50	180	118	1051	119		467	47	25242
Palakkad	7628	14492	2602	6235	4458	2812	526	53	127	1856	15		86	12	40902
Malappuram	2735	6644	2164	10394	3707	2158	3497	509	678	4360	106	200	1252	58	38462
Kozhikode	6484	5143	598	6477	2167	1340	330	398	124	1634	149		251	68	25163
Wayanad	8440	3999	771	2919	1931	948	2533	0	218	1645	0		36	18	23458
Kannur	2645	2525	652	4911	1076	558	917	372	176	1078	46	44	739	73	15812
Kasaragod	2880	3570	920	1617	1214	623	1097	224	138	1573	51		93	2	14002
Total	52680	97108	22928	79860	31822	21386	10692	6009	2363	22808	684	643	5314	415	354712

Source: GOK (2024), *Economic Survey 2023*, Jan., p.552.

The housing scheme supported by the Govt. of Kerala (GOK) called the LIFE Mission (i.e. Livelihood, Inclusion and Financial Empowerment Mission, or LIFE Mission in short) has been conceived as a comprehensive housing scheme under GOK that seeks to achieve the ambitious goal of alleviating the housing crisis in the State of Kerala, starting from 2016. LIFE Mission seeks to address not merely the housing needs of the people in Kerala. Rather, LIFE Mission has been envisioned as a multifaceted initiative that can offer its beneficiaries with adequate avenues to access diverse types of welfare and social security programmes earmarked for the socially and economically disadvantaged segments of the Kerala society. Naturally, the members of various MCs in Kerala are also covered by GOK's LIFE Mission housing scheme. LIFE Mission is essentially conceived as a holistic rehabilitation programme for the benefit of the landless and the houseless in the State of Kerala by way of leveraging different programmes that offer the beneficiaries with sufficient social and financial stability as well as ensure them requisite skill enhancement so as to guarantee them better resources for their livelihood.

From Table II, it is noted that housing units constructed by GOK's LIFE Mission project are totally 3,54,712 in number. Of these many housing units constructed by the LIFE Mission, those constructed on behalf of the Minority Department of the GOK have been 2363 units, which in turn is less notwithstanding the fact that the members of MCs might have constructed their houses by availing some other schemes, including the general schemes. As housing and allied infrastructure like toilet, sanitation etc. are the primary requisites of human life, there should be better coverage for the members of the MCs in housing schemes like LIFE Mission. Besides, a peculiar feature of expanding housing investment is that it accelerates the pace of economic development of the whole economy due to its rippling (linkage) effects with about 350 other allied industries, both forward and backward. Accordingly, it may be pointed out that special thrust be accorded by the GOK for ensuring that housing facilities are provided to MCs as well as other socially disadvantaged groups, widows, physically challenged etc.

Religious Minorities In Kerala: Need For ICT-Enabled Financial Inclusion

The immense growth potential of ICT for financial inclusion and rural transformation is widely recognized not only in India but also across the whole world. The Philippines experience wherein Mobile Money (i.e. financial transactions using Mobile phone) could prove to be a powerful weapon for effectively ‘banking the unbanked’ – making the rural masses without bank accounts to transfer funds and make such other financial deals using a very common and simple ICT device, which is growing affordable too, viz. Mobile phone. Pickens (2009)[17] has noted the above global success story of leveraging ICT for financial inclusion. (Figure III).

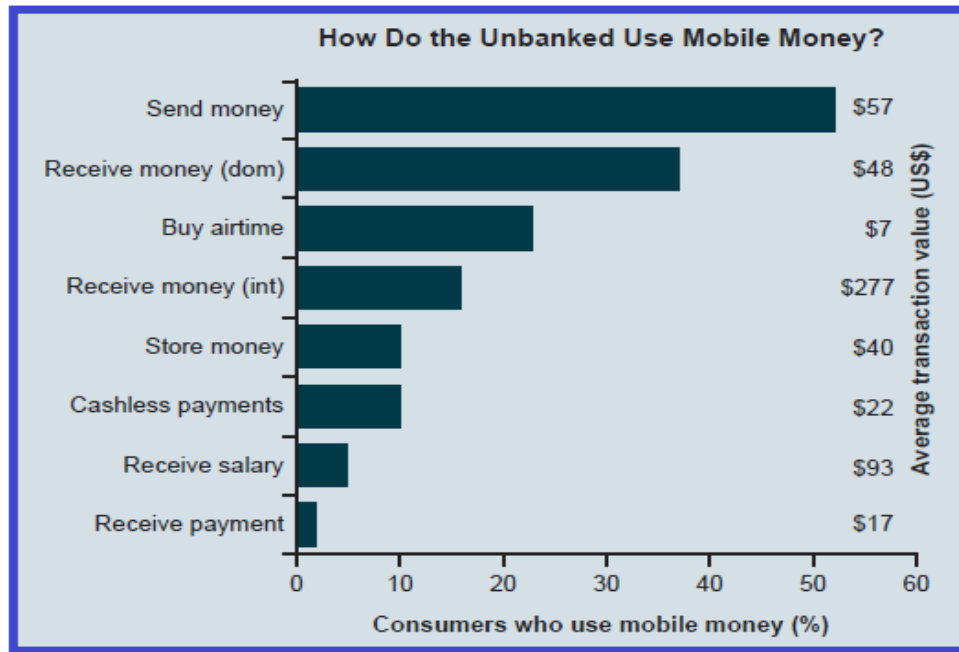


Figure III: Leveraging ICT for Financial Inclusion – Philippines Experience.

Source: Pickens, M. (2009) [17], p. 2.

In Indian context too there are many scholars who have pointed the need for ICT adoption for faster financial inclusion. Asha M Sharma (2016) [1] has noted that ICT has become an effective tool that can ensure the access of banking services to the unbanked masses, given the fact that both the GOI and the RBI are aggressively promoting ICT as a tool for financial inclusion in India where about a half of the population do not have access to formal banking services. Within India, even in the Kerala context, empirical studies have pointed out the need for leveraging ICT for faster financial inclusion, e.g. study by James and Manoj (2014) [2] ‘Relevance of E-Banking Services in Rural Area—An Empirical Investigation’ in *Journal of Management and Science* has noted that rural people prefer ICT-based banking services and hence ICT adoption (like, E-banking or Online banking) needs to be expanded in rural areas.

Summary Of Findings, Suggestions And Areas Of Further Exploration

In view of the above, it may be observed that loans to the Religious Minorities in Kerala needs to be further scaled up, especially those provided by the GOK under various welfare schemes. Also, for empowering the Religious Minorities, ICT needs to be effectively leveraged. Thus, ICT-enabled banking services should be preferred in respect of MCA, because ICT-based MCA can ensure better access among the religious minorities as well as such other weaker and disadvantaged groups of Kerala society. As a further exploration of this study, it is suggested to (i) study the relative representation of the different Minority Communities (MCs) among the religious minorities in Kerala, and (ii) study the pattern of MCA to individual MCs in Kerala.

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