

## **FINANCIAL INCLUSIVITY OF TIBETANS IN INDIA**

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### **ABSTRACT**

Financial Inclusion, as defined by the World Bank, refers to individuals' and businesses' access to useful and affordable financial products and services that meet their needs. Tibetan Refugees, due to their lack of Indian Citizenship and other factors, often face barriers to financial inclusion. This paper aimed to understand the level of financial inclusivity in Tibetan Refugees and to find the causes behind the lack of inclusivity. A convenience sampling method was used to collect data from Tibetan Refugees living in Delhi. Nineteen Refugees belonging to both genders from Delhi responded to the survey. All Tibetan Refugees were found to have a bank within 2 kms of their residence. However, they have been seen to be involved actively in the cash or parallel economy rather than the formal economy. This paper can be used to influence government policy regarding Tibetan Refugees. It can also help non-governmental organisations to provide assistance to them.

**KEYWORDS:** Tibetan, Refugees, Citizenship, Financial Inclusivity, Employment, Banks

### **INTRODUCTION**

Tibetan Refugees started coming into India in 1959 when the 14th Dalai Lama escaped Chinese-occupied Tibet (Seetharaman, A. (n.d.)). Approximately 60,000 Tibetans followed him into exile (Arya, T., 2020). Since then, 150,000 Tibetan refugees are living in exile, out of which over 100,000 are residing in India (The Tibetan Rehabilitation Policy, 2014). Tibetan refugees sought refuge for both personal safety and for the freedom to practice and preserve their Tibetan culture and Buddhist religion after fears of a crackdown on their religious and cultural identity by the Chinese government (Choedon, 2018). Instead of integrating Tibetans into mainstream society, India facilitated the preservation of their culture, tradition and identity by setting up separate Tibetan settlements in the 1960s, establishing separate schools for the Tibetan children and allowing the functioning of the Central Tibetan Administration, i.e. the Tibetan government-in-exile to manage its affairs.

Although Tibetan refugees have successfully maintained their cultural and religious identity, financial inclusion has been an issue. These issues have stemmed from the success of the rehabilitation and resettlement policy (Choedon, 2018). The major problems are educated unemployment, and travel issues. As the number of Tibetan youth with a graduate degree has increased, the Central Tibetan Administration could not employ them all in its establishment. The Tibetan youth is confronted with the challenge of finding employment according to their qualification and skill (Choedon, 2018). According to the Second Tibetan Demographic Survey, the unemployment rate is over 17%. Tibetans living in India are not classified as refugees because India has not ratified the 1951 Convention Relating to the Status of Refugees or the 1967 Protocol Relating to the Status of Refugees. Thus, the Tibetans living in India are classified as foreigners.

This status of Tibetans disqualifies them from many job opportunities in India. Further, any economic activities outside the Tibetan settlements encounter uncertainty and insecurity as Tibetans neither have the right to own businesses or obtain a licence to engage in business activities nor are allowed to own or buy land. Further, they are not entitled to secure bank loans. Moreover, Tibetan refugees are denied many employment opportunities which in due course show the way to migrate outside the settlement and settle abroad (Babin, 2021). In a study conducted on Tibetan Refugees living in Arunachal Pradesh, it was found many younger generations of Tibetans are settled abroad engaged in trivial jobs. Many are interested in moving abroad because they do not find any proper livelihood opportunities. Most Tibetans' settlements are based on primary sector activities such as agriculture. Primary Sector Engagement is most prominent in developing economies rather than developed economies (Arendonk, 2015).

In light of the problems in getting employed, many Tibetans applied for Indian Citizenship, especially after the enactment of the Indian Citizenship Act (Amendment) of 1986, which made a large section of the second and third generations of Tibetan refugees eligible for Indian citizenship.

Although there are no formal restrictions imposed by the Tibetan government-in-exile on Tibetan refugees seeking Indian citizenship, it has actively discouraged them from taking this step (McConnell, 2011). There is also a strong feeling amongst the Tibetan community that taking Indian citizenship would weaken the Tibetan movement.

As defined by the World Bank, financial inclusion means that 'individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.' (World Bank, n.d.)

The absence of a uniform legal framework and documentation and a general lack of awareness about refugees, has led to refugees being deprived of financial inclusion, through lack of access to any financial institution or service in India (Shanker, 2020). Financial inclusivity is the availability and equality of opportunities to access financial services (Nanda & Kaur, 2016). With no access to banks, refugees have had to primarily depend on the exploitative parallel economy for sustenance, with earnings and savings exclusively in cash. Over the years, this has resulted in refugees being largely excluded from the mainstream economy and livelihood opportunities within it.

Post demonetisation, the government's designation of Aadhaar as a core tool for socio-economic and financial inclusion, also had a deep impact on refugees as their eligibility to acquire this document was not clear. Owing to the lack of citizenship and settlement policies, refugees in India have been completely relegated to the margins with no means to access the formal economy.

