

FINANCIAL INCLUSION OF PANIYA TRIBAL COMMUNITY IN KANNUR 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. It is coined as a process that ensures the ease of admittance, availability and usage of the formal financial system for all members of an economy including the deprived groups living in our society. 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 tribals has gone on unabated. This study mainly aims to assess the level of financial inclusion among the paniya tribes, who are living in Kannur 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.*

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 ultimate goal of a nation is to attain financial inclusion of all sections of its people and thereby inclusive growth. 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. Financial inclusion is the access of banking and other financial services to all the sections of the society at an affordable cost. For the effective growth and development of the economy,it is necessary to include and involve those marginalized people in formal banking sector. There is an important relatable and paradoxical question ,can a well-developed financial system serve the poor and those who are socially excluded? It is an actuality that banking services are in the nature of public goods. It is essential that availability of banking and payment services to the entire population without discrimination is the prime objective of public play and a key for achieving inclusive growth.

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..This tribal community have developed a special indigenous style for the making their own houses. A Paniya village consists of clusters of huts which are all constructed from cane with thatched roofs. These houses are called Colonies.It is found that they are not in a position to consume nutritious and different varieties of food. Major portion of their income is spent for food items, liquor, pan products and entertainment. Electronic equipment, motor vehicles and basic furniture items are rarely included in the consumption baskets of the tribes. Generally tribals are addicted to drinking, pan chewing and smoking. 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. Dropout rate from primary and secondary education level is high among the tribes. Tribal parents always have a negative attitude towards the education of their children. Students prefer to spend their life in their own colonies and pursuing their traditional activities. Educated women are the asset of every society. But the educational attainment of the women in this tribe shows a dismal picture. Generally the tribals are not much concerned about their health. They seek medical assistance only in the last stages. The common diseases among the *Paniyas* are fever, cold and infectious diseases. Skin diseases are also common among the tribes.. Aralam Farm Project for the *Paniyas* is an example of initiative on behalf of the government for their overall empowerment. Under this program selected tribal households were given one acre of land in Aralam farm area.

Review of Literature

Balakrishnana, E P(2010) in his writing analyzed the economics of Tribals in Kerala and their Transformation, and found that ,the main economic livelihood of the Paniya tribal community is their manual labour and there is not much diversity in their employment pattern and source of income

Sharma(2008), throughout cross country empirical study examined a slam rapport between financial inclusion and different – socio-economic variables like income, inequality, literacy, physical infrastructures.

Bekaert, Geert, Harvey Campbell R and Lundblad Christian (2005),, in their learning examined a upbeat impact of equity market liberalization on real economic development and upliftment of the vulnerable groups living in the society. Further they also observed the positive impact of capital account liberalization and quality of financial institutions on economic growth. They argued that better support to deprived group is very essential for the real growth of a country.

Goodwin D, Adelman L, Middleton S and Ashwath K (2000) accentuate the function of level of employment of a country as another important cause of financial inclusion. Access to affordable financial services especially credit and insurance, enlarges livelihood opportunities and empowers the poor to take charge of their lives.

Rationale 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 Kannur district.

Measures to enhance Financial Inclusion

The scope of financial inclusion can be enhanced in two ways

- (i)Through state intervention by way of statutory enactment.
- (ii)Through voluntary effort by the banking sector itself for evolving various strategies to bring large sections of society within the ambit of banking sector

Objectives of the study

1. To evaluate the level of financial inclusion among the Paniya community in Kannur district.
2. To examine the details of bank account.
3. To provide suitable suggestions for overall development of paniya community through financial inclusion.

Methodology

The Study was intended to examine the financial inclusion of the Paniya community, which is numerically the largest tribal community in Kannur district. The main economic livelihood of the Paniya tribal community is their manual labour and there is not much diversity in their employment pattern and source of income. Their earning capacity is very low. Their income and standard of living too are correspondingly at very low level The work is based on primary and secondary data. The researcher selected 100 respondents from 8 colonies situated in four villages where paniya community were concentrated. The villages are Manathana, Kelakam, Aralam and Ayyankunnu by employing random sampling. The data was collected with the help of schedule. The secondary data is obtained from

the various published sources like journals, records, internet etc. Percentage was used to analyze data on demographic characteristics, level of financial inclusion and the awareness level of the respondents about financial inclusion, financial products and services offered by the bank.

Results and Discussion

I. Socio- Economic profile of the respondents

Table No.1 shows that majority of the respondents are youth with an age group of 18 to 35 years. Major part of the respondents has completed education only up to primary level. Majority of the respondents are working as labor workers. It is noted that vast section of the respondents are belonging to family monthly income of below six thousand.

