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Determinants of saving behavior of tea tribe women in Dibrugarh district of Assam

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Abstract:

The tea tribe community is the backbone of tea industry of Assam. The origin of tea tribe community can be traced from places such as Bihar, Bengal, Madhya Pradesh and Orissa, Chota Nagpur etc. The workers were bound by harsh contractual terms during the colonial times and bought to Assam by British government to work in tea plantation. Now they become an integral part of Assamese society and known as tea tribe of Assam. Despite their immense contribution to the globally renowned tea industry, the tea tribe community faces a myriad of socio-economic challenges. The situation of tea tribe women is more vulnerable. The tea tribe women are used to be very hard working usually are engaged in tea gardens. The present study investigates the factors which determine the attitude of tea tribe women towards savings. Savings are important for a woman for financial independency and future security. Data are collected purposively from 76 tea tribe households having active women from three different tea estates under Lahowal Development Block of Dibrugarh district of Assam which is also known as Tea City of Assam. Semi structured questionnaires and interview method are used for this purpose. Binomial Logit Model is used to evaluate the significance of the factors which influence attitudes of the tea tribe women towards savings. It is found that household income, number of dependent family members and level of education of the woman are the significant factors of determining attitude of tea tribe households. Income diversification, encouragement of digital knowledge and a culturally sensitive family planning campaign may improve the livelihood of the household and promote saving behaviour of tea tribe women.

Keywords: tea tribe, savings, income, education, household.

Introduction: The tea industry occupies an important place in the economy of Assam. Assam is the largest contributor of total tea production of India and has a sizeable concentration of tea garden workers.

The Tea Garden community, also known as the Tea and Ex-Tea Garden Tribes, is recognized as an Other Backward Class (OBC) by the Government and is one of Assam's most socio-economically vulnerable groups. The tea tribes of Assam are descendants of indentured laborers brought to the region during the colonial era. These workers were recruited from economically distressed areas of India, primarily from the tribal belts and agricultural regions of Chotanagpur (in present day Jharkhand) and other states like Odisha, Madhya Pradesh, Uttar Pradesh, Tamil Nadu, Bihar, and West Bengal. The tea tribes represent a diverse community in Assam, consisting of 97 distinct groups, as identified in the Assam Government's Ethnographic Report. Their unique cultural identity is closely tied to the tea industry, where they have become synonymous with the tea economy over generations (Baro, 2021). Representing 20 percent of Assam's 3.5 crore population, this community plays a crucial role in the State's economy by producing about 53 percent of India's total tea. Their contributions are vital to both the State and national economy, despite facing distinct challenges rooted in historical and cultural marginalization (Kazi, Syed, 2020). The extensive vulnerabilities faced by Assam's tea garden community are deeply intertwined with complex socioeconomic, cultural, and institutional dynamics, dispersed across over half of the State's 33 districts. Entrenched in a unique socio-cultural framework, the community's economic hardship has persisted, reinforcing a cycle of exploitation that stems from and perpetuates their already precarious living conditions. (Sharma 2012). The Plantation Labour Act of 1951 regulates worker conditions on plantations and provides for welfare schemes, but it lacks provisions for essential financial services. This gap leaves tea garden laborers dependent on informal credit, with 80% of tea labor families spending most of their income on daily needs and only a small portion regularly saving with formal institutions. (Kar 1993, 2009).

Women empowerment of a community is mandatory for the real growth of the community. Women empowerment involves promoting women's self worth, abilities, rights, and choices, enabling them to drive social change alongside others. It enhances women's spiritual, political social and economic strength, building confidence in their capabilities. The status of women in society is global concern, emphasizing the importance of empowerment principles across communities, workplaces, and marketplaces (Phukan, 2020)

Access to affordable financial services, particularly credit and insurance, expands livelihood possibilities and empowers marginalized communities, fostering self-sufficiency and supporting social and political stability (Throat, 2008). Recognizing the critical role of financial access in achieving equitable growth, the Government of India has persistently advanced numerous policy initiatives—from the nationalization of commercial banks in the 1960s to the launch of the Pradhan Mantri Jan Dhan Yojana in 2014 aimed at extending the benefits of the formal financial system to historically underserved populations. Despite measurable progress, however, the reach of financial inclusion remains unevenly distributed, leaving substantial segments of society without adequate access to these essential services. Savings are essential for the financial wellbeing of a household,

particularly for women who often encounter distinct financial obstacles. By building a reserve, women create a reliable stock for unexpected financial emergencies, education, and retirement, offering a sense of security and independence.

