

# Tribal People of Nilgiris District and Their Financial Inclusion Awareness

Arunmozhi M. S  
Associate Professor & HOD  
Department of MBA  
Global Institute of Management Sciences,  
Bangalore

**Abstract:-** The Basic concept of financial inclusion is that minimum one account per every citizen should be opened with any bank and delivery of banking services at an affordable cost to the vast sections of disadvantaged and low income groups. Tribal people constitute a vast majority of financial excluders in the country. Such access is especially powerful for the tribal groups as it provides those opportunities to build savings, make investments, deposit, loan, bank overdraft facilities, and awareness. To examine the financial inclusion services provided by the banks and its awareness of the selected sample of the tribal village people vis-à-vis the Government policy. Financial inclusion is reducing the dependence on non-banking channels for remittance of funds. The study results of financial inclusion initiatives, benefits, and awareness of these society people. Thus the real inclusive growth not only requires to bring people into banking population but to make sure the awareness of the financial services reaches to all tribal societies, poor and uneducated people, so that the main objectives of improving their standard of living can be achieved.

**Key Words:** *Financial Inclusion, Financial Services, Tribal people, Tribal Societies*

## INTRODUCTION

India has been historical progress and growth in the past decade. While the growth story has been impressive, there are causes for concern on other dimensions. We have a long way to go in addressing concerns of absolute poverty. Low income Indian householders in the informal or subsistence economy often have to borrow from friends, families or usurious moneylenders. They have little awareness and practically no access to insurance products that could protect their financial resources in unexpected circumstance such as illness, property damage or death of the primary breadwinner.<sup>1</sup>

In the Indian context, Rangarajan Committee (Report of the Committee on Financial Inclusion in India (2008) defines it as: "Financial inclusion may be defined 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". The financial services include the entire gamut - savings, loans, insurance, credit, payments etc. By providing these services, the aim is to help them come out of poverty<sup>2</sup>.

More than half of the people in India do not have access to banking services and more particularly the tribal people. Tribal people constitute a vast majority of financial

excluders in the country. Due to the geographical distance from bank, financial illiteracy, gender-inequality, paucity of income, ID proofs tribal people are excluded from the purview of financial inclusion. Therefore, there is a vast scope of devising methods for achieving total financial inclusion in a country for taking necessary steps to reduce the gap.

## REVIEW OF LITERATURE

**Das.B.C and Nath.P.K** (2011)<sup>3</sup> this study was found very high percentage of accounts were found having very less amount hundred of deposit and only low percent of the respondents' accounts were found having more than two hundred at the time of investigation. The perceptions of Programme Officers of block, and Panchayat Secretary of Gram Panchayat, Gram Rozgar Sewak of village, bank officers and post masters of the area towards the financial inclusion of ST wage seekers were found to be negative. It is now required the proactive participation of financial institutions to facilitate the process of extending different financial services to the weaker, poor and vulnerable section of the society to achieve inclusive growth through financial inclusion.

**Achintan Bhattacharya** (2011)<sup>4</sup> has considerable the study argues in favour of revenue generating bank led model of financial inclusion simply because once the basic business issues are addressed, it is expected that banks will themselves discover the golden path that tend to converge with the Government's objectives of Inclusive Growth while conforming to the prudential guidelines of reserve bank of India. It is also suggested to evolve not only a delivery model with a long term perspective, but also an economically viable revenue model for financial inclusion married holistically to the overall business plans of banks, priced in the same way as infrastructure pricing is done for the products which are custom made for the poor with in-built risk mitigating, livelihood enhancing measures, and, as the case may be, particularly for micro-loans, based on joint liability instead of collateralised legal procedures.

**Mandira Sarma** (2012)<sup>5</sup> in his study revealed that the promotion of an inclusive financial system is a policy priority in many countries. While the importance of financial inclusion is widely recognized, the literature lacks a comprehensive measure that can be used to calculate the extent of financial inclusion across economies. This dissertation attempts to fill up this research gap by

proposing a multidimensional index of financial inclusion. The proposed index of financial inclusion captures information on various dimensions of financial inclusion in one single number lying between 0 and 1, where 0 denotes complete financial exclusion and 1 indicates complete financial inclusion in an economy.

