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ASSESSING FINANCIAL LITERACY AMONG TRIBAL COMMUNITIES OF BHAIRAMGARH BLOCK IN BASTAR REGION OF CHHATTISGARH

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Abstract

The country is taking a rapid shift towards a digital economy. The technology is improving making digital methods faster, safer and convenient. The tribal consist of an important part of our society. Therefore this paper is an insight into the basic understanding of the tribal people of Bhairamgarh block in Bastar, Chhattisgarh regarding financial services including banking, digital payments, etc. This paper investigates about the status of tribal people in financial inclusion and their awareness about latest digital developments. It also provides the suggestions to improve the present status and make tribal of this area part of India's financial revolution.

Key Words: Tribal, Banking, Digital, Bhairamgarh, Financial Literacy

1. Introduction

1.1 Background

Bhairamgarh block is located in the Bijapur district of Chhattisgarh. It is a core tribal area, which is surrounded by dense forests and mountains. The transportation and communications facilities are very limited, which create a hurdle in reaching out the formal financial institutions. Most of the places are located very far away, to reach there one has to cross the river and walk for miles. From the socio economic point of view; majority of population is related to the tribes like Gond, Muriya, etc, mainly dependent on the independent agriculture, collection of forest produce, and daily labourer. The level of education especially the financial literacy is quite low due to limited education infrastructure, and ignorance of modern banking system. This place has been in the main focus of government development plans because of being naxal affected area, which affects its socio economic development. These situations make Bhairamgarh a suitable place to study the financial literacy and inclusion among the tribal communities.

1.2 Objectives of the Study:

- To evaluate the level of financial literacy among the tribal communities of Bhairamgarh block.
- To study the reach and status of formal financial services like banking, digital payments, etc.
- To identify the reasons of less formal financial systems in the tribal areas.
- To understand the relationship between financial literacy and formal financial services.
- To analyze the impact and awareness regarding government plans of financial inclusion.
- To present the suggestions for increasing the financial literacy and formal financial reach.

1.3 Literature Review

As Bhairamgarh block has been untouched to many researchers, we could not find any research data available online in this area particularly in the field of digital literacy or financial awareness except some government reports. However we managed to find a few researches in the tribal areas of bastar region.

Researches done in the field of financial literacy in tribal communities show the limited inclusion of these communities due to geographical isolation, low education level, and traditional economic structure. A report of Reserve Bank of India (RBI, 2013) suggests that the reach of banking services in tribal areas is below the national average.

Rural Financial Inclusion Survey of NABARD (2018), finds an increase in the bank accounts of tribal communities. However the ratio of active users of those accounts is still very low.



In context of Chhattisgarh, **Tripathi and Yadav (2020)** in their study explains that financial literacy in the tribal districts of bastar division has been increasing mainly due to government schemes, but still there is lack of awareness and trust in the digital banking and insurance services.

Opening of bank accounts under Jan Dhan schemes have been increased in the Naxal affected areas like Bhairamgarh, but the tendency of regular transactions and savings has not yet developed. (**Government Annual Report, 2021**)

Previous researches indicate that training in the regional languages, simplicity and ease of mobile banking, and the community participation are essential for increasing the financial literacy. This research will analyze the financial literacy level and reach of formal financial services of tribal communities in the Bhairamgarh block.

1.4 Research Gaps

- Lack of Data at local level – There are limited case studies and surveys available in the field of financial literacy in the blocks like Bhairamgarh in Bastar region.
- Neglect of Language and Cultural References – There is almost no researches to explain the financial concepts in the tribal languages.
- No comparative study on formal and informal financial behaviour – There are no adequate studies available on the role of local money lending, community lending, and transactions based on forest produce.
- Limited evaluation of government policies – There are lack of studies on actual impact of government financial schemes at local level.

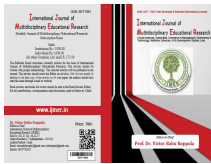
1.5 Methodology

- Research outline: Descriptive and field based survey
- Sample size: 220 respondents
- Sample selection technique: Convenience based random sampling during the weekly haat bazaars in Bhairamgarh.
- Tools used: Structured questionnaire consisting of questions like banking habits, saving patterns, awareness towards financial products, digital banking behaviour, etc.

