Financial Inclusion of Paniya Tribal Community in Wayanad District of Kerala

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Abstract: Financial inclusion is the process of ensuring access to appropriate financial products and services needed by all sections of the society in general and vulnerable and low-income groups in particular. Tribals, the original inhabitants of India have contributed much to the nation's culture, history and heritage. It is ironical that despite a large number of well-meaning constitutional provisions aimed at protecting and safeguarding the welfare and interest of the tribal communities, the process of marginalization of the tribal's has gone on unabated. This study mainly aims to assess the level of financial inclusion among the paniya tribes, who are living in Wayanad District of Kerala State. Hundred respondents were selected at random from these areas, The paper has made an attempt to assess Financial Inclusion of tribals.

Keywords: -, Paniya, Vulnerable groups, Financial Inclusion, Financial Services.

1.INTRODUCTION

Financial inclusion is a practice of ensuring access to financial services to the large hitherto un covered population of the country to unlock its growth potential. The prime objective of financial inclusion is not just limited to credit but involves wide range of financial products like savings account, insurance, remittance and other facilities to the under privileged and the poor in rural areas. Financial inclusion plays an important role in mobilizing and allocating resources in the economy. For the effective growth and development of the economy, it is necessary to include and involve those marginalized people in formal banking sector.

The origin of the Paniya tribe is still unclear, but some details relating to this tribal community signify a little about the extraction of this tribal group. According to some scholars Kapiri (Africa or Cape) is the land of origin of the Paniya tribes. In physical appearance of the Paniya tribe commonly have thick lips, dark complexion and curly hair. The Paniyas tribe as such have very limited wants. Food, shelter and clothing are the only important wants of this tribe. They are not at all familiar with modern and better education facility, health facility and variety of commodities in the market. They are highly superstitious, oppression, discrimination and gender problems are common among them. Paniyas give very little importance to education. Most of them are not yet conscious about the benefits of modern education and consequent economic gains. It is found that the problem of illiteracy is acute among the Paniyas. This low literacy is considering as the root cause of their socio- economic backwardness. This tribal community have developed a special indigenous style for the making their own houses.

2.NEED OF THE STUDY.

Paniya tribals are at the bottom of social ladder, they are the most oppressed and deprived group among the tribals in Kerala. The emphasis on financial inclusion measures will help to address their three important needs. It will create a platform for inculcating saving habit among the community. Proper banking facility will provide credit avenue to them. Financial inclusion measures also help in plugging the leak in public subsidies and welfare programmes. It is in this context this study has made an attempt to examine the financial inclusion of the Paniya community with special reference to Wayanad district.

3.RESEARCH METHODOLOGY

The methodology section outlines the plan and method that how the study is conducted. This includes Universe of the study, sample of the study, Data and Sources of Data, study's variables and analytical framework. The details are as follows;

3.1Population and Sample

Wayanad, often referred as „Green Paradise of Kerala‟ is a northern district in Kerala, situated above the sea level ranges between 700 meters to 2100 meters. Wayanad is a homeland of indigenous tribal communities like Paniyas, Adiyas, Kattunayakans, Kurichiyans, Kurumas, Ooralis, and Uraali Kurumas. Paniya tribals are at the bottom of social ladder, they are the most oppressed and deprived group among the tribals in Kerala. The emphasis on financial inclusion measures will

help to address their three important needs. As indicated by the 2011 Census, their population can be assessed to be 88,450. The majority of the Paniya tribals are found in Wayanad District. The study explores to the intensity of financial inclusion among Paniya tribes. The target group include unemployed/house wife, agriculturalists. Banking habits and awareness about financial products and services come within the purview of the study. The target group are paniya tribes in Wayanad District. This study has collected information from 100 households belonging to Paniya Tribes. The present study makes use of the survey method applying a pre-structured and pre-tested interview schedule for the collection of primary data from the respondents (the tribes). The face-to-face interview technique was used in the data collection process.

3.2 Data and Sources of Data

The data required for study are collected from primary and secondary sources. Secondary data from published books, periodicals, journals etc. These sources are also used for to frame questionnaire required for collecting primary data. The present study makes use of the survey method applying a pre-structured and pre-tested interview schedule for the collection of primary data from the respondents (the tribes). The face-to-face interview technique was used in the data collection process.

3.3 Theoretical framework

The Concept of Financial Inclusion

India occupies only 2.4 per cent of the world's land area but supports over 16 per cent of the world's population. About 70 per cent of the Indian population lives in villages. There are divergent demographic patterns, living standards, education levels and income levels as parameters of economic development. The rural India is yet to see the light of development and the results of planning process. The divide between the rich and poor is wide. On one hand, due to liberalization, privatization and globalization of Indian economy, there are sea changes in the banking field. While on the other hand, besides profit, social responsibility is also one of the prime agenda of commercial banks. The fact remains that the country cannot progress unless and until the basic infrastructure facilities reach to each and every citizen of the country. One of the important purposes of Indian planning is socialism and upliftment of poor. The downtrodden and poverty ridden mass has been excluded socially and financially even in independent India when planning and development process was basically meant for them. They should have been the beneficiaries of development.