According to a study conducted by USAID, Tibetan refugees are denied bank loans from commercial banks and other institutional lenders as they do not have conventional collaterals. In many states, such as Arunachal Pradesh, where a lot of Tibetans have settled, a license is required to run businesses. Therefore, Tibetans have to rent a license from the locals and run the business which makes them pay additional for running business.

There was a knowledge gap in this field. The financial inclusivity of Tibetan refugees hasn't been measured for Tibetan Refugees in India before. The causes behind the lack of financial inclusivity of Tibetan Refugees haven't been explored fully either. The pandemic has worsened their lack of inclusiveness. Thus, this study aims at filling these research gaps and analysing the role of covid in this issue.

## **METHODOLOGY**

### **Aim of the Study**

The aim of this study was to measure the financial inclusivity of Tibetan Refugees settled in Delhi NCR and to explore the reasons preventing their full integration into the Indian economy.

### **Research Design**

This research was a combination of quantitative and exploratory. It is quantitative because of the numerical values assigned to the data collected through the survey method. The questionnaire used to collect data from Tibetan Refugees was made by altering the World Bank's 2021 Global Findex Questionnaire (World Bank, 2021 *Global Findex Questionnaire*).

### **Consent and Ethical Issues**

All ethical considerations were followed for the current study. The study was voluntary to participate in. No participant was forced or put under duress to answer the questionnaire. Informed consent was taken from all the participants who answered the questionnaire for data collection. The confidentiality and privacy of the respondents were maintained. No data has been and will be disclosed to a third party. No identifiers such as name, occupation, address, or email address were disclosed in the article or any publication. Ethical guidelines of research were followed.

### **Sample**

The sample for this study included 19 Tibetan refugees living in Delhi NCR. They belonged to the age group 21-68 years, and they identified as male or female. The male-to-female ratio was 12:7. They either immigrated to India from Tibet or are First or Second-generation Residents. The ratio of Immigrants to First-Generation to Second-Generation was 3:6:10. All participants had sufficient knowledge of English.

### **Instruments Used**

The Questionnaire Survey Method was used for data collection. The survey instructed all respondents to fill out their demographic data (age and gender) and information about their residence and history in India. The remaining questionnaire analysed how financially inclusive they were by analysing access to banks, investments and savings. An example of a question asked in the survey is "In the past 12 months, have you, personally, saved or set aside money for your old age". The types of questions included three-point questions (Yes, Maybe and No), 5-point scale questions and checkbox questions. Each question's response was valued out of 3, with higher scores pointing toward financial inclusivity and lower scores pointing toward financial exclusivity. The highest possible score was 51, whereas the lowest possible score was 15.

### **Data Collection Procedure**

Data was collected through a questionnaire using the convenience sampling method. The responses were then converted into a spreadsheet where they were enumerated. Statistical analysis was conducted on the enumerated data, and the results were graphed.

## **RESULTS & DISCUSSION**

Descriptive statistics, such as range, mean, median, mode and standard deviation, were carried out.

**Figure 1: Number of Male and Female Respondents across Generations [N=19]**

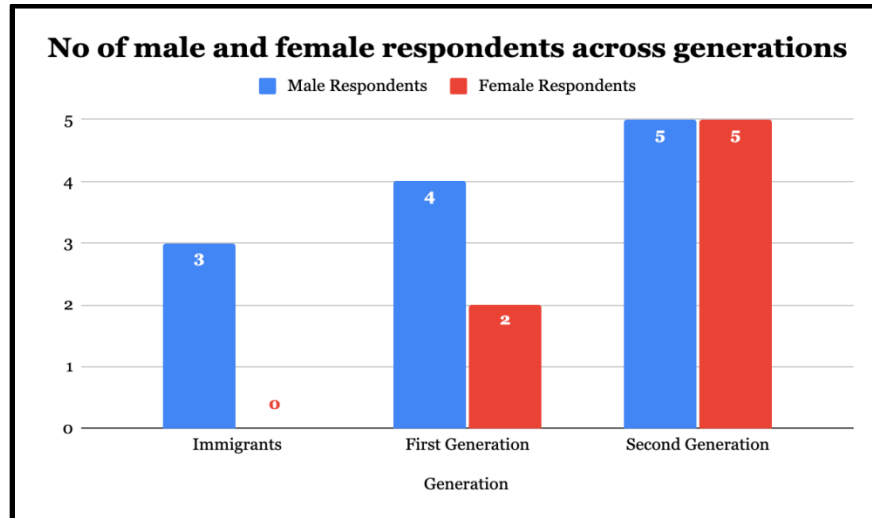


Figure 1 shows that the number of male respondents (i.e. 7) was greater than the number of female respondents (i.e. 2) from the immigrant and first generation, whereas the number of female respondents (i.e. 5) was equal to the number of male respondents (i.e. 5) from the second generation.