2. Results and Discussion

2.1 Demographic profile

1. Age Group		2. Gender		3. Level of Education	
18 - 30	116	Male	76	Illiterate	36
30 - 45	72	Female	144	Primary	16
45 - 60	32	Others	0	Middle	24
Above 60	0			Upper Middle	56
Total	220	Total	220	Higher Education	88
				Total	220



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Out of total 220 respondents, 52.7% are in the age group of 18 to 30, while no one is from the age above 60. This makes it clear that majority of the participants are youth and from the middle age group.

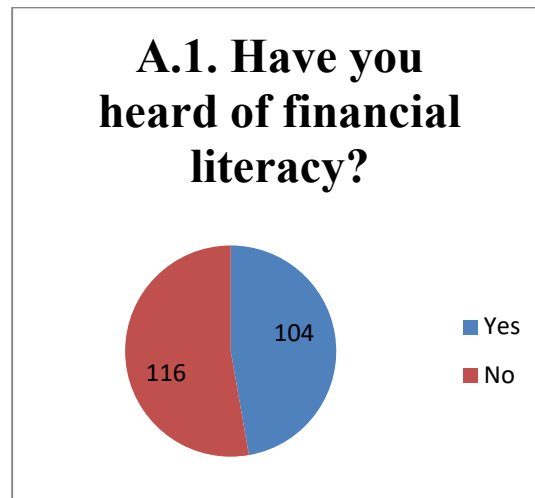
Out of total respondents, 144 (65.5%) were female, while the male number is just 76 (34.5%). This shows the high participation of female respondents, which signifies the special importance of financial literacy for them. By the way you can easily observe the equality in work culture among tribal communities.

Talking about the education level 36 (16.4%) respondents were illiterate. 16 (7.3%) respondents completed the primary level, and 24 (10.9%) completed the middle level. However 88 (40%) respondents managed to complete higher education. This indicates the mixed level of education in the Bhairamgarh block. Where some people are illiterate and some completed the higher studies.

2.2 Data Findings

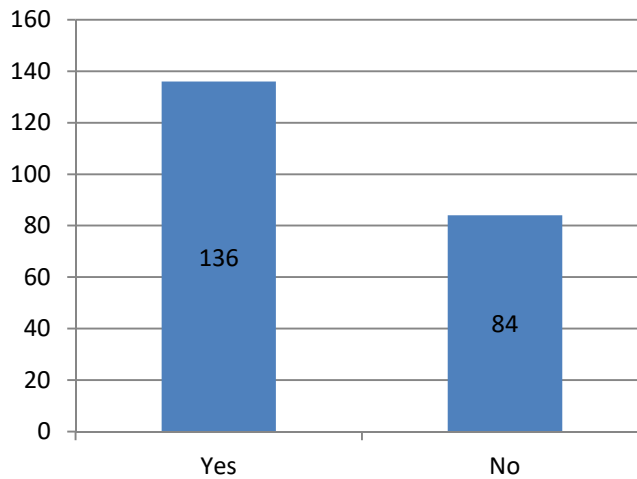
A. Financial Literacy Awareness

Financial Literacy determines how a person manages his income, expenses, investment and savings with prudence. It is difficult for a person with low financial awareness to take benefits of government welfare schemes.

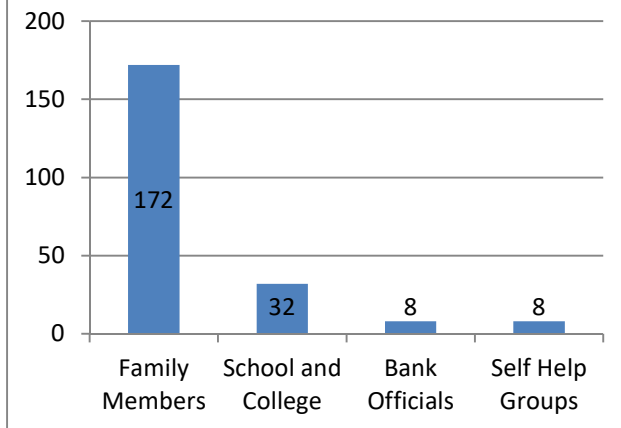




A.2. Do you have basic knowledge of savings, interest and loans?