Meaning of Financial Inclusion

Financial Inclusion is the delivery of financial services at affordable costs to vast sections of disadvantaged and low-income groups. Unrestrained access to public goods and services is the sine qua non of an open and efficient society. It is argued that as banking services are in the nature of public good, it is essential that availability of banking and payment services to the entire population without discrimination is the prime objective of public policy. The term "financial inclusion" has gained importance since the early 2000s, and is a result of findings about financial exclusion and its direct correlation to poverty. Financial inclusion is now a common objective for many central banks among the developing nations.

Definition According to UNITED NATIONS, "A financial sector that provides 'access to credit for all "bankable " people and firms and to savings and payments services for everyone. Inclusive finance does not require that everyone who is eligible use each of the services, but they should be able to choose use them if desired. The term tribe derives from the Latin 'tribus', which originally referred to one of the three putatively constituent Patri-clans of ancient Rome, but later served as one of the designations of the ten confederations of biblical Israel (Turner, 2006).The constitution of India, article 366(25) define Scheduled Tribes as "such Tribes or tribal communities part of or groups within such tribes or tribal communities as are deemed under article 342 to the scheduled tribes(STs) for the purpose of this constitution". In article 342 the system to be pursued for particular of a planned clan/tribe is endorsed. In any case, it is quiet about the standard for the detail of any clan as ST.

The Oxford Dictionary defines a tribe as "a group of people in a primitive or barbarous stage of development acknowledging the authority of a chief and usually regarding themselves as having a common on sector".Kerala holds a unique position in the distribution of tribes in India. In Kerala tribes are mainly living in high ranges on Western Ghats. Each tribe in Kerala are different from both other tribes and non tribes (Varghese T.2002). But they have some uniform characteristics. Vimal Chandra points out some main characteristics, common to all Scheduled Tribes in the State. The primitive and more distinctive lifestyle, socio-economic backwardness and tribal origin are those features (Chandra, 1964). Paniyans are living in Wayanad, Kozhikode and Kannur districts. In Wayanad they most have seen at Mananthavady and Vythiri taluks. As indicated by the 2011 census, their populace can be assessed to be 88,450. Paniyas have poor hovels close to ranches and Plantations where they are utilized. They are occupied with rice and money crop cultivation, obliged to move here and there with their families looking for business (STDD, 2013). These clans are sharp rural workers, particularly for rice cultivation, and even as manor workers and mazdoors. The compensation that they get is incredibly disillusioning and, in that capacity, poverty keeps on being a miserable part of their life (KIRTADS, 2019). Some of them are employed as to be mahouts and fire watchers by the Forest Department.

3.4 Statistical tools for data analysis

For the purpose of data analysis, the study used both several statistical methods. Apart from the Descriptive statistical tools like Percentage, Mean and Standard deviation, the study also used chi-square test to test the hypothesis mentioned in this study. They are briefly discussed below.

3.4.1 Mean

Arithmetic means the most important measure of central tendency was calculated to find the intensity of financial inclusion of Paniya tribal community. The mean score of each variable is calculated to analyse the dependent and independent variables.

3.4.2 Standard deviation

Standard deviation is the square root of the variance. It is calculated to analyse how well the means represent data. If standard deviation is small, it indicates the data points are close to mean and if the standard deviation is large, it means that the data points are distant from the mean, the mean does not represent the data.

3.4.3 Chi- squared test

A chi-squared test is a statistical hypothesis test used in the analysis of contingency tables when the sample sizes are large. In simpler terms, this test is primarily used to examine whether two categorical variables are independent in influencing the test statistic. The test is valid when the test statistic is chi- squared distributed under the null hypothesis, especially Pearson's chi- squared test and variants thereof.

IV. RESULTS AND DISCUSSION

Table no :1 Respondents having bank account

Bank account	No. of respondents	Percentage
Having bank account	97	97%
Not having bank account	3	3%
Total	100	100

Source: primary data

The table shows that out 100 respondents, 97 respondents have bank account. And only 3 respondents do not have bank account.

Table no: 2 Reason for investing in banks

Reason	No. of respondents	Percentage
Location	28	15%
Credit facility	22	12%
ATM facility	43	23%
Image of the Bank	10	5%
Prompt service	18	10%
Interest rate	24	13%
Security	40	22%
Total	185	100%

Source: primary data

One respondent has more than one reason in investing in bank. Majority of the respondents are of the opinion that Bank ATM facility (43 respondents) and security (40 respondents) are the main reason for depositing in the Bank. 15% respondents and 13% respondents prefer Location and Interest rates respectively as the reason for investing in Bank. Credit facility and Prompt services also attracted 12% and 10% respondents respectively. Image of the Bank is the least preferred by the respondents.

