



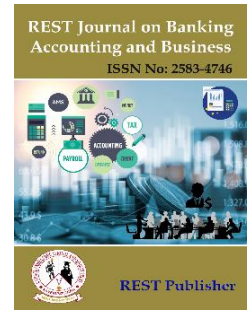
REST Journal on Banking, Accounting and Business

Vol: 2(4), December 2023

REST Publisher; ISSN: 2583 4746

Website: <http://restpublisher.com/journals/jbab/>

DOI: <https://doi.org/10.46632/jbab/2/4/9>



Financial Literacy of the Tribal Communities. A Comprehensive Assessment Among the Different sub-Groups of Tribal in Wayanad- Kerala

Fazal P, Mohanadasan. T

Government Victoria College, Palakkad, Kerala, India,

*Corresponding Author Email: fazalputhalath@gmail.com

Abstract: *The present study examines the degree of financial literacy among native communities, exposing a pervasive deficiency in advanced comprehension, especially with intricate financial ideas such as the stock market. The Kurichya and Adiya groups show better levels of financial literacy than the much lower levels reported in the Paniya community, according to an ANOVA study that reveals substantial disparities in financial literacy among tribal populations. The results underline the necessity of equitable measures to support financial inclusion among indigenous communities and the significance of focused financial education programs designed to fill in particular knowledge gaps within each tribe grouping.*

Keywords: *financial literacy, financial inclusion, tribal community, assessment, knowledge*

1. INTRODUCTION

Financial inclusion has been aggressively sought by the Indian government and the Central Bank of India (RBI) as a crucial national goal. Strategic initiatives have been carried out during the last fifty years, including the nationalization of banks, the construction of a vast branch network for scheduled commercial banks, and the implementation of lending objectives for the priority sector. The creation of self-help groups, the lead bank program, and the approval of Business Correspondents (BCs) for doorstep banking services are other efforts. Reaching previously unreached Indian demographic divisions is the main goal. Financial access is seen to be necessary for reducing poverty, creating jobs, and fostering economic progress. To achieve financial inclusion, the formal financial system must offer reasonably priced financial services that allow the underprivileged to create bank accounts, save, invest, borrow, and use credit. Notwithstanding advancements, issues still exist, with excluded populations including women, farmers, and the unorganized sector continuing to be neglected. Acknowledging the crucial function of financial literacy, the RBI initiated 'Project Financial Literacy' with the aim of distributing knowledge regarding the central bank and basic banking principles. The program is aimed at a number of demographics, such as women, older adults, impoverished people living in rural and urban areas, and students in schools and colleges. The effectiveness of financial inclusion initiatives is greatly dependent on financial literacy, which is the capacity to comprehend financial concerns. Nonetheless, a considerable segment of the populace continues to be shut out of the official financial system as a result of inadequate financial literacy. Despite continuous endeavors, obstacles continue to exist, hindering certain people from obtaining official financial services. In order to successfully reach all parts of the population and promote social development and economic empowerment, closing these gaps will be a challenge.

2. REVIEW OF LITERATURE

Financial literacy, according to Angela et al. (2009) in a working paper titled Defining and Measuring Financial Literacy, is the ability to make informed decisions about how to utilize and manage money. That people's planned behavior is always predicted by their level of financial knowledge. Ravi (2019) indicates a low level of financial literacy, with factors like gender, education, work experience, living situation, and family dynamics influencing students' financial knowledge. The study also suggests that strong financial literacy in youth correlates with clearer thinking about financial matters. Jana et al. (2019) identified income, education, and employment as key factors affecting financial literacy. The study revealed a significant impact of profession on financial literacy at a 1% level.

Chen and colleagues (1998) determined that the absence of the finest personal finance instruction in university and school curriculum is the primary cause of the low level of financial literacy. Additionally, it was revealed that college students don't know much about personal money.

Research Gape

The deficiency in the literature is the lack of studies that investigate the various degrees of financial literacy among different tribal sub-groups in Wayanad, Kerala, with an emphasis on cultural factors, gender-based differences, and the efficacy of specialized financial education programs.

Research Question

What is the level of financial literacy of tribal sub-groups in Wayanad, Kerala.

Objectives Of the Study

To assess the level of financial literacy among tribal sub groups in Wayanad-Kerala

Hypothesis

H1: There is significant difference in the level of financial literacy among different sub groups of tribal people

Scope And Significance of The Study

Understanding and meeting the unique requirements of these communities is the main goal of the financial literacy assessment among the tribal subgroups in Wayanad, Kerala. In order to support community development and economic empowerment, this study attempts to assess several facets of financial literacy while accounting for cultural quirks. Wayanad's tribal inhabitants can benefit from enhanced financial stability, entrepreneurship, and resource utilization through targeted policies and activities informed by the research's identification of strengths and deficiencies in financial understanding.