A.3. Who helps you with your finances?



Discussion – A.

104 respondents i.e. less than 50% have ever heard about the term financial literacy. However 136 (61.8%) respondents have the basic knowledge of interest, savings, loans, etc. This data shows very low level of awareness regarding the financial terms and their importance among tribal communities, irrespective of the fact that 144 (65.45%) respondents have completed the higher secondary school or the under graduate courses. 172 (78.18%) of the respondents get knowledge and help in managing their finances from the family members. The data reflects the fewer roles of educational institutions in dispensing the financial education.



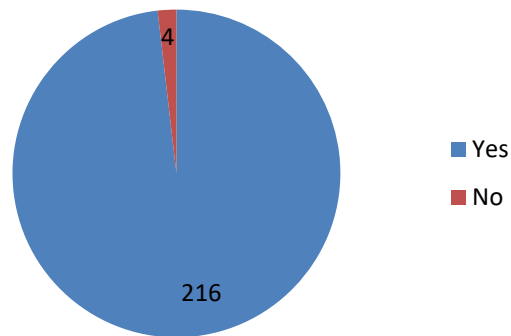
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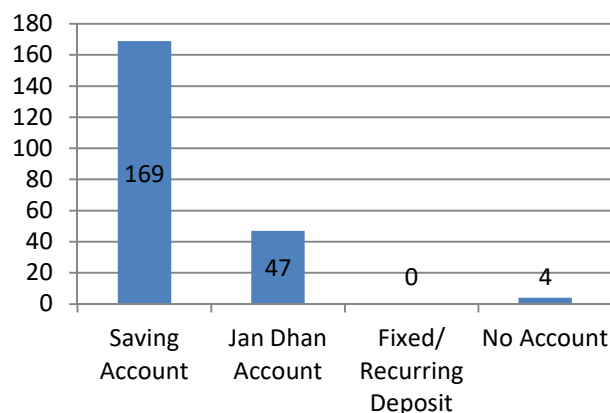
B. Banking facility and usage

There are only 7 bank branches including 2 public sector banks (4 branches), 1 rural bank (2 branches) and 1 private bank in this block. Out of these total 7 branches, 2 Bank of Baroda, and Axis bank have started operations in the recent years. However the area of Bhairamgarh block is 2698 sq.k.m., consisting of 2662.31 sq.k.m. of rural area as per 2011 census. Availability of adequate banking facilities allow the local population to connect with the mainstream financial schemes and help them taking benefits of the government development plans.

B.1. Do you have a bank account?

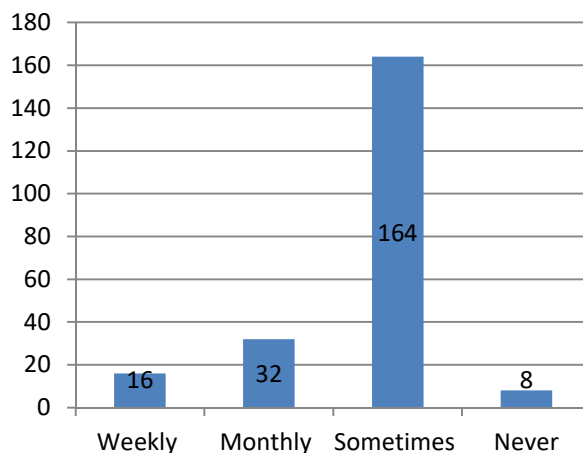


B.2. If yes, what type of account?