**Table 1. Mean, Range, Mode, Median and Standard Deviation on the financial inclusivity of Tibetan Refugees across genders. [N=19]**

	Cumulative Data	Male Respondents	Female Respondents
Mean	33.14	34.54	30.73
Range	21.74	21.74	10.43
Mode	38.40	38.40	N/A
Median	31.77	33.96	30.60
Standard Deviation	6.08	6.72	4.18

Table 1 depicts the descriptive statistics conducted on the entire data, male and female respondents. The mean score (M= 30.73, SD= 4.18) of female respondents is lesser than that of the cumulative data (M= 33.14, SD= 6.08) and male respondents (M=34.54, SD= 6.72). Thus, on average, women are less financially included in comparison to men. A study by the International

Labour Organization has found that women have fewer economic opportunities than men (International Labour Organization, 2020).

**Table 2. Mean, Range, Mode, Median and Standard Deviation on the financial inclusivity of Tibetan Refugees across generations. [N=19]**

	Cumulative Data	Immigrants	First Generation	Second Generation
Mean	33.14	29.82	30.87	35.50
Range	21.74	10.00	13.00	21.11
Mode	38.40	N/A	N/A	38.40
Median	31.77	28.77	29.20	36.09
Standard Deviation	6.08	5.08	4.90	6.45

Table 2 depicts the descriptive statistics conducted on the entire data and across generations. The mean score increases over generations, from a mean value of 29.82 for Immigrants to a mean value of 35.50 for Second Generation Refugees, pointing to the fact that financial inclusivity increases over the years.

**Figure 2: Pie-chart representing whether Tibetan Refugees and the demographic of their colony of residence (N=19)**

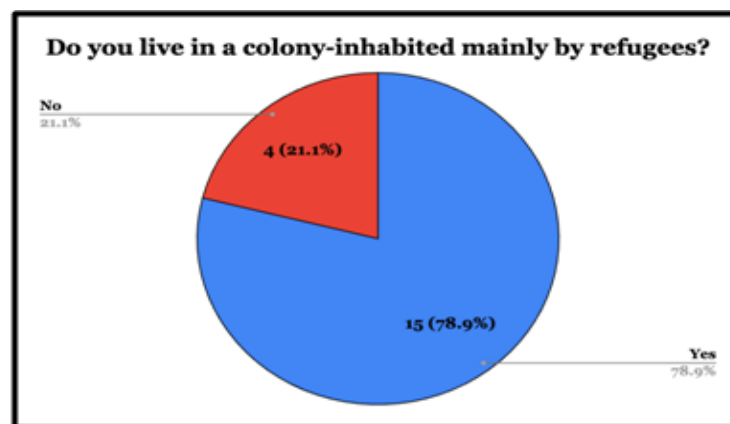


Figure 2 shows that the number of Tibetan Refugees who live in a colony inhabited mainly by refugees (i.e. 15) is more than those who don't (i.e. 4).

An article by the diplomat highlighted that 120,000 Tibetans live in settlements marginalised instead of heterogeneous colonies (Rana, 2019).

**Figure 3: Bar Graph representing whether Tibetan Refugees have taken up Indian Citizenship or not. (N=19)**

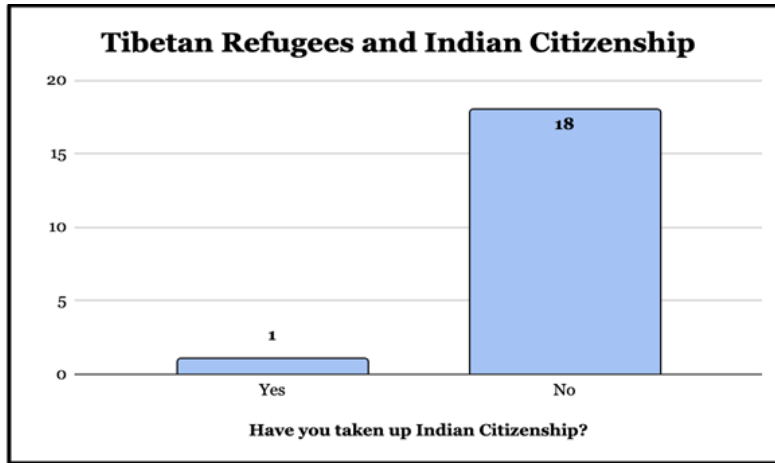


Figure 3 shows that only the number of Tibetan Refugees who live in a colony inhabited mainly by refugees (i.e. 15 or ) is more than those who don't (i.e. 4).

Tibetan Refugees have not been seeking Indian Citizenship even though the Indian Government has offered it to them because they believe that it would weaken their Tibetan Movement. Thus, the government in exile has also discouraged Tibetan refugees from doing so (Choedon, 2018).

