



A Study on Awareness Towards Financial Inclusion Among The Tribals In Rural Areas With Special Reference To Coimbatore

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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 services 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 banks' offerings 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.

I. INTRODUCTION OF THE STUDY

The term "Indian tribal belt" describes the contiguous regions where Indian tribes—that is, groupings or tribes that have maintained their genetic homogeneity—have settled, as contrast to other demographic groups who have interacted extensively inside the Indian subcontinent. Even though they are a tiny minority, India's tribal people

is incredibly diverse. Their linguistic characteristics, physical characteristics, natural environments in which they reside, population number, degree of acculturation, prevalent means of subsistence, degree of development, and social stratification differ from one another. They are dispersed throughout the entire nation, however their geographic distribution is far from even. According to data supplied by the Tamil Nadu Forest Department, the 2011 census found 7.21 lakh tribal populations in Tamil Nadu, making up 1.10% of the state's overall population. Tamil Nadu is home to 36 distinct tribes and subtribes. The population's literacy rate is 27.9%. The majority of Tamil Nadu's tribal population is engaged in agriculture as laborers, cultivators, or forest-dependent people. Tamil Nadu is home to six nomadic tribes. Almost every district in Tamil Nadu is home to a tribe, and these people have made major contributions to forest management. Six tribal villages—Toda, Kota, Kurumbas, Irulur, Paniyan, and Kattunayakan—have been designated as Primitive Tribal out of the 36 Scheduled Tribe communities in the state. The five principal tribal blocks in the Coimbatore District are Karamadai, Madhukkarai, Perianayakan Palayam, Thondamuthur, and Mettupalyam. The purpose of the aforementioned study is to determine how much knowledge tribal peoples in the Coimbatore area have about financial inclusion.

1.1 STATEMENT OF THE PROBLEM

Financial exclusion refers to the exclusion of individuals who lack bank guidance, inexpensive credit, savings, insurance assets, and money. Marginal framers, landless laborers, self-employed individuals and unorganized sector businesses, urban slum dwellers, migrants, ethnic minorities



and socially excluded groups, senior sector employees, and women make up the majority of the financial excluded group. One group that is not included in the financial system is tribal. The impoverished of socially marginalized groups, especially indigenous people, should have access to financial services in order to increase financial inclusion. In order to close this gap, microfinance banks and other financial institutions have been extremely important. This study aids in our understanding of the tribe's credit and saving habits, awareness of no-frills accounts, and perspective on financial inclusion.

1.3 OBJECTIVE OF THE STUDY

- To understand the socio-economic profile of the tribal people in Coimbatore.
- To study the financial inclusion of tribals in rural areas in Coimbatore.
- To find out the awareness level on financial inclusion among the tribal people in Coimbatore.
- To suggest measures to improve overall financial inclusion of tribals in rural areas.

1.4 LIMITATIONS OF THE STUDY

- The study is restricted only to the tribal people in rural area in Karamadai and Thondamuthur, Coimbatore.
- The study findings are based on the individual opinion of the respondents.
- The sample size was constrained to 120 respondents only.

1.5 RESEARCH METHODOLOGY

The study included a sample size of 120 people and a descriptive research design. The interview schedule used to gather data for the study involved speaking with Coimbatore's indigenous population. The multi-stage sampling strategy was employed for the investigation. The purpose of the study is to ascertain the tribes people's level of financial inclusion awareness in Coimbatore. The period of data gathering was December 2023–March 2024. An interview schedule is the data collection tool. Primary and secondary data were the two categories of information that were gathered. The primary source of data was first-hand information gathered straight from the tribal members. Secondary data refers to first-hand information gathered by the researcher from sources such as journals, papers, and the internet. The statistical tools used in this study were the weighted average approach and simple percentage analysis.

1.6 ANALYSIS AND INTERPRETATION

1.6.1 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,

$$\text{Percentage} = \frac{\text{No. of response}}{\text{Total Number of Respondents}} * 100$$

S.No	VARIABLES	CATEGORIES	NO.OF.RESPONDENTS	PERCENTAGE
01.	Age	Below-25 years	53	44%
		25-30 years	36	30%
		31-55 years	28	24%
		Above-55 years	3	2%
02.	Gender	Male	44	37%
		Female	76	63%
03.	Educational qualification	School level	59	49%
		Degree level	15	13%
		Diploma	4	3%
		Uneducated	42	35%
04.	Number of Member in the family	2 Member	-	-
		3 Member	53	44%
		4 Member	39	33%
		Above 4 Member	28	23%
05.	Family income	Below-Rs.10000	63	52%
		Rs.10001-20000	51	43%
		Rs.20001-30000	5	4%
		Above Rs.30000	1	1%
06.	Types of school	Government	84	70%