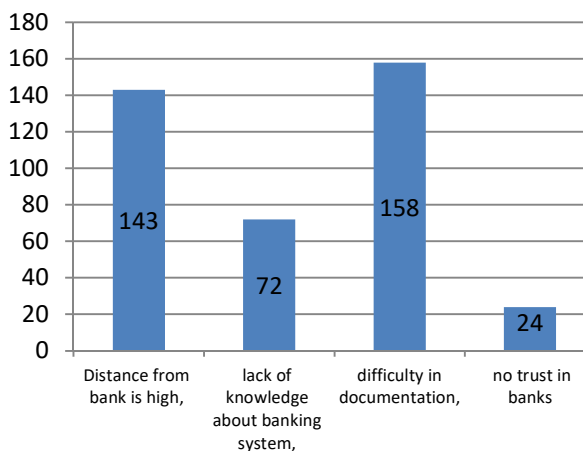




B.3. How often do you go to the bank?



B.4. What is the biggest problem you face in banking services?



Discussion – B.

Data show that 216 (98.18%) respondents have the bank accounts in some or the other bank. The reason behind this could be the Direct Benefit Transfer scheme of the government, as one must have the aadhaar link bank account in order to avail the monetary benefits of government schemes like PM Kisan Samman Nidhi, Mahtari Vandan Yojna, cash transfers for Tendu Patta, etc. Still 4 respondents do not have any bank account yet.

Out of these only 47 (21.36%) respondents said they have accounts under Jan Dhan scheme. Others who responded to saving account were mostly unaware of the Jan Dhan scheme. When we discussed, they told that most of them opened the accounts during 2016 and 2017. Still they were not aware about the Jan Dhan scheme properly. They were unaware that their accounts are normal saving account, or the Jan Dhan accounts with special benefits.



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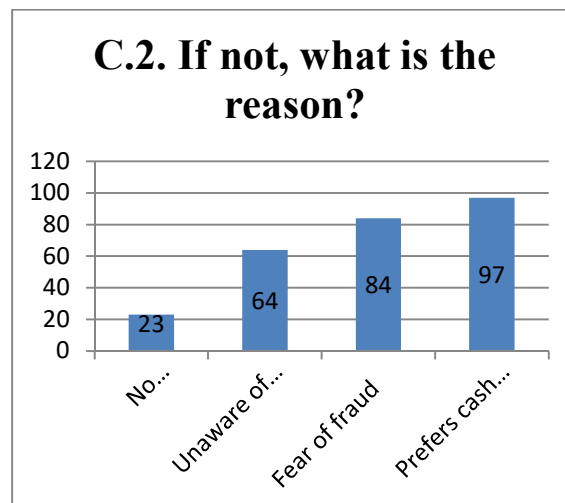
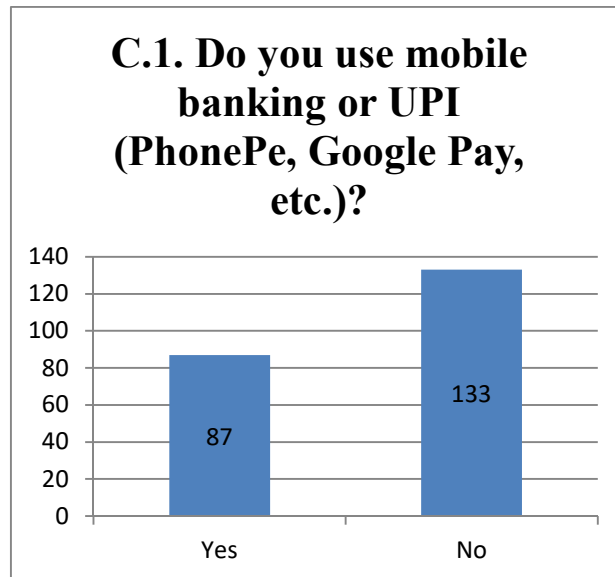


Respondents admitted that they go to the bank once in a while, usually once in a month or two or three. Usually they approach the bank to withdraw their cash and use it until fully exhausted. Most of them are ignorant to the FD, RD, PPF and like bank schemes.