**Figure 4: Bar Graph representing the Educational Qualification of Tibetan Refugees. (N=19)**

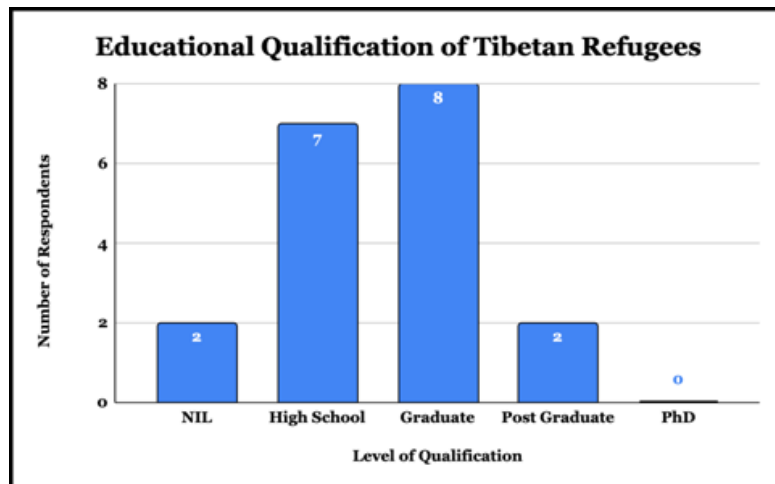


Figure 4 shows that most Tibetan Refugees either have a graduate degree (i.e. approximately 42%) or a high school diploma (i.e. approximately 37%). Almost none of them have a PhD and a small percentage (approximately 11%) have no qualification or a postgraduate qualification.

Tibetans also have been granted permission to establish separate schools for Tibetan children in India so that the Tibetan language and culture could be preserved. The Tibetan Education policy has been a success in maintaining a basic level of education (Central Tibetan Administration, *Department of Education*, n.d.).

**Inclusivity in Employment**

**Figure 5: Bar Graph representing the Employment Status of Tibetan Refugees. (N=19)**

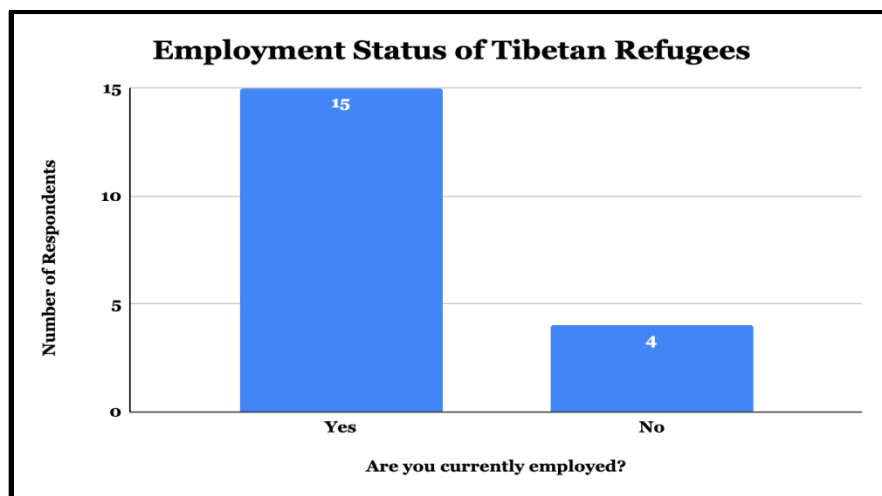


Figure 5 shows that approximately 79% of Tibetan Refugees are employed and approximately 21% of them aren't employed. (add employment statistics)

There is a major problem of educated unemployment amongst the Tibetan Youth. Despite the effective literacy rate being above 80% according to the Second Tibetan Demographic Survey of 2009, the employment opportunities are less. The occupational wants have changed over time and the youth wants to be involved in the tertiary sector rather than the primary sector. The youth is confronted with the challenge of finding employment according to its qualification and skill. According to the Second Tibetan Demographic Survey, 17%+ of the total workforce population is unemployed or underemployed.

Additionally, their refugee status and lack of Indian citizenship disqualifies them from many job opportunities in India. Further, any economic activities outside the Tibetan settlements encounter uncertainty and insecurity as Tibetans neither have the right to own businesses or obtain a



licence to engage in business activities nor are allowed to own or buy land. Further, they are not entitled to secure bank loans (Choedon, 2018).

