1.1 The Context

The present study is undertaken in the context of the importance attached to the objective of ‘faster and inclusive growth’ as emphasized in the 11th five-year plan and subsequently in the draft of the 12th five-year plan. Inclusive Growth (IG), sometimes in simple form considered as pro-poor growth, is a growth strategy “that not only creates new economic opportunities but also one that ensures equal access to the opportunities created for all segments of society (Ali & Son, 2007). This paradigm shift in the plan objective stems from the realization that the buoyant economic growth that the Indian economy has witnessed in terms of GDP over the years following the implementation of neo-liberal reforms have resulted in several pitfalls of growth viz. ‘Jobless growth’, ‘Ruthless growth’, ‘Voiceless growth’, ‘Rootless Growth’ and ‘Futureless Growth’. To address these kinds of lopsided development leading to discontentment among the ‘excluded’ segments of population across the world and particularly in emerging market

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1 ‘Jobless Growth’ means a situation where the overall economy grows without commensurate expansion in job opportunities. ‘Ruthless Growth’ connotes a condition where the fruit of growth reaches the hands of the rich whereas the millions of poor people continue to face the problem of poverty. ‘Voiceless Growth’ means people are governed by a repressive regime and women have a minor participation in the economy. ‘Rootless Growth’ is a growth that destroys the cultural identity of people. ‘Futureless Growth’ refers to unsustainable and uncontrolled economy growth (Thakur A. K., 2009).
economies like India, governments have come forward coining terms like ‘inclusive growth’ or attaching ‘inclusion’ as a suffix or prefix with many catchwords (Zhuang & Ali, 2011).

Since finance encompassing legal tender money, bank money, and liabilities of other financial institutions has become a means of exchange, financial system commands paramount importance in modern economies. Consequent upon this development, the process of financialization has become rampant in every economic exchange that takes place in today’s world. Recognizing the unparallel contemporary role that finance plays primarily to smoothen the transaction process, access, and use of finance by people cutting across differences in respect of their economic, social, and locational identities, have become a centre of attraction for governments and policy makers. Thanks to this development, the policy makers across the world particularly in emerging market economies have accepted financial inclusion\(^2\) as a fruitful way to ensure the materialization of the broad objective of inclusive growth, and in India efforts at accomplishing complete financial inclusion have been pressed into action under the stewardship of Reserve Bank of India (RBI). It has well been documented that finance is indispensable in modern exchange economy. Access and use of appropriate financial resources is the key to the enhancement of the level of economic well being. Obviously, the socially and economically disadvantaged segment of society is likely to be incapacitated in many ways when they are deprived of access to basic financial services (Basu, 2006). Moreover, denial of access to financial resources deprives a person of his fundamental rights to live in the society, which knowingly or unknowingly has embraced the use of money and finance to deal with exchange economy.

The policy of inclusive growth is not a new one although the term may have been used frequently in these days. The age-old mantra of social development, which India strove to achieve through the adoption of a socialistic pattern of society, resembles the contemporary inclusive growth strategy. Nevertheless, the difference lies in the economic contexts in which both policies have been designed and executed. The social development was sought to be achieved when India nursed the strategy of building a socialistic pattern of society partially making a difference from the clear-cut mixed

\(^2\) Financial inclusion, in simple parlance, refers to the delivery of banking services at affordable costs to the vast sections of disadvantaged and low-income groups who tend to be excluded from the formal banking channel (Kothari, 2010).
economy model as it had come in the years immediately succeeding the attainment of freedom. On the other hand, the inclusive growth strategy is to be placed against the backlash of the vigorous implementation of neo-liberal reforms since 1991. The policy of giving up everything to the mercy of market has in fact resulted in the exclusion of those who struggle to catch up with the market. Realizing that, policy initiatives at the government level are imminent to help the excluded so that they can be empowered to be a part of the market mechanism, governments have started pondering over ways to attain inclusive growth. It is from this realization that inclusive growth strategy has been shaped and implemented in India. The aggressive implementation of neo-liberal policies in India over the last years especially in the realm of financial sector has unleashed a plethora of problems, among which the growing exclusion of certain disadvantaged segments of population like Scheduled Tribes (STs) from the ambit of formal financial institutions deserve to be highlighted.