**SIGNIFICANCE OF THE STUDY**

Financial inclusion is important and simple because it is obligatory provision available for obtaining an equitable growth especially for an economy transiting from an agrarian system to industrial modern society. Such access is especially powerful for the tribal groups as it provides those opportunities to build savings, make investments, deposit, loan, bank overdraft facilities, and awareness. Most of the tribal societies are depending on informal sources of finance available locally. Various social factors have bearing on the financial inclusion of the tribal people in the banking activities. But when it comes to the implementation of the policies relating to the upliftment of the downtrodden poor, the sophisticated form of delivery of banking activities are not feasible from the point of view of banks as well as from the people side. Hence the banks are facing various problems to take up financial inclusion plan among the mass of people who do not even know about the basics of banking.

**OBJECTIVES OF THE STUDY**

To examine the financial inclusion services provided by the banks and its awareness of the selected sample of

the tribal village people vis-à-vis the Government policy.

**HYPOTHESES**

Based on the objectives, the following null hypotheses were framed for this study:

**H01:** There is no awareness among tribal people about financial inclusion services provide by banks.

**RESEARCH METHODOLOGY**

In order to meet the objectives of the study, the methodology for execution of the work has been framed which includes:

**Data Collection**

Purely primary was collected and analyzed. Primary data has been collected directly from the respondents by serving questionnaire. A total number of 639 respondents have been selected as sample on purpose sampling technique basis.

**Awareness of no frill Account with Demographic Profile Awareness of Age Group**

To test whether the views of compare to awareness of no frill account the age group are significantly differ that the financial inclusion customers and different age group people is well planned in the concern the chi square test was conducted and the results are presented in below table for this purpose of age wise hypothesis was formulated.

**H0 (i):** There is no association between the awareness of no frill account and age group of financial inclusion schemes

Table 1 Awareness of Age Group (Chi-Square Test)

Age Group	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.667(a)	4	.000
Likelihood Ratio	41.156	4	.000
N of Valid Cases	639	-	

*Source. Computed from Primary data*

The Table 1 shows that the Pearson Chi-Square significance is less than the 0.01 per cent significance level. So the null hypothesis is accepted, the respondents there is no association between in the awareness of age group of customers in middle age respondents are only adequate awareness of financial inclusion.

**AWARENESS OF GENDER CATEGORY**

Further to analysis to there was any significance

difference in the awareness of the gender wise group of financial inclusion scheme at tribal places in Nilgiris district is well planned in the concern the chi- square test was conducted and the results are presented for this purpose a gender wise hypothesis was formulated.

**H0 (ii):** There is no association between the awareness of no frill account and gender wise group of financial inclusion scheme.

Table 2 Awareness of Gender Category (Chi-Square Test)

Gender	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.785(b)	1	.002
Likelihood Ratio	9.811	1	.002
N of Valid Cases	639	-	

Source. Computed from Primary data

The Table 2 shows that the Pearson Chi-Square significance is less than the 0.01 per cent significance level. So the null hypothesis is accepted, the customers there is association between in the awareness among different gender category. More than half of the respondents are no awareness about the financial inclusion services.

AWARENESS OF QUALIFICATION LEVEL

To test whether the views of compare the awareness with education level of respondents in significantly differ that the financial inclusion customers and poor people is well planned in the concern the chi square test was conducted and the results are presented in for this purpose of working hypothesis was formulated.

**Ho (iii):** There is no association between the awareness and education level respondents:

Table 3 Awareness of Qualification Level (Chi-Square Test)

Qualification	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.889(a)	4	.001
Likelihood Ratio	19.469	4	.001
N of Valid Cases	639		

Source. Computed from Primary data

The Table 3 shows that the Pearson Chi-Square significance is less than the 5 per cent level of significance. So the null hypothesis is accepted.

profession level of respondents significantly differ that the financial inclusion customers is well planned in the concern the chi square test was conducted and the results are presented for this purpose of working hypothesis was formulated.

