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FINANCIAL INCLUSION AMONG ODISHA TRIBES IN BANKING PROGRAMS

Rupak Kumar Tung* Prof. Satyabrata Mishra**
**Ph.D. Research Scholar, Dept. of Economics, MSCB University, Takatpur, Mayurbhanj, Odisha.*
***Professor in Economics, Dept. of Economics, D.D. Autonomous College, Keonjhargarh, Keonjhar, Odisha.*

Abstract
Financial inclusion provides individuals and businesses with access to convenient and affordable financial products and services that meet their needs and are delivered responsibly and sustainably. Financial inclusion is defined as availability and equal access to financial services. Financial services are economic services provided by the financial industry, credit unions, banks, credit card companies, insurance companies, accounting firms, consumer finance companies, stockbrokers, and individual mutual funds. A tribe consists of families or communities in the social sphere of traditional society that are socially, economically, religiously, or kin-related and share a common culture and dialect with a universally recognized leader. It has been Gain. This study presents a proposed inter-tribal financial integration and banking service in the Mayurbhanj district of Orissa. For this study, used t-test statistical tools such a Chi-Square(x^2), T test and Eigenvalues to verify the objectives and multilevel sampling techniques to select primary data. The study employed the following objectives: i) To explore the extent to which indigenous peoples value their perceptions of various financial products and services; ii) To assess the ability of tribal people to choose appropriate financial products and services; iii) To assess important differences in financial literacy among different tribal groups in Mayurbhanj District, Orissa.

Keywords: Financial Inclusion, Financial Services, Tribes, Financial Products, Banking Services Programs.

Introduction

The Indian economy has experienced tremendous economic growth during the post-reform period. Historical Hindu growth rates have been replaced by higher economic growth, essentially ending fragile growth patterns. Some macro indicators have improved, but old challenges such as poverty, urban-rural disparities, social inequalities and regional disparities remain. One of the most important and vulnerable sections of society, including Scheduled Castes (SC), Scheduled Tribes (ST), minorities and economically vulnerable groups. H. Other Backward Castes (OBC) have benefited from this economic growth. no. Financial Inclusion Committee chaired by C. (2008). Rangarajan recommended ways to increase financial sector outreach by minimizing barriers to access to financial services and reaching out to marginalized groups. The Reserve Bank of India (RBI) and the National Bank of Agriculture and Rural Development also expressed concern about the economic hardships of many households. According to the Financial Inclusion Commission (2008), “Financial inclusion means providing affordable financial services to a large proportion of disadvantaged low-income groups.” Various financial services included loans, savings, insurance, payments, and money transfer functions. The aim of financial inclusion was to expand the reach of the organized financial system to include low-income people. The gradual promotion of credit aims to lift the poor, especially those who have become neoliberal-led development outliers, out of poverty by lifting them from one stratum to the next. Financialization has become the norm and more financial inclusion is required. Clearly, bank inclusion is the first step towards financial inclusion in the way savings bank accounts are opened. Yet people remain out of reach of banks. On the fringes of development were tribes that lacked economic and social capital. They still suffer the misery of life.

The concept of financial inclusion

Financial inclusion aims to ensure affordable access to financial services for all individuals and businesses, regardless of wealth or size. Financial inclusion seeks to address and propose solutions to the limitations that exclude individuals from participating in the financial sector. Also called lump sum financing. The financial sector is constantly developing new and seamless ways to serve people around the world. The increasing use of technology in the financial industry seems to have closed the financial inaccessibility gap. The advent of fintech has given businesses access to a full range of financial products and services at reasonable costs. Although India has experienced faster economic growth than most developed countries in recent years, a large portion of the country's population remains unbanked. Financial inclusion is a relatively new socioeconomic concept in India that will change this dynamic by providing affordable financial services to disadvantaged people who are unaware or unable to pay for financial services. . Global trends show that expanding financial services at all levels is paramount to achieving inclusive development and growth. Overall, financial inclusion in both rural and disadvantaged urban niche markets is a win-win opportunity for all stakeholders, including bank/NBFC intermediaries and urban displaced persons. An intermediary known as a Business Correspondent (BC) is the executor and face of these banks and financial institutions who participate in end-user payments, but at the core his infrastructure and services are managed by the bank . Business Correspondents (BCs) should carry handheld devices such as tablets (GSM enabled) in combination with handheld biometric scanners, smart card swipe devices, and Bluetooth thermal printers for on-site online banking activities. UIDAI provides authentication and customer information via NPCI or NSDL once an institution becomes an authorized user of its UIDAI. As income levels, and thus savings, rise in rural areas, it is imperative that income earners manage their household finances and make payments easier. Setting up simple, no-frills checking and savings accounts, relaxing KYC standards, and paying social security benefits directly to account holders is a comprehensive approach to financing and banking in rural areas. is. support.