Historically, it has well been proved that always the social groups deprived of adequate entitlements both physical and human who are labeled, in official parlance, as the marginalized and weaker sections, would be excluded from social and economic environment in which they are destined to live. Besides these, any distortions that happen in the system would spawn shocks of varying nature viz. income and employment shocks, which push their life into peril. In India, people belonging to Scheduled categories have been regarded as the most disadvantaged social groups subject to age-old economic and social deprivations. The condition of these people continues to be unabated despite the implementation of a large number of programmes exclusively targeting the economic and social advancement of these people. Among this scheduled category, Scheduled Tribe is the most disadvantaged social group. In the case of accessing and using financial services mainly banking services, evidences have proved that the households belonging to the ST have been the most disadvantaged social groups in India. The Debt and Investment Survey conducted and compiled by NSSO and the survey of small borrowal account by the RBI speak of the fact that STs have been the most excluded social groups from the banking and financial services in India. Hence, bringing them under the ambit of financial services by adopting constructive and imaginative programmes of financial inclusion becomes the need of the hour.

In the sphere of financial inclusion, the State of Kerala has made remarkable improvement. Banking statistics show that certain districts in Kerala claim to have
accomplished the objective of attaining cent percent financial inclusion in terms of ensuring that at least one member of each household has got a bank account (Krishnakumar, 2012). The rapid pace that has been witnessed in accomplishing this objective should be read along with the positive social and economic circumstances, which the State claims to have secured compared to other states in the country. As is evident, the state of Kerala has been far ahead in ensuring a high standard of living for her population because of Public Action and social reforms for a long period of time, which has been acclaimed as the Kerala Model (Raman, 2010). Notwithstanding these, studies have shown that there have been outliers of Kerala Model and the STs are reckoned as one of the main outliers. Hence, it would be interesting to look at the problem of financial exclusion among the STs in Kerala, which has been under the trauma of many social and economic deprivations like continuous alienation from their land. This study is proposed to be conducted among the tribes in Kerala since they have been the most disadvantaged social group in the state although they form just a little more than one percent of the total population of the State.

1.2 Statement of the Problem

In India, the problem of financial exclusion is rampant among the marginalized and weaker sections like marginal farmers, SCs and STs. To address this, financial inclusion strategies have been implemented as a part of the larger goal of attaining inclusive growth. The problem of financial exclusion has to be seen in the wider context of the exclusion of people from economic and social spheres. In India, the marginalized and weaker sections, especially the scheduled tribes have been historically deprived of the basic physical and human entitlements, which are reflected in their development. These sections of population, because of their social and caste conditions do not command control over land and natural resources. Their access to means of livelihood continued to decline even in the post-independence period, following the super imposition of the western replica of ‘development and growth models which attach too much importance to growth and accumulation of capital. Consequent upon the speed with which industrialization takes place, these social groups are increasingly pushed to their territories of livelihood. Owing to these, these sections of population have been facing exclusion of many kinds, like social and economic exclusion. Efforts to integrate them
into the mainstream have not yielded desirable results. They continue to be in the darken of development.

The advent of neo-liberal financial sector policies has added fuel to the problem of financial exclusion in recent times. Faced with stringent credit disbursal policies by the formal credit suppliers, the tendency of people to rely on informal sources especially moneylenders has been on a rise in recent times, which is an offshoot of the new-agenda being practiced in the financial system. Like many marginalized sections, STs in India have been the bitter victims of the process of social and economic exclusion, and consequently in the sphere of financial system, they have been the most excluded. Given the poor resourcefulness, skillfulness, and cultural inhibitions, they appear to produce only for self consumption, not generating ‘surplus’ to engage constructively in the monetized exchange process and thereby in the financial system. Against this background, it would be worthwhile to examine the extent of financial exclusion among the tribes in Kerala, a state that has been hailed for public action in bettering her social development indices at par with the western developed economies. Since different tribal communities differ in respect to socio-economic development, the study also enquires into the inter-tribal variation in the access and use of fundamental financial services like bank account, credit, and insurance. Obviously, the problem of financial exclusion is a multifaceted one in the sense that it is intertwined with the socio-economic and cultural conditions of the people. Therefore, this study also looks into how far the socio-economic and cultural aspects of tribes influence their exclusion from the financial system. The study seeks to answer the following research questions.