AWARENESS OF OCCUPATION

To test whether the views of compare to awareness with

**Ho (iv):** There is no association between the awareness and occupation wise category of respondents:

Table 4 Awareness of Occupation (Chi-Square Test)

Occupation	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	51.532(a)	4	.000
Likelihood Ratio	60.739	4	.000
N of Valid Cases	639	-	

**(.0 per cent) have expected count less than 5. The minimum expected count is 7.54. Source.** Computed from Primary data

The Table 4 shows that the Pearson Chi-Square significance is greater than the 1 per cent level of significance. So the null hypothesis is accepted.

**AWARENESS OF INCOME LEVEL**

Further to analysis to there was any significance difference in the awareness with income level group of respondents in financial inclusion scheme in Nilgiris District is well planned in the concern the chi- square test was conducted and the results are presented in this purpose a working hypothesis was formulated.

**Ho (v):** There is no association between the awareness and income level of respondents:

Table 5 Awareness of Occupation (Chi-Square Test)

Income	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	53.533(a)	4	.000
Likelihood Ratio	61.246	4	.000
N of Valid Cases	639	-	-

**(.0per cent) have expected count less than 5. The minimum expected count is 7.54.**

**Source.** Computed from Primary data

The Table 5 shows that Pearson Chi-Square significance is greater than the 1 per cent level of significance. So the null hypothesis is accepted, the respondents are there is association between in the awareness with income level respondents group is not having a good awareness of financial inclusion scheme. These schemes are relationship with the primary level respondents not having most of awareness.

- and get bank benefits through the various schemes.
- ❖ Study found that most of respondents require money getting from money lenders, at this point (53.1per cent) of respondents were acquire money easily availing from the money lenders therefore, the financial inclusion scheme aspire reduce the money lenders and other local financial institutions, the scheme almost successfully going on poor people and financial excluders, but until tribal is dominated by local money lenders. So, government and banks should take necessary steps to increase bank loans.

**FINDINGS**

**SUGGESTIONS**

- ❖ The study reveals that the maximum (70.0per cent) of the respondents are open an account and (30.0) respondents have no bank account.
- ❖ Maximum (52.9per cent) of respondents having no awareness and remaining respondents have awareness of no-frill account scheme. Basically the financial inclusion awareness is very important to financial excluders particularly illiterate's. (29.8per cent) respondents known about the bank schemes through MGNREGS. It seems that the Bankers directly or indirectly went to respondent's place, explain and advertise merits of this scheme and how to avail financial sources through no frill account schemes.
- ❖ Majority (38per cent) of respondents are use of zero balance accounts for getting MGNREGS wages. It seems that the Bankers directly or indirectly explain to the no frill account holder's, explain about savings and use of zero balance account schemes

To increase the awareness of no Frills saving account benefits, because more than half of the account holders are still no saving behaviour to them. Some customers only gotten the bank loan it's not enough them to develop the life style, so all types of banks must advice the loan benefits especially no or low level educates.

To increase the awareness, there is a good scope of having financial literacy cell or credit counselling centre in every place so that it can take care of uneducated and illiterate peoples.

At the present time well awareness of bank service scheme but still illiterate primary and poor people are not good aware of more bank schemes.

The result shows that the Pearson Chi-Square significance is less than the 0.01 per cent significance level. So the null hypothesis is rejected, the customers there is association between in the awareness among different gender category. Female respondents are more awareness about the financial inclusion scheme.

## CONCLUSION

The present study concluded that, the financial inclusion awareness of tribal community region after its implementation, though the scheme had a strong social mission of financial inclusion, the mission had not been fully translated into satisfactory action on the ground that the scheme was not fully included. Still half of the tribal citizen not getting awareness of banking services especially. The study results of financial inclusion initiatives, benefits, and awareness of these society people, so that the main objectives of improving their awareness and standard of living can be aimed.

## REFERENCES

1. Chakrabarti K.C, Deputy Governor, RBI, India .[www.livemind.com](http://www.livemind.com)
2. [http://nabard.org/financial\\_inclusion.asp](http://nabard.org/financial_inclusion.asp)
3. Das B.C and P.K. Nath , (2011), Financial inclusion of ST wage seekers of Jharkhand in Mahatma Gandhi national rural employment guarantee scheme
4. Achintan Bhattacharya (2011) India's financial inclusion: A case for comparative Revenue model.
5. Mandira Sarma Index of Financial Inclusion