**Figure 14: Bar Graph representing if Tibetan Refugees have considered taking up an Indian Government job. (N=19)**

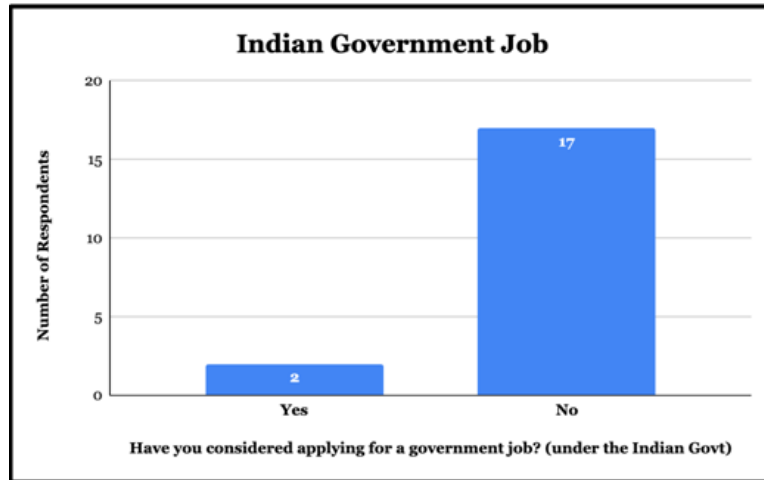


Figure 14 shows that hardly any Tibetan Refugees (i.e. approximately 10%) have considered applying for a government job.

A major reason for this observation is the ineligibility of Tibetan Refugees to take up government jobs under the Indian Government due to their lack of Indian Citizenship (Purohit, 2019).

### Inclusivity in the Banking Sector

**Figure 6: Bar Graph representing whether Tibetan Refugees own a bank account. (N=19)**

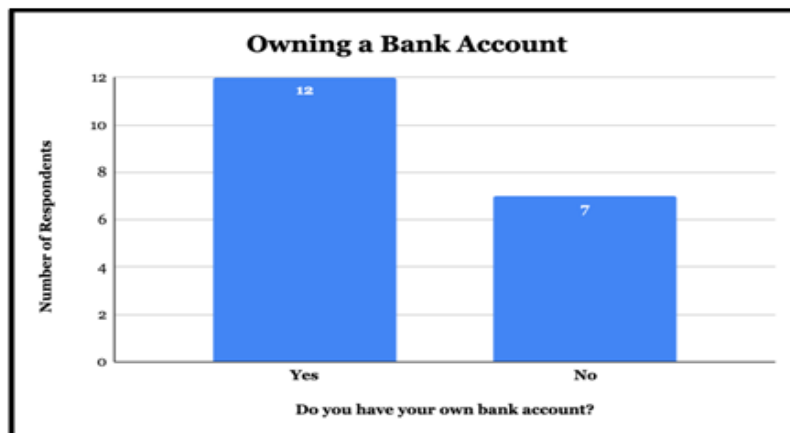


Figure 6 shows that approximately 63% of Tibetan Refugees own bank accounts; whereas 37% approximately do not.

A report by USAID found that Tibetan Refugees have more access to bank accounts in comparison to Indian Citizens but hold less funds. (USAID, 2016)

**Figure 7: Candlestick Graph representing Tibetan Refugees' ease of opening a bank account. (N=19)**

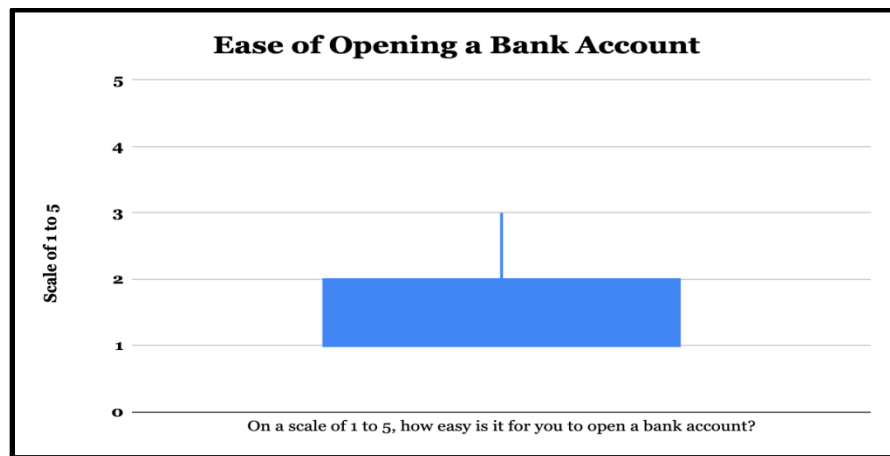


Figure 7 depicts through a candlestick graph the ease with which Tibetan Refugees open a bank account. The table below represents the values depicted by the candlestick graph.

The mean value of the responses is 2, indicating that Tibetan Refugees face difficulties in opening a bank account.