3. METHODOLOGY

The research employed a descriptive methodology, including both primary and secondary sources. To gather the data required for the inquiry, both primary and secondary data sources were employed. The study sample consists of one hundred fifty responses. Selection of the sample for this study is done in two stages. The method employed to choose the sample is called purposeful sampling. The researcher first selected one hamlet each to represent three taluks in the Wayanad district: Mananthavady, Sulthan Bathery, and Vythiri. In order to supply 50 respondents per for the second phase of the poll, thirteen major tribal groups were selected, including the Paniya, Kurichya, and Adiya populations. The entire group of 150 responders represented the several tribal communities in the Wayanad District. Two examples of statistical and mathematical techniques that have been used to data analysis are ANOVA and the chi-square test. The percentage, simple average, standard deviation, and tests of significance are further tools.

4. RESULT

4.1 level Of Financial Literacy

The awareness of several financial terminology among the indigenous people is analyzed to determine their level of financial literacy. Three points are assigned to their level of awareness: high, average, and poor. Table 4.8 displays the analysis's outcome. The chart indicates that none of the respondents had a high level of understanding regarding different financial terminology. The respondents' knowledge of several financial concepts, such bank loans, bank deposits, ATMs, and checks, is mediocre. They know very little about the remaining clauses. When it comes to bank deposits, their degree of knowledge is higher, and when it comes to the stock market, it is lower. There are notable differences in the literacy levels of different tribal populations when it comes to all financial words, as indicated by the ANOVA results shown in Table 4.9. The indigenous population has a poor degree of financial literacy when compared to other groups. Out of all the tribal communities, Kurichya people are the most literate, followed by Adiya people. The Paniya community has an extremely low degree of financial literacy.

TABLE 1. Descriptive Statistics of the Level of Financial Literacy

Various financial terms	Adiya		Paniya		Kurichya		Total	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Bank deposits	2.32	0.5047	1.3000	0.5440	2.6400	0.5481	2.0867	0.5323
Bank loans	2.24	0.5014	1.3000	0.5440	2.5400	0.5997	2.0267	0.5484
ATM	1.84	0.8889	1.1700	0.4819	2.1800	0.9267	1.7300	0.7658
Credit cards	1.26	0.6312	1.0200	0.4352	1.3100	0.6773	1.1967	0.5812
Cheque	1.54	0.8889	1.1700	0.4819	2.2400	0.7602	1.6500	0.7103
Insurance	1.64	0.8514	1.1700	0.4819	2.0200	0.8204	1.6100	0.7179
Shares and debentures	1.20	0.4949	1.0000	0.0000	1.3600	0.6627	1.1867	0.3859
Mutual funds	1.12	0.4352	1.0000	0.0000	1.4400	0.7886	1.4267	0.4073
Pension schemes	1.60	0.7559	1.1000	0.3031	1.5800	0.8401	1.4533	0.6330
SHG	1.56	0.5771	1.1600	0.3703	1.6400	0.8172	1.1267	0.5882
Stock market	1.12	0.4352	1.0000	0.0000	1.2600	0.4431	1.1900	0.2928
Consumer rights	1.28	0.5361	1.0000	0.0000	1.2900	0.7365	1.1900	0.4242
Over all	1.56	0.6251	1.1158	0.3035	1.7917	0.7182	1.4892	0.5489

(Source: Primary data)

TABLE 2. Result of ANOVA – Level of Financial Literacy

Variable	Sum of squares	Degrees of freedom	Mean sum of squares	F value	P value
Bank deposits	66.040	2	33.020	116.401	.000
Bank loans	57.720	2	28.860	95.464	.000
ATM	30.653	2	15.327	24.442	.000
Credit cards	4.053	2	2.027	5.810	.004
Cheque	39.720	2	19.860	37.228	.000
Insurance	17.963	2	8.847	16.280	.000
Shares and debentures	3.253	2	1.627	7.134	.001
Mutual funds	5.173	2	2.587	9.602	.000
Pension schemes	12.413	2	6.207	13.601	.000
SHG	49.013	2	24.507	64.607	.000
Stock market	1.693	2	0.847	6.585	.002
Consumer rights	15.613	2	7.807	28.224	.000

TABLE 3. Result of ANOVA – level of financial literacy

Level of significance	Degrees of freedom	F - value	P value
95%	2	45.10	0.000

Result Of Hypothesis

While there may be variations in financial literacy among different communities or tribal subgroups, it's critical to determine whether or not these variations are statistically significant. Thus, a hypothesis was established on the degree of financial literacy across various tribal subgroups. This hypothesis has been tested using ANOVA. The fact that the P Value is less than 0.05 indicates that there are notable differences in the financial literacy levels of the various tribal subgroups. Therefore, the alternative hypothesis is accepted.