The challenges to access the banking services were told as difficulty in documentation as the primary reason, by 158 (71.81%) respondents. The second common difficulty told by 143 (65%) respondents was distant location of bank branch from their home. 72 (32.2%) respondents told the lack of proper knowledge about banking systems and procedures. While 24 (10.9%) admitted they do not trust the banking system.

C. Digital banking and mobile payments

In present scenario mobile phones are very common. We can easily find mobile phones in everyone's hands, be it a student, a shopkeeper, a rickshaw puller, or a vegetable seller. Bhairamgarh block is no different. The question arises of the use. For what purposes the mobile phone is being used, just for communication, for entertainment, creativity, or for the digital banking needs.





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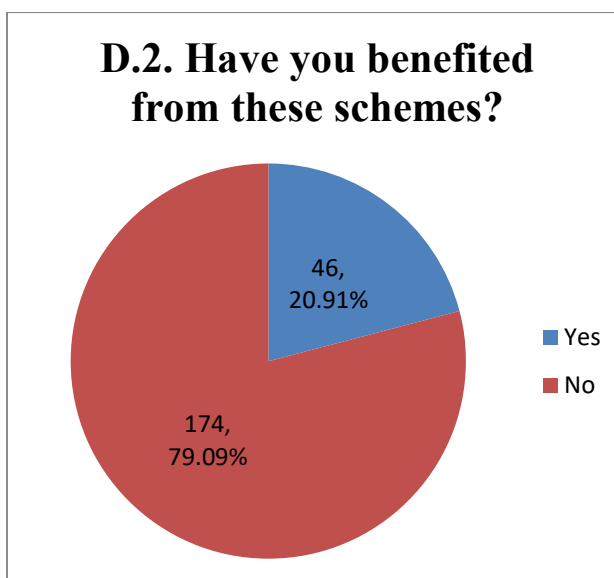
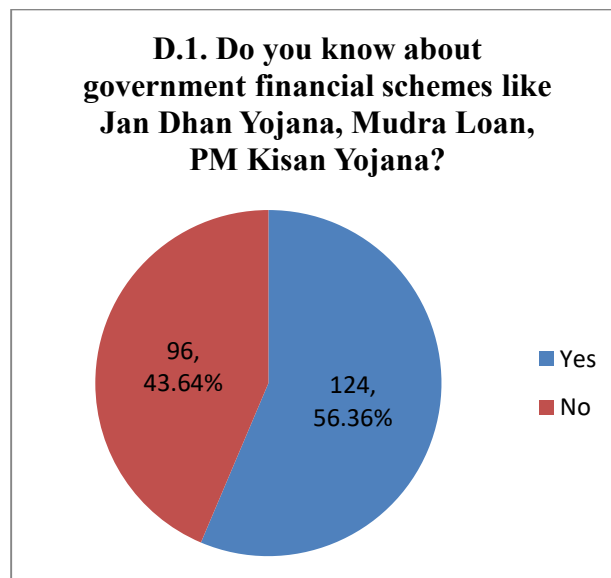


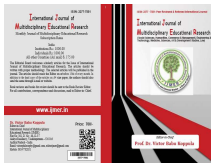
Discussion – C

Though the respondents in our study were all local tribal, we found almost every one were having some sort of phones. However people carrying the smart phones were very less, mostly the youngsters only. Total 133 (60.45%) of respondents never used the digital banking. Given the multiple answer option, 97 (44.09%) respondents told they prefer cash over digital methods. 84 (38.18%) fear of fraud using mobile for the payments, and 64 (29.09%) respondents are grossly unaware of the digital banking methods. While 23 (10.45%) respondents did not own any sort of mobile phones.