**Figure 8: Bar Graph representing whether Tibetan Refugees own a credit or debit card. (N=19)**

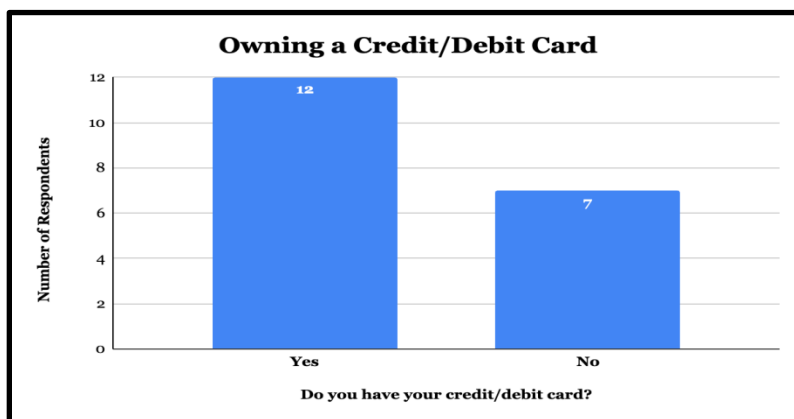


Figure 8 shows that approximately 63% of Tibetan Refugees own a credit or debit card and approximately 27% of them do not.

### Online Payments and the Parallel Economy

**Figure 9: Bar Graph representing whether Tibetan Refugees use online modes of payments. (N=19)**

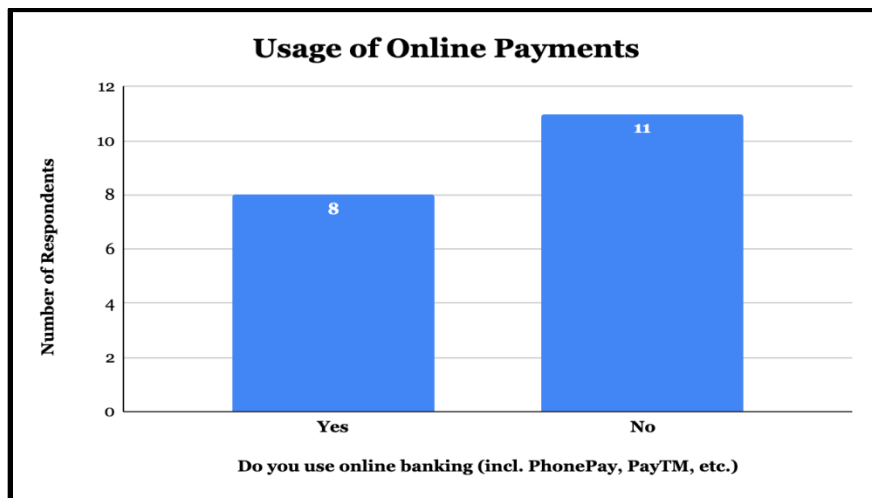


Figure 9 shows that more than half of Tibetan Refugees (i.e. approximately 58%) do not use online payment systems. Tibetans have long been trapped in an informal parallel economy to the Indian economy. A large reason for this is the cash transactions which are made (PROST, 2006) (Rajan, 2022) .

**Figure 10: Bar Graph representing whether Tibetan Refugees shop online. (N=19)**



Figure 10 shows that most Tibetan Refugees (i.e. 69% approximately) shop online. Such a large percentage of Tibetan Refugees having access to online shopping is an indicator of both digital and financial inclusivity. COVID had a negative effect on inclusivity in general; however, there has been a surge in online shopping during and post COVID-19 (United Nations News, 2021).

**Figure 11: Pie Chart representing the preference of Tibetan Refugees between Cash and Online Modes of Payment. (N=19)**

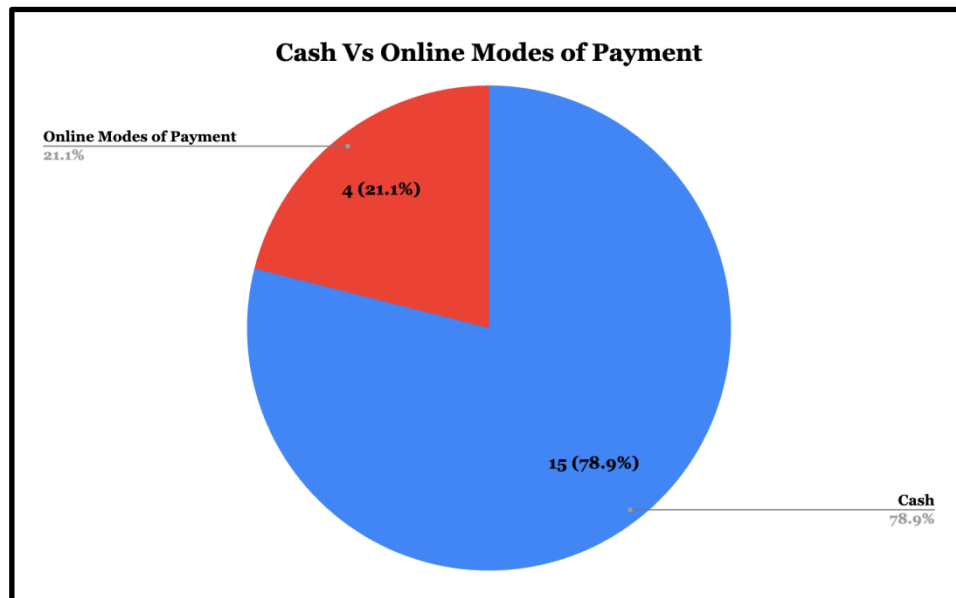


Figure 11 shows that more than half of Tibetan Refugees (i.e. approximately 58%) do not use online payment systems.