Table No: 3 Type of Bank Accounts Preferred by the Respondents

Bank account	No. of respondents	Percentage
Savings Bank account	55	43%
Time Deposit	31	24%
Recurring Deposit	43	33%
Others	0	0%
Total	129	100

Source: primary data

One respondent can have more than one type of bank account at a time It is clear from the table that majority of the respondents (43%) prefer Savings Bank Account because of easy convenience. Followed by 33% of the respondents prefer Recurring Deposits. 24% of the respondents like to invest their funds in Time deposit. And none of the respondents prefer other kinds of deposit schemes.

Table No: 4 Avenues of savings other than banks of the respondents

Avenues	No of respondents	Percentage
Post office savings	34	18%
Chit funds	38	20%

Mutual funds	9	5%
Life insurance	107	57%
Total	188	100

Source: Primary data

One respondent has more than one avenue of saving other than banks at a time. From the table it is clear that majority of the respondents prefer Life insurance as an avenue of savings other than banks. 57% respondents prefer Life insurance as an investment. Chit funds (20%) and Post office saving (18%) also preferred by the respondents as savings other than banks. Only 5% of the respondents prefer Mutual funds as avenues of savings.

Table no: 5 Financial Products and Services Awareness among Respondents

Options	Frequency	Percentage
Very high	6	6%
High	10	10%
Average	77	77%
Low	7	7%
Very low	0	0%
Total	100	100

Source: Primary data

From the above Table that all the respondents are aware of the financial products and services offered through the banking system. Only 7 percent of the respondents have below average level of awareness.

Table no:6 Sources of Information about Financial Products and Services

Sources	No: of respondents
Newspaper	10
Television	20
Journals	0
Friends & relatives	33
Radio	37
Total	100

Source: Primary data

The table shows that radio and friends & relatives are the major source of information about financial products and services. Television and newspaper also provide information about financial products and services to a certain extent. None of the respondents opined about journals as a source of information about financial products and services.

4.1 Testing of hypotheses

Hypothesis 1: Type of Bank Account and Level of Income
Ho: Type of Bank Account and Level of Income are independent

Table No: 7 Type of Bank Account and Level of Income of Respondents

Type of bank account	Level of income					
	Below 10000	1000-1500	1500 - 2000	2000-2500	Above 2500	Total
Savings Bank A/C	20	14	10	6	5	55
Time Deposit	5	6	8	7	5	31
Recurring Deposit	12	13	7	5	6	43
Total	37	33	25	18	16	129

Source: Primary data

Chi –Square test Level of significance = 5% Degree of freedom = 8 Calculated Value of Chi-Square =24.04
Table value at 5% significance level = 13.36
Since the calculated value of Chi-Square is more than table value, the Ho is rejected.

Hypothesis 2:
Type of Bank Account and Level of education
Ho: Type of Bank Account and Level of Education are independent
Table No: 8 Type of Bank Account and Level of Education of Respondents

Type of bank account	Level of Education					
	Illiterate	SSLC	PDC/Plus Two	Graduate	Post graduate	Total
Savings Bank A/C	7	18	16	8	6	55
Time deposit	5	10	15	7	7	44
Recurring deposit	2	5	6	7	10	30
Total	14	33	37	22	23	129

Source: Primary data

Chi - square test Level of significance = 5%
Degree of freedom = 8
Calculated Value of Chi-Square =10.39
Table value at 5% significance level = 13.36 Since the table value of Chi-Square is more than calculated value, the Ho is accepted.

Hypothesis 3: Type of Bank Account and Occupational Status
Ho: Type of Bank Account and Occupational Status are independent.
Table No: 9 Type of Bank Account and Occupational Status of Respondents

Type of bank account	Occupational status				
	Small business	Daily worker	Farmer	pensioners	Total
Savings Bank A/C	19	13	15	12	59
Time Deposit	14	9	12	7	42
Recurring Deposit	10	8	0	10	28
Total	43	30	27	29	129

Source: Primary data

Chi - square test Level of significance = 5%
Degree of freedom = 8 Calculated Value of Chi-Square =17.14 Table value at 5% significance level =13
Since the calculated value of Chi-Square is more than table value, the Ho is rejected.

Hypothesis 4: Awareness Level of Respondents
Ho: Respondents are well aware of the financial products and services
This hypothesis is tested with the help of Likert rating scale. Respondents were asked to rate their awareness level on a 5-point rating scale ranging from very high level of awareness to very low level of awareness. Weights are given in the order of 5,4,3,2 and 1 to various responses from very high to very low. Frequencies are multiplied with the respective weights to get the weighted average score. The summated weighted average score is divided by the total frequency to get the mean score. The mean score is compared with the expected mean value to arrive at a decision regarding the degree of the awareness level.
Table No: 10 Financial Products and Services Awareness among Respondents

Options	Weight	Frequency	Weighted Score
Very high	5	6	30
High	4	10	40
Average	3	77	231
Low	2	7	14
Very low	1	0	0
Total	15	100	315

Source: Primary data

Weighted mean score =3.15, Expected mean value =3.0 Since the calculated mean score (3.15) is higher than the expected mean score (3.00), the null hypothesis is accepted. This means that the respondents have above average awareness level about the financial products and services offered through the banking system.

Acknowledgment

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