Review of literature: Baro (2021), attempted to analyse the genesis of the tea tribes of Assam, tracing their colonial background as those who hailed from different corners of India and belonged to various multi-cultural and multilingual backgrounds.

Das (2015) discussed the process of migration of the tea tribes to Assam and assimilation with that of Assamese society. The author focused on the relative state of backwardness of tea tribes and political influence of this community in Assam's politics.

Gogoi (2021) examined the determinants of savings behavior of rural households in Sivasagar district of Assam and found that along with income, occupation, size of land holding and size of family members in the household as the significant determinants of saving behavior of the study area.

Gedela (2012), in the study on the saving behavior of tribal and rural households in the Visakhapatnam district of Andhra Pradesh identified several key factors that significantly influence savings. . Income was found to be the most important determinant of saving behavior in these communities. The dependency ratio and high medical costs have negative impact household savings.

Anbarasu et al. (2011) studied saving and investment pattern of 1655 individuals in Tiruchirappalli, Tamil Nadu analyzing factors like age, children, beliefs, education and income through econometric analyses. The authors found that educational qualifications and income levels strongly influenced saving with common goals being education, marriage, housing and medical expenses.

Repetto & Shah (1975), studied long-term saving behavior in India using 1930-1965 survey data from Kaira district Maharashtra and found a negative relationship between size of family and household saving rates.

Objective of the study: The main objective of this paper is to examine the main factors which influence the decision of savings of the tea tribe women based on micro economic approach.

Methodology: The study is based on primary source of data. Three different tea estates are selected for the purpose of data collection. 76 sample households are taken purposively having employed women. The significance of various factors on tea tribe women attitude towards savings is examined by applying the Binomial Logit Model.

Results and Discussion: Dibrugarh, the tea city of Assam, located in Upper Assam, is a prominent industrial city renowned for its sprawling tea gardens. Wage credit through account promotes saving habits or propensity because it reduces cash on the hands of the workers. It is seen that there are 177 tea estates in Dibrugarh district as per the report of department of welfare, Government of Assam. But only 8 tea estates provide wages through

bank account (Assam state Legislative assembly data). The tea tribe households have high consumption propensity due to poverty and usually have spent the whole wage as soon as they receive as cash. The present study found that about 96 per cent of the sample households have access to bank account where as the percentage of women having bank account is 83%. Higher inclusion or participation of households in the formal financial net is a good indication of overall financial inclusion of the community and in the sample area. One possible reason for the widespread access to banking is the availability of various government programs, such as institutional delivery benefits and the public distribution system, which often require a bank account for women in the household to receive these benefits. Moreover, around 79 per cent of the accounts were opened during or after 2014, the year in which PMJDY came into force. In the present era, digit empowerment is essential for smart financial behaviour. 77% of the sample women have no access to internet and only 20 % have smart phone.

The study has found that the propensity of consumption is higher than the propensity to save among the tea tribe women. There are many socio economic factors which influence attitudes of the tea tribe women towards savings. A positive attitude is must for enhancing savings. The significance of various factors on tea tribe women attitude towards savings is examined by applying the Binomial Logit Model.

In the applied model, attitude of tea tribe women towards savings (ATWSi) is a dummy dependent variable (using 1 for Tea tribe women having favourable attitude towards savings and 0 for Tea tribe women having unfavourable attitude towards savings) and independent variables are: Household income, level of education, inclusion in government Scheme as a beneficiary, number of dependent members and nature of job.

The model is

$$ATWS_i = \ln \left(\frac{D_i}{1-D_i} \right) = \beta_0 + \beta_1 \sum X_i + U_i$$

Where, X_i are the independent variables i.e. Stable household income (SHI), Level of education of the Woman (LEW), inclusion in the government scheme as a beneficiary (IGSB), dependent members (DM) and nature of job of the respondent (NJR).