2. CONCLUSION

To sum up, the research evaluated the financial literacy of native communities by classifying participants into three groups based on their degree of financial terminology awareness: very, somewhat, or poorly. The results showed that most respondents, especially in sectors like the stock market, fell into the average or bad categories, indicating a general lack of high-level expertise. The dissection of the data revealed that the Kurichya and Adiya groups had relatively greater levels of financial literacy, but the Paniya population displayed a significantly lower level. The aforementioned findings highlight the necessity of implementing focused financial education programs that particularly target knowledge gaps within every tribal group. The study concludes by highlighting the differences in financial literacy amongst indigenous people and stressing the need for specific legislative measures and educational initiatives to close the gaps and improve financial inclusion and awareness in these communities.

Limitation And Scope for Further Research

Potential restrictions on the study include sample representation, language obstacles, and educational impacts on financial literacy among tribal populations in Wayanad, Kerala. Interventions, such as assessing the efficacy of culturally responsive financial education programs, undertaking longitudinal studies, and taking into account the influence of community structures and technological adoption, should be investigated in order to improve future research. Such studies might help generate more sophisticated understandings of the processes of financial literacy in indigenous communities and provide guidance for policy creation.

REFERENCES

- [1]. Angela et.al. “Defining and Measuring Financial Literacy”. RAND labor and population working paper 2009. https://www.rand.org/content/dam/rand/pubs/working_papers/2009/RAND_WR708.pdf
- [2]. Ravi, J. (2019). A study on financial literacy level among university students in Ethiopia with reference to selected universities. (Unpublished Doctoral Thesis). Submitted to Andhra University. Retrieved from <http://hdl.handle.net/10603/371763>.
- [3]. Jana, D., Sinha, A., & Gupta, A. (2019). Determinants of Financial Literacy and Use of Financial Services: An Empirical Study amongst the Unorganized Sector Workers in Indian Scenario. Iranian Journal of Management Studies, 12(4), 657-675. Retrieved from https://ijms.ut.ac.ir/article_72674_cf5a6d39b7ddfe41d7a24f48034b9921.pdf
- [4]. Chen, H., & Volpe, R, P., (1998). “An analysis of personal Financial Literacy among college students”. Financial Services Review, 7 (2), 107-128. Retrieved from [https://sci-hub.hkvisa.net/10.1016/s1057-0810\(99\)80006-7](https://sci-hub.hkvisa.net/10.1016/s1057-0810(99)80006-7).
- [5]. Kempson, Elaine, Claire Whyley, John Caskey, and Sharon Collard. 2000. “In or Out? Financial Exclusion: A Literature and Research Review.” Financial Services Authority, London. Leeladhar V, “Taking Banking Services to the Common Man -Financial Inclusion”, Commemorative Lecture at the Fedbank Hormis Memorial Foundation at Ernakulam on December 2, 2005.
- [6]. Demircuc-Kunt, A., Measuring Access to Finance...One step at a time. Access to Finance. W. Bank. Washington, World Bank. 2010.
- [7]. Burman, B. K. (1973). Modernization of Tribal People on Indian Borders. In K. S. Mathur, Studies in Social Change (pp. 25-36). Lucknow: Ethnographic and Folk Culture society
- [8]. Kumar, B. (2013). Financial Exclusion among the Tribes: A Study of Wayanad District in Kerala. Kottayam: Thesis Sumbitted to MG University (unpublished).

- [9]. Llanto, G. M. (1989). Asymmetric Information in Rural Financial Markets and Interlinking of Transactions through Self Help Groups. *Journal of Philippine Development*, 28, 15(1).
- [10]. Thorat , U. (2008). *Inclusive Growth-The Role of Banks in Emerging Economies*. Colombo: Central Bank of Sri Lanka.
- [11]. ANZ Bank, ANZ Survey of Adult Financial Literacy in Australia , The Social Research Centre, Department of Financial Inclusion & Capability, The Australia and New Zealand Banking Group Limited (ANZ), Australia, 2011.
- [12]. Bo Carlsson, *Innovation Systems: A Survey of the Literature from a Schumpeterian Perspective*, Case Western Reserve University
- [13]. Carol Anderson, Jamie Kent, Deanna Lyter, Jurg Siegenthaler and Jeremy Ward (2000), *Personal Finance and the Rush to Competence*, National Field Study Commissioned by the Fannie Mae Foundation, Institute for SocioFinancial Studies, USA. Available: <http://www.isfs.org/documents-pdfs/reffinliteracy>. [Retrieved: 2010 January 12)