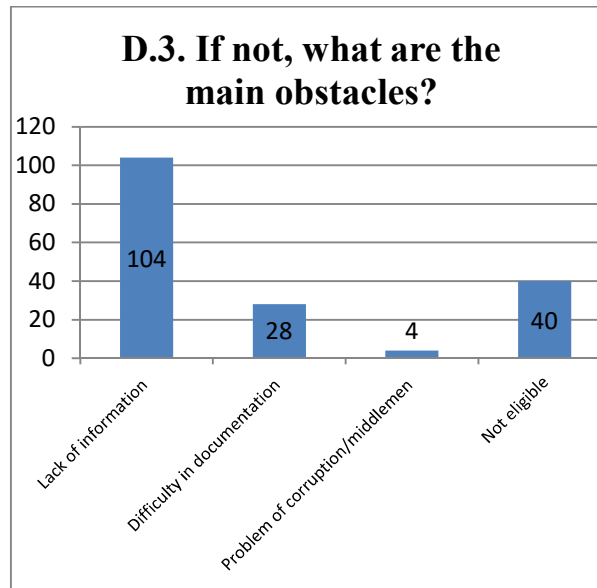
D. Government schemes and financial inclusion

Government schemes prove as a major tool of financial inclusion due to the DBT (direct benefit transfer). As the benefits are not paid in cash, rather transferred to the beneficiary's verified bank account. Here we tried to know as to how many tribal people are aware about the government schemes.





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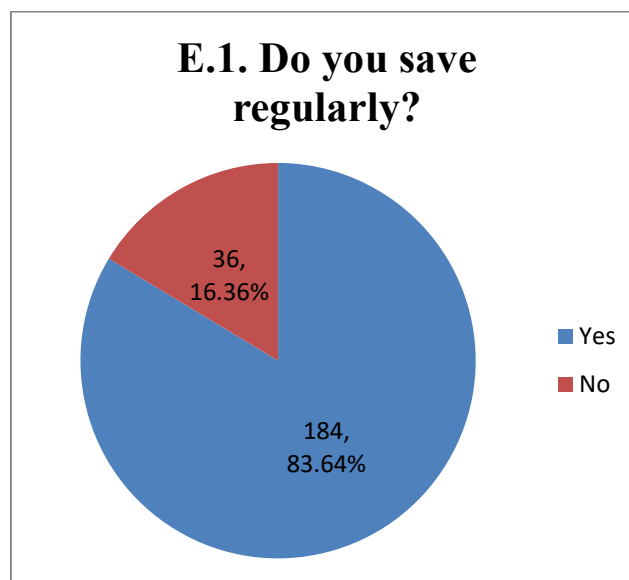


Discussion – D

124 (56.36%) respondents are aware about the major government schemes, yet only 46 (20.91%) have taken the benefits of such schemes. The major reason behind this is the lack of adequate information for 104 (47.27%) respondents. Other reasons told were difficulty in completing required documentation by 28 (12.72%) respondents, and problem of corruption/middleman by 4 (1.8%) respondents. However 40 (18.18%) told, they were not eligible for some reasons.

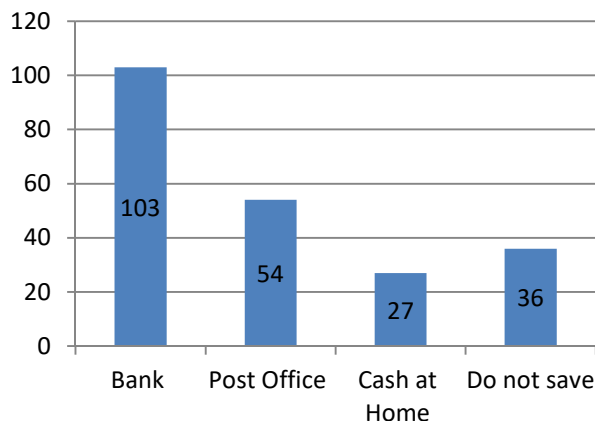
E. Savings, Loans and Finance

The fundamental habits of good personal financial management include the habit of saving and investment. The questions in this section were asked to know the tendency of tribal to save money.