Table 1: Binomial Logit Regression model's results having dependent variable attitude of tea tribe women towards savings

Regressor	Co-efficient (β)	Wald statistic	Antilog
SHI	2.964	3.918*	19.367
NJR	0.460	0.278	0.631
IGSB	0.907	1.141	2.477
DM	-0.19	5.104*	-1.217
LEW	3.669	6.389*	39.227
Constant	-6.423	3.822	0.002

Cox & Snell $R^2 = 0.450$, Nagelkerke $R^2 = 0.603$.

*= Significant at 5% level.

From the analysis household income is found to have significant positive impact upon women's attitude towards savings. The analysis reveals that household income (SHI) has a statistically significant positive effect on women's attitudes toward saving behavior. A stable household income not only boosts financial security but also encourages a favorable outlook on savings, underscoring the role of economic stability in fostering a proactive approach toward financial planning. The coefficient (2.964) of SHI indicates that other variables held constant, a stable household income increases the log of odd of having favourable attitude towards savings by 2.964 units. Antilog (19.367) of SHI indicates that controlling the other variables, having a good household income increases women's favourable attitude towards savings by 19.367 times than those who have not stable income. The level of education of the women also found to have significant positive impact on attitude towards savings. The level of education of women (LEW) also emerged as a significant predictor of their attitude toward savings. Education contributes not only to knowledge and awareness but also to a greater understanding of financial planning and security, fostering a mindset that values saving as a tool for future stability. The coefficient (3.669) of LEW indicates that controlling other variables, if the woman is educated one, the log of odd of having favourable attitude towards savings is increased by 3.669 units.

Antilog (39.227) of LEW indicates that controlling other variables; an educated woman has 39.227 times more favourable attitude towards savings than an uneducated one. An educated woman is found to be more concern about savings for future security.

The influence of the factor number of dependent members (NDM) is found to be negative and statistically significant which implies more dependents might strain household resources and reduce discretionary income for saving. Having more people relying on a woman's financial support discourage or prevent a positive attitude towards savings. The other factors are also found to be statistically insignificant.

The analysis identifies key factors that shape women's attitudes toward saving, notably household income, education level, and the number of dependents. A stable household income significantly enhances women's outlook on saving, as financial stability fosters a more favorable attitude towards future planning and security. Higher income levels provide both the means and the confidence to save, underscoring the importance of economic stability in cultivating a proactive approach to financial planning. Education level also emerges as a powerful predictor, with educated women demonstrating a markedly stronger inclination to save. Education not only increases financial knowledge but also fosters a greater awareness of the importance of saving for long-term security. In contrast, a higher number of dependents have a negative impact on attitudes toward savings, as the increased financial responsibilities limit discretionary income and reduce the ability to save. Other factors were found to have minimal influence on saving attitudes. Overall, the analysis underscores that economic stability and education empower women with a positive savings mindset, while a greater number of dependents can hinder saving potential.

Policy recommendation and Conclusion: The tea garden population faces severe poverty, with many unable to meet minimum balance requirements to open bank accounts. The wages as little as INR 167 daily, (Kazi.s,2020) which is below the minimum wage for unskilled agricultural workers results struggle to meet basic needs, making saving nearly impossible. 23% of the sample tea tribe households do not have access to BPL ration cards and 59% households experience recurrent debt and wage hike is not sufficient. Diversifying income sources can play a vital role in their dependency on tea gardens and improve their standard of living. Skill development, vocational trainings, agricultural diversification, tea tourism, may help them to enhance their paths of incomes. High illiteracy rates, particularly among women who form the majority of this workforce further restrict access to financial resources. In a digital world, lack of digital and financial literacy exacerbates their exclusion from savings programs and financial services, reinforcing vulnerability. Digital literacy of women and development of digital infrastructure may improve financial behaviour of tea tribe women. Access to mobile banking could encourage savings by reducing travel costs, and targeted government and NGO financial literacy programs focusing on women could bridge knowledge gaps. Additionally, banks and microfinance institutions should introduce low-deposit micro-savings products to foster a savings culture and support financial stability for low-income workers. A culturally sensitive and community driven approach of family planning awareness campaign may reduce numbers of dependencies in the family will promote a good savings in household.

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