Review of Literature

1. William B et al. (2010) examined the effects of financial education programs on high school students' knowledge of personal finance. Correlations between pre-test and post-test scores obtained using his trusted and validated 30-point scale tool showed that the Financing Your Future curriculum improved financial literacy across a range of concepts. Scores increased across student characteristics regardless of the course the curriculum was applied to. This review supports a growing body of literature showing that well-defined and well-implemented financial education programs can have a positive and significant impact on financial literacy among high school students.
2. Leora F. Clapper et al. (2012) believed that the ability of consumers to make well-informed financial decisions enhances their ability to develop healthy personal finances. Their study used a Russian panel data set. In Russia, where consumer credit grew at a staggering rate, from about $10 billion in 2003 to more than $170 billion in 2008, we explored the impact of financial literacy on meaning and behavior. under. They looked not only at real-world outcomes, but also financial impact and financial literacy.
3. Kumar, (2013) Indeed, this uniqueness complicates tribal identity. But it is clear that the lives of tribes isolated from the mainstream are effectively precarious, at least as far as the use of money as a medium of exchange is concerned. must be in contact with each other. The extent

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to which tribes are linked to banks through bank accounts may vary, but in Kerala where the banking network is widespread, almost 100% of tribes have bank accounts. Within tribal communities, nearly 98% of motor vehicle households in state-owned non-primitive tribal communities in the state have bank accounts.

4. Arokiyadass V. (2013) stated that The Reserve Bank of India (RBI) which is the apex bank of India had introduced the concept into Indian banking industry to include the excluded comprising the poor, the marginalized, the weaker section, the unbanked people, the low income groups, scheduled tribe and scheduled caste, and so on under the ambit of formal financial system of India.
5. Sahoo A. Pradhan et al.(2017) To determine the status of financial inclusion, field surveys were conducted in her six villages in these two districts where the proportion of tribal population exceeds the total population. 7% of households do not have a savings account. 7% did not have a postal savings account. The results show that the number of years of education of the household head, the size of private land, the total annual income of the household, and participation in the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) are important determinants of tribal financial inclusion.
6. Ray D. Rout H. (2018) study intends to find out the status of access to formal financial services (here it is banking services) in Kendrapara and Sunderagarh districts of Odisha. 8% of respondents in both the districts have access to banking services with 97% in Kendrapara and 89. A majority of respondents are found to have opened their account during the financial inclusion drive i. Income level and literacy of the respondents are found to be the major determinants of access to bank account. The primary reasons for not having a bank account are lack of regular and sufficient income and lack of financial awareness.

Importance of the issue

Most of the tribesmen are illiterate and ignorant of society's laws and rights. Another problem is the economic vulnerability of the tribes destined for Orissa. Economic vulnerability describes the ability to recover from sudden economic shocks, such as a sudden and unexpected loss of income or a sudden and uncontrollable increase in spending. Among the planned tribes in Orissa, the central and state governments have implemented various welfare programs and subsidies, but there is a lack of financial awareness and access to financial products and services. For decades, the tribesmen have been exploited by officials and middlemen.

Objectives

- To examine the level of assessment of Indigenous peoples' perceptions of various financial products and services.
- To assess the ability of tribal people to choose appropriate financial products and services.
- To assess the important differences in financial literacy among different tribal groups in Mayurbhanj District, Orissa.

Hypothesis:

H0: Rural population would have lower access to and use of financial products and services comparing to urban Population in Mayurbhanj district.

H1: There are no differences in access to and use of financial products and services between rural and urban Population in Mayurbhanj district.

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Scope of investigation

By investigating whether social work professions can contribute to financial literacy, Designated Tribes can develop an understanding and knowledge of financial literacy. The contribution of social work to general financial education can be justified on the theoretical basis of the profession. Social workers should promote financial education to alleviate poverty by connecting economically vulnerable people to key financial education providers.

Methodology and Hypothesis

The purpose of this study is to assess the level of financial inclusion of specific tribes in relation to banking services programs in Mayurbhanj District, Orissa. In essence, research is descriptive. Both primary and secondary data are used. The study area belongs to Mayurbhanj District, Orissa. Multilevel sampling procedures and interview plans are the primary data collection tools. For this primary data, 100 samples are collected. Appropriate statistical tools are used to analyse and interpret the data.

The above mentioned objectives have been verified by the application of Chi-Square test (x^2) for observed results with expected results, T test for compare the means of two groups and Eigenvalues for reducing dimension space.