1.3 Research Questions

The important research questions that the study wants to probe into are:

1. What are the specific socio-economic and cultural features that the tribes exhibit?
2. How far have the tribes been excluded from the financial services like banking services, credit, insurance products, and pension system?
3. What are the factors responsible for the exclusion of tribes from the basic financial services?
4. Is there any inter tribal variation in access and use of financial services among different tribal communities?
5. Do socio-economic and cultural factors exert any influence on the problem of financial exclusion of tribes?

1.4 Objectives of the Study

Based on the preceding research questions that this study is attempting to answer, the following objectives have been framed for analytical purpose.

1. To analyze the socio-economic and demographic profile of the tribes.
2. To examine the extent of financial exclusion of tribes in terms of access to bank accounts, credit, insurance and pension.
3. To probe into the reasons responsible for the problem of financial exclusion.
4. To analyze the intertribal variation in access to finance.
5. To explain the influence of socio-economic and cultural factors on the extent of financial exclusion of the tribes.

1.5 Hypotheses

Based on the objectives the present study proposes to prove the following hypotheses.

1. Tribes are excluded from financial system in respect of access and use of banking services, credit system, insurance, and pension.
2. There exists inter tribal variation with regard to financial exclusion.
3. The socio-economic and cultural factors influence the extent of financial exclusion of tribes.

1.6 The Review of Literature

Next, the study reviews the relevant literature covering mainly the research works pertaining to the broad area of access and use of financial resources by the people, especially the weaker and the marginalized sections across the world. An attempt is also made to specifically look into the works focusing on financial exclusion in the international arena. After reviewing international studies on the issue at hand, the study will move on to the works concentrating on Indian contexts. Although studies have rarely been conducted in India into the issue of financial exclusion, a review of important works on the access to the credit and banking services would serve the purpose to some extent.
Followed by these, the study shall review important studies pertaining to the tribes in India with particular emphasis on Kerala. A word of caution needs to be made here that literature focusing on the studies of financial exclusion has rarely been made available especially in the context of either India or Kerala except scanty attempts to look into the issue of financial exclusion using secondary data whereas the topic has gained unprecedented attention in western countries in recent times.

1.6.1 International Studies on Financial Exclusion

Denise, Laura, Sue, & Karl (1999), in their work on financial exclusion do not confine the scope of financial exclusion to the narrow aspect of banking only; rather they consider other aspects like lack of access to insurance and pension as the prominent features of the excluded. Taking Poverty and Social Exclusion survey data to expand the understanding of financial exclusion in Britain, the paper examines the proportion of people without access to financial services and the characteristics of such people. Besides this, the paper also endeavors to see whether the financially excluded are also trapped in poverty and whether they are socially excluded or not. The study shows that 35 percent of households did not have savings and about 5 percent households were disconnected from having gas, electricity, and water facilities, as they could not pay for them. Only 6 percent of the household did not have a member with a bank account. With the support of data, the study also reveals that the people most vulnerable to financial exclusion include household with no workers, lone parent household, non-white-household, household in densely populated areas, household with respondents who discarded education at an early stage. This study also attempts to consider the overlap between the financially excluded and those who are in debt and finds that the characteristics of both are similar. The study finds that among those who are not in debt, 94 percent are not financially excluded. Drawing on the analysis of data and its results, the study argues that financial exclusion is closely associated with poverty, deprivation, and social exclusion (defined as disengagement from social activities and civic life). Therefore, any attempts to alleviate poverty and combat social exclusion must also address the problem of financial exclusion.