**Table 3. Tabular Representation of the usage of online banking across Tibetan Refugees of different age categories. [N=19]**

**Do you use online banking (incl. PhonePay, PayTM, etc.)**

	Immigrated Here/ First Gen	Second Generation
<b>Yes</b>	1	7
<b>No</b>	8	3

A correlation between the age of the respondent and their usage of online payment was observed. Younger respondents were more likely to be using online modes of payment in comparison to

older respondents. This correlation highlights the Flynn Effect seen among Tibetan Refugees in terms of digital literacy.

### Investments

**Figure 12: Bar Graph representing whether Tibetan Refugees invest in the stock market or not. (N=19)**

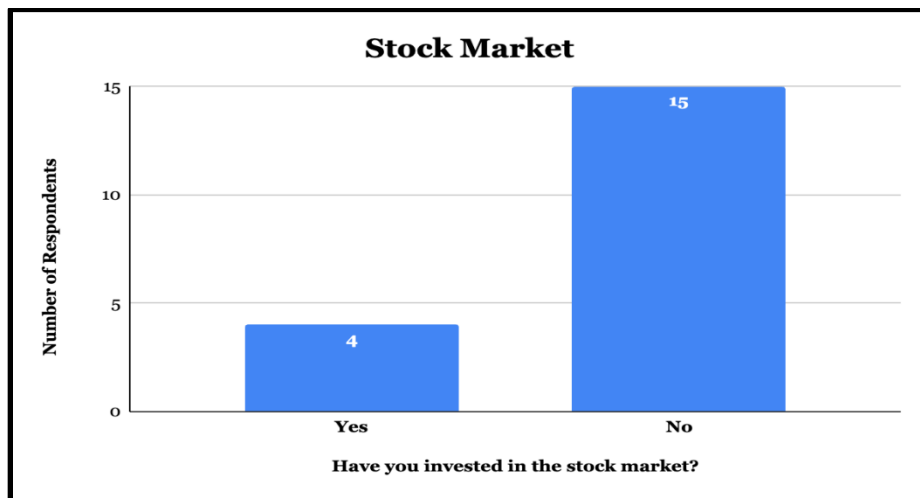


Figure 12 shows that hardly any Tibetan Refugees (i.e. approximately 20%) have invested in the stock market.

**Figure 13: Candlestick Graph representing Tibetan Refugees' ease of investing in the stock market. (N=19)**

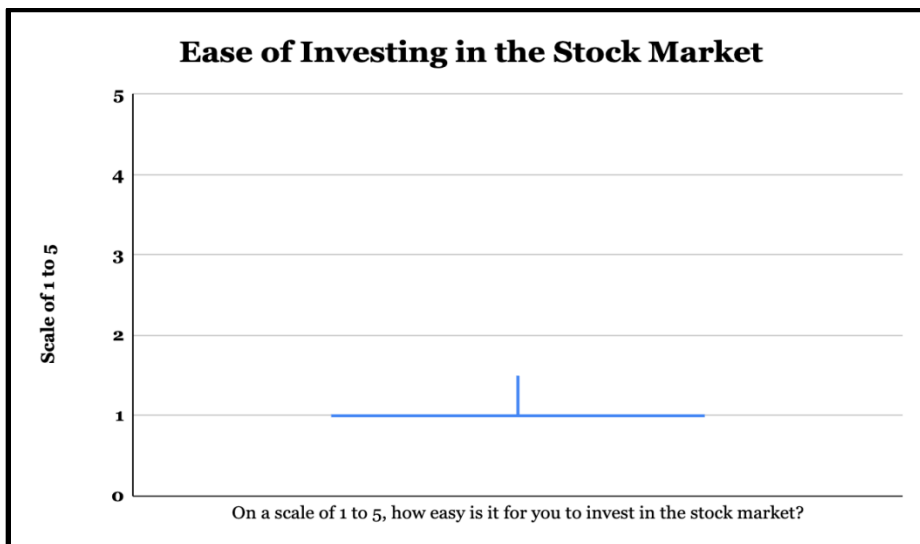


Figure 13 depicts through a candlestick graph the ease with which Tibetan Refugees invest in the stock market. The table below represents the values depicted by the candlestick graph.

The mean value of the responses is 1 indicating that it is extremely hard for Tibetan Refugees to invest in the stock market. The fact that a very small percentage of Tibetan Refugees invest in the stock market and most face issues while doing so points towards lack of financial inclusion.