Data analysis and interpretation:

Table 1: Inter-Tribal Financial Inclusion Index (IFI) variables

Sl. No.	Variables in IFI	Mean Scores among Tribes in		't' Statistics
		Urban	Rural	
1.	Loan from financial institution	3.4802	3.8894	-2.1273*
2.	Loan under schemes	3.4982	3.9188	-2.4503*
3.	Loan under microfinance	3.6046	3.6599	-2.3186*
4.	Loan through SHG	4.4541	3.8674	-2.5214*
5.	Savings in saving account	3.4217	3.1886	2.8941*
6.	Savings in recurring deposits	3.8104	3.2573	2.5547*
7.	Savings in fixed deposits	3.9017	3.2518	2.7019*
8.	Daily savings in banks	3.9184	3.4127	2.6904*
9.	Payment of health and life insurance	3.8113	3.0995	2.8184*
10.	Payment of family insurance	3.7508	3.2102	2.7233*
11.	Usage of cheques and drafts	3.8889	3.0142	2.9788*
12.	Usage of mobile banking	3.8213	3.0341	3.0986*
13.	Usage of net banking	3.7189	2.9773	2.8871*
14.	Usage of money transfer	3.5673	2.8424	2.9194*
15.	Usage of other banking instruments	3.7570	3.0756	2.6876*

Significant at 5% level.

The table shows that fixed deposit savings and daily savings in IFI's bank are variables highly valued by urban tribes. The average values are 3.9017 and 3.9184 respectively. Among rural tribes, there are SHG loans and microfinance loans, with average scores of 3.8674 and 3.6599 respectively. Significant differences between urban and rural tribes in terms of IFI variables were found at the levels of all 15 IFI variables. This is because the corresponding't' statistic is significant at the 5% level.

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Table 2: Important Banking Activities in Financial Inclusion (IBAFI)

Sl. No.	IBAFI	No. of Variables in	Eigenvalue	Percent of Variation Explained	Cumulative Percent of Variation Explained
1.	Loans	4	4.0866	28.26	27.27
2.	Savings	4	3.7095	24.83	51.98
3.	Value-added Services	4	3.1917	20.71	72.65
4.	E-banking services	3	2.3984	14.92	88.65
KMO measure of sampling adequacy: 0.8776			Bartletts test of Sphericity: Chi-square value: 114.93*		

Significant at 1% level

The table above shows that the first two IBAFIs recognized by the EFA for the intrinsic value of loans and savings are 4.0866 and 3.7095 respectively. 28.26% and 24.83% are the percentage of variability explained by these two activities. The percentage of variation interpreted by these two activities is 28.26% and 24.83% respectively. The next two key activities identified by factor analysis are value-added services and e-banking services. Their intrinsic values are 3.1917 and 2.3984 respectively. The percentage of variation explained by these two significant activities is 20.71% and 14.92% respectively. The four IBAFIs described show 15 variables at 88.65%. All four of these IBAFIs are considered for further analysis.

Table 3: Level of IBAFI among the Customers

Sl. No.	IBAFI	Mean Scores among Tribes in		't' Statistics
		Urban	Rural	
1.	Loans	3.4543	3.9364	-2.6234*
2.	Savings	3.8181	3.2646	2.7424*
3.	Value-added services	3.7570	3.1746	2.9776*
4.	E-banking services	3.6882	2.8442	2.8424*
	Overall	3.6827	3.4236	2.0157*

Significant at 5% level.

The table shows that IBAFI's savings and value-added services are highly valued among urban customers. The respective median scores are 3.8181 and 3.7570. These two are Rural Tribal Savings and Credit as their averages are 3.2646 and 3.9364 respectively. Regarding the IBAFI level, the main difference between urban and rural tribes was noted for all four IBAFIs, as each 't' statistic was significant at the 5% level. Overall, IBAFI levels were higher for urban tribes than for rural clients, with median scores of 3.6827 and 3.4236, respectively, replicating the results.

Suggestions

1. The bank will conduct awareness raising programs among tribal people to increase understanding between account holders and non-account holders of the features provided by his SHG and other banking services in simple accounts is needed.
2. Banks should offer generic credit card, ATM and overdraft accounts, in addition to the no-frills ones, to encourage account holders to actively manage their accounts.

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3. Access to banking services is poor due to various constraints such as distance, lack of money, low income and difficulty understanding banking services.
4. Governments should take some steps to prioritize credit over other financial services such as savings and insurance.
5. Governments should conduct no-frills financial service generation camps, such as SHG and its profits, to open accounts for all socially excluded groups.
6. Governments need to put in place new systems to attract marginalized groups into the financial sector by supporting low interest rates, lines of credit, low premium insurance, programs, pension schemes and self-help groups.

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