Table.1 Socio- Economic Profile of Respondents

Socio – Economic Variables		Respondents							
		Manathana		Kelakam		Ayyankunnu		Aarlam	
		Nos.	%	Nos.		Nos.	%	Nos.	%
Gender	Male	15	50	12	55	8	40	14	47
	Female	15	50	10	46	10	60	16	53
	Trans Gender	-		-		-		-	
Age	Below -25	9	30	9	41	8	44	10	33
	26 – 35	8	27	6	27	16	89	9	30
	36 -45	5	17	4	18	6	33	6	20
	46 -50	5	17	2	9	5	28	3	10
	Above -50	3	10	1	5	5	28	2	7
Education	Illiterate	2	7	1	5	2	11	2	7
	Primary	14	46	11	50	10	56	9	30
	High School	10	33	7	32	5	28	11	37
	Higher Secondary	2	7	2	9	1	17	7	33
	Graduate	2	7	1	5	0	0	1	3
	Post Graduate	-		-		-		-	
	Other	-		-		-		-	
Source of Income	Small Business	1	3	1	5	-		1	3
	Permanent Job	2	7	2	9	3	17	1	3
	Labour	25	83	17	77	11	61	25	83
	Farmer	2	7	2	9	4	22	4	13
Monthly Income Family	Below – 3000	4	13	6	18	5	28	5	17
	3000 -6000	22	53	13	45	15	44	23	53
	6000 - 9000	11	27	13	23	12	22	9	23
	Above -9000	4	7	3	14	5	6	3	7

Source : Survey data

II. Financial inclusion status of respondents:-

The standing of financial inclusion of the preferred respondents is discussed below.

A) Have a Bank Account.

Table.2. Details of Bank Account holders

	Respondents								
	Manathana		Kelakam		Ayyankunnu		Aarlam		All Area
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Yes	26	87	19	86	16	89	25	83	86
No	4	13	3	14	2	11	5	17	14
Total	30	100	22	100	18	100	30	100	100

Source : Survey data

It is clear from table No.2, that is 86% of the surveyed respondents are having a bank account, whereas only a minor percentage (14%) belongs to a category of not possessing a bank account.

B) Reason for not having a Bank Account

Table.3. Reason for not having a Bank Account

Particulars	Respondents								
	Manathana		Kelakam		Ayyankunnu		Aarlam		All Area
	Nos	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Distance	-	-	-	-	-	-	-	-	-
No Money to save	3	75	2	67	1	50	2	40	8(57%)
Lack of awareness	1	25	1	33	1	50	1	20	4(29%)
Lack of advice	-	-	-	-	-	-	2	40	2(14%)
Lack of understanding	-	-	-	-	-	-	-	-	-
Total	04	100	03	100	2	100	05	100	14 (100%)

Source : Survey data

As regards the reason for not having a bank account, (table -3) majority of the respondents (57%) from all area opines that they spare no money to save as the major factor. The second serious reason is lack of awareness (29%) and the third reason is recorded as lack of information (14%) .

III.Awareness level of the respondents about no frill account.

No frills account (NFA) is financial product which allows financially excluded individuals to access banking services for the purpose of savings. It is clear from table No. 4 that 53% of the respondents from four areas have awareness about BSBDA. (Basic Savings Bank Account)

Table. 4. Awareness of No Frills A/c.

	Respondents								
	Manathana		Kelakam		Ayyankunnu		Aarlam		All Area
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Yes	15	50	12	56	9	50	17	57	53 (53%)
No	15	50	10	44	9	50	13	43	47(47%)
Total	30	100	22	100	18	100	30	100	100 (100%)

Source : Survey data

IV) Awareness level of the customers about financial services offered by banks after opening an account

Table. 5 Level of awareness among the customers

Nature of Financial Services	Level of awareness	Respondents								
		Manathana		Kelakam		Ayyankunnu		Aarlam		All Area
		Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Savings and Deposits	Not familiar	12	40	10	45	10	56	15	50	47
	Just Familiar	18	60	12	55	8	44	15	50	53
Passbook and cheque	Not familiar	15	50	13	59	9	50	16	53	53
	Just Familiar	15	50	9	41	9	50	14	47	47
Loans and interest rate	Not familiar	22	73	18	82	15	83	24	80	79
	Just Familiar	8	27	4	18	3	17	6	20	21
ATM	Not familiar	17	57	12	55	11	61	22	73	62
	Just Familiar	13	43	10	45	7	39	8	27	38
Insurance Products	Not familiar	25	83	20	91	17	94	27	90	89
	Just Familiar	5	17	2	9	1	6	3	10	11

Source : Survey data Table No. 5 depicts that banking institution possess a decisive role in creating the awareness and spreading the message about NFA. The media and SHG both have failed to act as a source of information, the role which they are invented to play.

