

A Study on Awareness Towards Financial Inclusion among the Tribals in Rural Areas.

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Abstract:

The fundamental idea behind financial inclusion is that each citizen should open a minimum of one account with any bank and that many low-income and disadvantaged groups should be able to access banking service at reasonable costs. The great bulk of the nation's financial excluders are tribal people. Tribal communities particularly benefit from this kind of access since it gives them the chance to save money, invest, deposit, borrow money, use bank overdraft capabilities, and raise awareness. To investigate the bank's offering for financial inclusion and their knowledge of the government policy's selection of a sample of tribal village residents. The reliance on non-banking channels for money remittance is decreasing as a result of financial inclusion. The study's findings on the advantages and knowledge of these members of society, as well as financial inclusion measures. Therefore, in order to truly achieve inclusive growth, it is not only necessary to increase the number of people using banks, but also to ensure that all tribal cultures, the impoverished, and the illiterate are aware of these services in order to achieve the primary goals of raising their standard of living.

Key words : Financial Inclusion, Financial Services, Tribal people.

Introduction:

Financial inclusion plays a vital role in promoting inclusive growth and economic development. In India, despite various government initiatives like Pradhan Mantri Jan Dhan Yojana (PMJDY), Direct Benefit Transfer (DBT), Aadhar-linked banking, and Digital India, a large portion of the tribal population in rural areas still remains financial excluded.

The tribal community, being geographically isolated and socio-economically disadvantaged, faced unique barriers in accessing financial services. Hence, this study focuses on understanding their awareness, usage, and perception of financial inclusion schemes.

Simple Percentage Analysis :

Simple percentage method deals with the number of respondents response to a particular question in percentage arrived from the total population selected for the study.

The simple percentage can be calculated by using the formulae,

$$\text{Percentage} = \text{No. of respondents} / \text{Total Number of respondents} \times 100$$

S.N.	Variables	Categories	No. of respondents	Percentage
1	Age	Below-25 years 25-30 years 31-55 years Above-55 years	53 36 28 3	44% 30% 24% 2%
2.	Gender	Male Female	44 76	37% 63%
3.	Educational Qualification	School level Degree level Diploma Uneducated	59 15 4 42	49% 13% 3% 35%
4.	Number of Member in the family	2 Member 3 Member 4 Member Above 4 Member	— 53 39 28	— 44% 33% 23%
5.	Family Income	Below-Rs. 10000 Rs. 10001-20000 Rs. 20001-30000 Above Rs. 30000	63 51 5 1	52% 43% 4% 1%
6.	Types of school your children studying	Government Aided Private others	84 36 — —	70% 30% — —
7.	Tribal ID	Yes No	14 106	12% 88%
8.	No. of bank account	1 2 3 Above	58 25 36 1	48% 21% 30% 1%
9.	Types of bank account	Saving a/c Current a/c Recurring deposit Fixed deposit a/c	120 — — —	100% — — —

10.	Cheque book facility	Yes	2	2%
		No	118	98%
11.	Minimum balance to be maintained	Below Rs. 500	21	18%
		Rs. 500-5000	99	82%
		Rs. 5001-7500	—	—
		Above Rs. 7500	—	—
12.	Source helped to open the bank account	Village panchayat	—	—
		Bank officials	10	8%
		Neighbour	52	43%
		Friends/Relatives	58	49%
13.	Period of saving amount	Monthly	2	2%
		Quarterly	1	1%
		Yearly	33	27%
		Occasional	84	70%
14.	Aware about the banks were opening such no frills account	Bank officials	33	27%
		SHG members	13	11%
		NGOs	21	18%
		Village Panchayat	33	44%
15.	Types of bank to borrow/lend money	Private bank	3	3%
		Public bank	78	65%
		Cooperative bank	4	3%
		Others	35	29%
16.	Types of credit/loan borrowed	Housing loan	9	8%
		Agriculture loan	3	2%
		Education loan	19	16%
		Vehicle loan	89	74%
17.	Difficulties faced while loan process	Application	41	34%
		Rejection	—	—
		High-interest rate	65	54%
		Credit Score woes	5	4%
		Lengthy paperwork	9	8%

(Source : Primary Data)**Interpretation :**

The above table shows that mostly (44%) of the respondents age is below-25 years. Majority (63%) of the respondent's gender is female. Majority (49%) of the respondent's qualification is school level. Mostly (44%) of the respondent's of No. of Members in family is

3 members. Majority (52%) of the respondent's of family income is below 10000. Majority (70%) of the respondent's of the children studying in Government schools. Majority (88%) of the respondent's holding separate ID for tribal community is No. Mostly (48%) of the respondent's have only one bank account. Majority (100%) of the respondent's have only saving bank account. Majority (98%) of the respondent's is No. Majority (82%) of the respondent's of minimum balance is Rs. 500-5000. Mostly (49%) of the respondent's is to helped to open the bank account is Friends/Relatives. Majority (70%) of the respondent's is Occasional the saving amount in account. Mostly (44%) of the respondent's is village panchayat are aware about opening the no-frills account. Majority (65%) of the respondent's in public bank to borrow or lend money. Majority (74%) of the respondent's are borrowed vehicle loan. Mostly (46%) of the respondent's are high-interest rates of difficulties faced while loan process.

Weighted Average Method :

Weighted Average may be defined as the average whose component items are being divided by the total sum of their 'Weight' instead of the sum of the items.

$$\text{Weighted Arithmetic mean } XW = \Sigma WX / \Sigma W$$

XW = Represents the weighted arithmetic mean

X = Represents the weight attracted to the variable x

Objectives of the Study :

- ❖ To assess the level of awareness among tribals regarding financial inclusion schemes.
- ❖ To examine the useage pattern of banking and financial services among tribal people
- ❖ To identify the major barriers to financial inclusion in tribal rural areas.
- ❖ To suggest measures for enhancing financial literacy and inclusion among tribals.

Research Methodology :

- ❖ **Area of Study :-** Selected rural tribal areas (mention specific district/state if known).
- ❖ **Sample Size :-** 100 respondents from tribal villages selected through random sampling.
- ❖ **Data Collection :-** Primary data through questionnaires and interviews; secondary data from government reports, RBI publications, and research journals.
- ❖ **Tools Used :-** Percentage analysis, charts, and simple statistical tools for interpretation.

Findings of the Study :

- ❖ A majority of the respondents have basic awareness of bank accounts but limited understanding of insurance, credit and digital banking.
- ❖ Many tribal households opened bank accounts under PMJDY, but regular transactions are rare due to lack of income flow and distance from bank branches.
- ❖ Financial literacy levels are very low, especially among women and elderly people.
- ❖ Poor connectivity, inadequate infrastructure, and lack of trust in forma institutions remain major obstacles.
- ❖ Local cooperatives and self-help groups (SHGs) play a limited yet positive role in promoting saving orbits.

Conclusion:

Financial inclusion among tribals is essential for reducing poverty and ensuring equitable growth. While several initiatives have been launched by the government, their impact remains limited due to lack of awareness and accessibility. Therefore, targeted financial literacy programs, improved infrastructure, and culturally sensitive approaches are crucial to bringing the tribal population into the mainstream financial system.

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