**Figure 15: Bar Graph representing the different types of insurance Tibetan Refugees own. (N=19)**

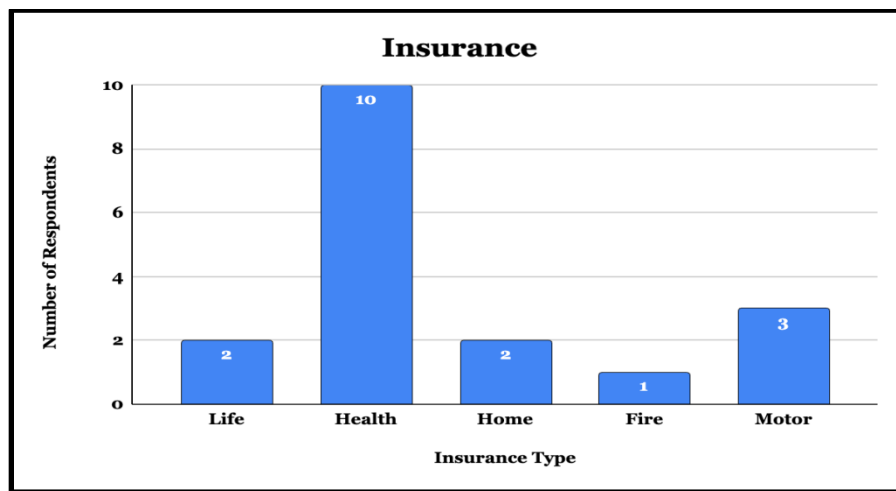


Figure 15 shows that 50% of Tibetan Refugees have a health insurance. Rest of the insurances are owned by less than 15% of Tibetan Refugees.

**Figure 16: Bar Graph representing whether Tibetan Refugees save for their old age. (N=19)**

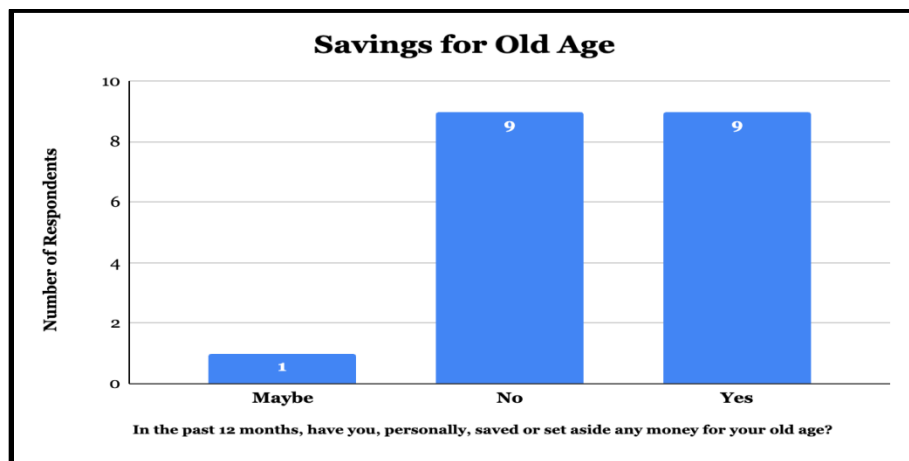


Figure 14 shows that Tibetan Refugees are split on whether they have saved for old age or not. This displays the lack of financial inclusivity because it has been observed that in high-income economies most adults save money for old age, whereas only a limited percentage of people save money in low and middle-income economies (Demirguc-Kunt et al., 2017).

It was also observed that all respondents had a bank or ATM within 2 kms of their residence. Tibetans have been referred to as the most successful refugee community in the world but they are still way behind normal citizens of the country. The Flynn Effect was observed in terms of increasing digital literacy of younger Tibetan Refugees in comparison to older Tibetan Refugees as they prefer online modes of payment more. It has also been observed that Second-Generation Tibetans are more financially included in comparison to First-Generation Tibetans and Tibetans who migrated to India. Thus, financial inclusivity increases over years. It was also observed that female Tibetan Refugees are less financially included than male Tibetan Refugees.

This paper can be used to influence governmental policy regarding Tibetan Refugees. It can also help non-governmental organisations to provide assistance to them. India being such a diverse country has many communities that are marginalised and may not be as financially-included as others. This paper will serve as an indicator that India's diversity can become its strength only when all communities are financially-included. Financial inclusiveness is the first step towards an egalitarian society.

## **CONCLUSION**

A dual-citizenship policy that allows Tibetan Refugees to take up Indian citizenship while keeping their Tibetan Identity would be most beneficial for them. It will allow for proper financial inclusion of Tibetans into the Indian economy.

## **LIMITATIONS**

Since a convenience sampling method was used to collect the survey, the sample may not be representative of all Tibetan Refugees living in Delhi NCR. The sample size was very small (19 respondents), which catered only to a small section of society. Moreover, the distribution of the sample across genders and ages wasn't even. Although best efforts were made to make the questionnaire reliable and valid, it wasn't tested for its validity and reliability before it was administered. The research was quantitative, and thus their personal experiences were not taken into account.

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