Majority of the respondents have information about the savings and deposits of banks. In terms of pass book and cheque, around 53% of the customers have little awareness. The understanding about loans and interest rates are very poor 79% meaning they don't have better idea about these services. Customer's awareness level of ATM and insurance schemes are very much pathetic. In terms of ATM, around 62% of the customers are not familiar about its working. The case of insurance services reveals that only 11% of the customers having an adequate knowledge of various schemes offered by the banks. From among the five variables of awareness level, majority are unsatisfactory except savings and deposit products.

V The details of banks in which paniyas have account

Table.6. Kinds of Banks in which Paniyas have account.

	Respondents								
	Manathana		Kelakam		Ayyankunnu		Aarlam		All Area
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Nationalised banks	12	40	12	55	9	50	15	50	48
Private sector banks	-		-		-	-	1	3	1
Gramin Bank	4	13	7	32	4	22	4	13	19
Cooperative banks	12	40	3	14	4	22	8	27	27
Post office	2	7	-	100	1	6	2	7	5
Total	30	100	22	100	18	100	30	100	100 (100%)

Source : Survey data

It is clear from table No. 6, that majority of the respondents have their accounts in nationalized banks (48%), followed by cooperative banks.. The presence of private banks is very negligible in the study area.

VI: Holding atm/debit card

Table .7. Holding ATM/Debit Card.

	Respondents								
	Manathana		Kelakam		Ayyankunnu		Aarlam		All Area
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Holding Cheque book	21	70	12	55	10	56	20	67	63(63%)
Holding ATM/Debit Card	12	40	12	55	8	44	14	47	46(46%)
Do not Hold	6	20	4	18	4	22	7	23	21(21%)

Source : Survey data

It is clear from table No. 7 that 63% of the respondents are holding Cheque book and 46% of the respondents have ATM/Debit card .Only 23% of respondents do not have the access of cheque book or ATM cards

VII:Opinion of paniyas towards banking services.

Table 8. Opinion of Paniyas Towards Banking services.

	Respondents								
	Manathana		Kelakam		Ayyankunnu		Aarlam		All Area
	Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.
Excellent	5	17	3	14	3	17	4	13	15
Good	9	30	10	45	7	38	8	27	34
Average	10	33	3	14	3	17	10	33	26
Poor	1	3	1	5	1	6	2	7	5
No opinion	5	17	5	22	4	22	6	20	20
Total	30	100	22	100	18	100	30	100	100

Source : Survey data

As regards the opinion of the respondents about the banking services, (table -8) majority of the respondents (75%) from all area opines that they are satisfied with the service provided by the banks. The survey found that 20% respondents have no opinion.

Suggestions

1. In case of ATM and insurance services, best part of the customers has only a little knowledge. So the banks should organize various awareness programmes for enriching their knowledge.
2. More number of ATMs are very essential in this vulnerable area
3. Banking service centre are to be set up in various places of this vulnerable area for improving their savings habit. Then only the major constrain of (No money to save) for opening an account can be removed.
4. Govt. should plan various schemes for banking the unbanked people living in this area by offering low interest rates, credit schemes, lower premium insurance products, pension schemes etc
5. BSBDA (No frills) should be tagged with Aadhar Enabled payment system(AEPS)
6. Government should introduce new programmes to bring the socially excluded sector in the financial programmes by offering low premium insurance,pension schemes ,low interst rate credit facilities and promote self-help groups.

Conclusion

Economic development is the backbone of any development in the society. To develop the nation, uplifting of marginalized sections is essential. There are 48 tribal communities in Kerala, among them, the most numerically dominant are Paniyas. It is a generally accepted fact that the tribals especially paniyas are one of the marginalised communities in Kerala. Their earning capacity is very low. Their income and standard of living too are correspondingly at very low level.

Financial inclusion and infrastructural development should go concurrently for evenhanded development of

the deprived groups living in the society. The services provided in this account should include facility to deposit and withdrawal of cash at the bank branches as well as ATMs, credit of monetary benefits received under government schemes etc. Overall, the financial inclusion of these four marginalised areas in Kannur district appreciable. Some more effective steps from the part of government and financial institutions may lead to financial inclusion in the district to 100%

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