	your children studying	Aided Private others	36 - -	30% - -
07	Tribal ID	Yes No	14 106	12% 88%
08	No. of bank account	1 2 3 Above-3	58 25 36 1	48% 21% 30% 1%
09	Types of bank account	Saving a/c Current a/c Recurring deposit Fixed deposit a/c	120 - - -	100% - - -
10	Cheque book facility	Yes No	2 118	2% 98%
11.	Minimum balance to be maintained	Below Rs.500 Rs.500-5000 Rs.5001-7500 Above Rs.7500	21 99 - -	18% 82% - -
12.	Source helped to open the bank account	Village panchayat Bank officials Neighbour Friends/Relatives	- 10 52 58	- 8% 43% 49%
13.	Period of saving amount	Monthly Quarterly Yearly Occasional	2 1 33 84	2% 1% 27% 70%
14.	Aware about the banks were opening such no-frills account	Bank officials SHG members NGOs Village Panchayat	33 13 21 53	27% 11% 18% 44%
15.	Types of bank to borrow/lend money	Private bank Public bank Cooperative bank others	3 78 4 35	3% 65% 3% 29%
16.	Types of credit/loan borrowed	Housing loan Agriculture loan Education loan Vehicle loan	9 3 19 89	8% 2% 16% 74%
17.	Difficulties faced while loan process	Application Rejection High-interest rate Credit Score woes Lengthy paperwork	41 65 5 9	34% 54% 4% 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

1.6.2 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.

Weighted Arithmetic Mean $XW = \frac{\sum WX}{\sum W}$
XW = Represents the weighted

arithmetic mean

X = Represents the variables

W = Represents the weight attracted to the variable x

THE TABLE SHOWING OF OPINION OF THE FACTORS

Factors	Number of respondents					Total	Mean score	Rank
	HS	S	M	DS	HDS			
How satisfied are being able to borrow relatively small sums	28(5)	31(4)	33(3)	16(2)	12(1)	407	27.1	V
How I did not need to provide security/guarantees	31(5)	41(4)	28(3)	8(2)	12(1)	431	28.7	IV
How satisfied it was available locally	44(5)	31(4)	28(3)	10(2)	7(1)	455	30.3	III
How I can make repayments in cash in small weekly	54(5)	28(4)	27(3)	8(2)	3(1)	482	32.1	I
How do you convenient because they come to the door to collect	48(5)	35(4)	24(3)	9(2)	4(1)	474	31.6	II

(SOURCE: Primary data)

INTERPRETATION

From the above table found that the respondent's are ranked first is to make repayments in cash in small weekly, ranked second is convenient because they come to the door to collect, ranked third is satisfied it was available locally, ranked fourth is not need to provide security and ranked fifth is satisfied are being able to borrow relatively small sums.

INFERENCE

In this study, Mostly of the respondents ranked first is to make repayment in cash in small weekly.

FINDINGS

- Mostly (44%) of the response are below the age of 25 years.

- Majority (63%) of the response are female.
- Majority (49%) of the response are school level.
- Mostly (44%) of the response are 3 members in their family.
- Majority (52%) of the response family income is below 10000.
- Majority (70%) of the response of children studying in Government schools.
- Mostly (48%) of the response have only one bank account.
- Mostly (49%) of the respondents is to helped to open the bank account is Friends/Relatives
- Majority (70%) of the response is occasional the saving amount in account.
- Mostly (44%) of the response is village panchayat are aware about opening the no-



frills account.

- Majority (65%) of the respondents in public bank to borrow or lend money.
- Majority (74%) of the respondents are borrowed vehicle loan.
- Mostly (46%) of the respondents are high-interest rates of difficulties faced while loan process.
- Most of the respondents ranked first to make repayment in cash in small weekly.

II. SUGGESTIONS

- Through this study we came to know that majority of the tribal people are less aware of the schemes that are provided by the government for their welfare and other general scheme services.
- Tribal Indigenous arts like street dramas can be conducted to create awareness among the tribes on the importance of savings and various financial schemes provided by the government to improve their financial independency.
- NGO's and Students from colleges and school through NSS schemes can conduct a programme based on the financial schemes and other educational schemes that are provided by the government for tribal people.
- Banks and other financial sectors can conduct awareness campaign programmes for creating awareness on the financial schemes that are provided for tribal people.

III. CONCLUSION

In this study it can be said that despite several laws and legislations to protect tribal land, tribal land alienation still continues in different states of India, in general. Tribals have raised their voice and have organized movements to claim their rights over land, water, and forest resources as far as their life, livelihood, freedom, and identity are concerned. But the post-independence state has followed the colonial legacies and is trying to suppress tribal voice through every possible measure by suppressing their movement. But now government of India framed the legal structure in order to protect and develop this tribal community. Financial inclusion and infrastructure should go hand in hand for all round tribal development to take place so as to ensure that villagers have access to health education, shelter, information, technology, and insurances apart from credit behaviour. The development on tribal should give a great ability to improve the standard of living.

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