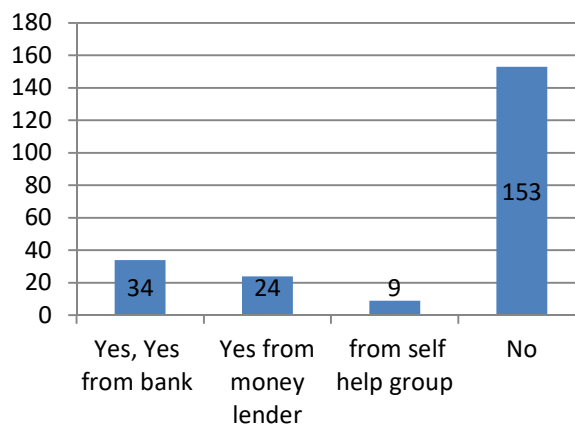




E.2. Where do you keep your savings?



E.3. Have you ever taken a loan?



Discussion – E

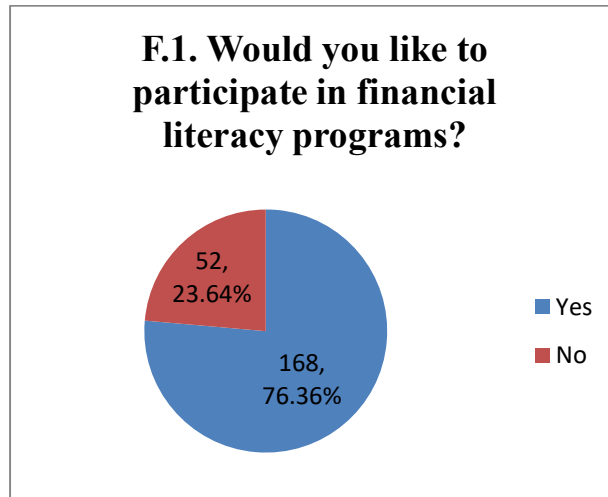
184 (83.64%) people accepted their habit to save some money on regular basis. 103 (46.81%) respondents keep their idle money in banks, while 54 (24.54%) keep it in post office, and 27 (12.27%) tend to keep them safe at home. 36 (16.36%) people told they are unable to save any money. Asking about the loan habits, 153 (69.54%) respondents denied about taking any loan, while 67 (30.45%) said they had taken the loan. Out of which only 34 (15.45%) respondents agreed they had taken loan from the bank.



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F. Suggestions and Improvements



168 (76.36%) respondents showed their consent to participate in the literacy and awareness program, if any organised at their ease.

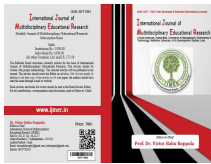
3. Findings and Suggestion

Most of the respondents being in the age group of 18-30 show the high participation of youth.

- The number of women (144) being higher than male participants indicate the importance of female group to understand the state of financial literacy.
- 36 respondents were illiterate, while 88 had the higher education. This indicates the huge gap in the literacy.
- One group had the knowledge of government financial schemes, while another group was unaware about these schemes. Those having the knowledge too had only limited knowledge. They too were not fully aware of the complete terms, and benefits.
- Less number of tribal uses the digital methods for payment. Major reasons were the lack of technical knowledge, and fear of fraud.
- The level of financial literacy is very poor in the Bhairamgarh block. This is important to understand that:
 - The level of education and financial literacy is deeply interlinked.
 - Facility of digital banking and mobile payments is available but most tribal fear of using that.
 - Lack of awareness of government schemes and insurance plans deprives people of the financial security and opportunities.

Suggestions

- Dedicated awareness programs must be run in the different areas of financial literacy in local languages by the local financial institutions, educational institutions, NGOs, cooperative bodies and the local government bodies.
- Special workshops should be conducted on the use of mobile phones for digital payments, and banking by financial service providers.
- As the higher participation of women is evident, financial education should be promoted through Self Help Groups, Anganbadis, etc.



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- Basic financial education and literacy programs should be included in the curriculum at the college level and the school level as well.
- Cyber security is a crucial aspect now days. Therefore special campaign for digital awareness should be run by various bodies such as cyber police and concerned officials.
- Only the awareness programs are not sufficient, proper mechanism should be setup to take regular feedback of the people to monitor if their behaviour is changing for real.

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