Nick & Guy (1999), focused on two dimensions of financial exclusions viz. basic banking services and credit. As in the case of many studies, the number of people without a bank account has been taken as the key indicator of financial exclusion in this study as well. Drawing inferences from the data source of Family Resource Survey, the study...
concludes that in the United Kingdom, 20 percent of households do not have a current account. It also shows that in United Kingdom, the use of bank account varies by income and social group. The study also establishes the fact that the percentage of population with current account has been rising in United Kingdom. The proportion of adults having a current account went up from 45 percent in 1975 to 70 percent in 1985 and to 77 percent in 1995-1996. However, not all segments of the population have shared this progress. The lowest socio-economic groups have lagged behind in possessing current account. Hence, it is obvious that in the United Kingdom, financial exclusion has also been attributed to the differences in social status. It should be mentioned here that in the United Kingdom, the extent of social exclusion is to the tune of 2 percent of the population. To conclude, this study relies on the data of British Bankers’ Association, which states that 2 percent of the population believe that they can run daily matters without having a current account. In this context it is noteworthy that this study classifies the ‘unbanked’ into four categories viz. “opted out” (“I used to have a bank account, but I closed it”) which constitutes 30 percent, “Not Yet In” (“I haven’t yet opened an account but I will”)(8 percent), “Always Out” (“I’ve never had an account and I never will”) (60 percent), “Refused” (“The bank refused/closed an account in my name”) (2 percent).

Olsen (2001), presented a study titled “Financial Exclusion and Social Integration in Sri Lanka” in a Conference on Finance and Business Development at the University of Manchester. This paper, on prima-facie, intends to focus on the use of bank services by the downtrodden among the Sri Lankan population. It is pertinent to note that this work, quite different from what the present study intends to do, exclusively rely on the banking habits of people. Other aspects of finance viz. access to insurance and pension system, which are vital for the people to protect themselves from vulnerabilities, appear to have been overlooked in this study. This study has found that there is growing individualization of financial activities in Sri Lanka. Increasing feminization of financial activities has made banks enthusiastic in rendering more financial support to women led groups. This study corroborates the positive link between financial inclusion and social inclusion. It reveals that attempts to tackle financial exclusion using especially government sponsored welfare schemes have in fact encouraged the poor to feel that they are the part of the society. Moreover, this feeling of being integrated with the society through the financial channel nurtures the behavior of socially responsible citizens. This cultivation of social responsibility leads to the timely repayment of loans and regular
communication with the financial institutions, which are indispensable for a healthy financial system. As a corollary to self-exclusion, the study also puts forth bank avoidance hypothesis for further research.

Gulliver & Morris (2005), seeks to add to the growing evidence about the extent of financial exclusion and debt problem of people in the United Kingdom. The study was based on a representative sample of 252 tenants. They portray the fact that debt is a major burning problem as far as the low-income households are concerned. For the poor living in social housing sector, debt and financial exclusion are the orders of the day. The survey reveals that seven out of ten tenants are economically inactive. The study found that single young and those who live on low income and out of work are more vulnerable to financial exclusion and debt. What is disturbing is the fact that 57 percent of the households do not have saving, despite that most of them know that saving is indispensable. Significant minorities of tenants in debt rely upon credit from high interest lenders like pawnbrokers, payday loan companies, legal moneylenders, and illegal door-to-door moneylenders. It is observed in the study that more than one third of the respondents opine that accessing credit is difficult for them and what is more heartening is the observation that over one fifth of the respondents feel harassed by high interest charging money lenders. Debt repayment eats into the annual income of many respondents.

Kempson (2006), gives a vivid illustration about the extent, nature, causes, and characteristics of financial exclusion in Developed Economies. The writer has made use of the case studies conducted in Australia, Belgium, Canada, France, Great Britain, and the Unites States. It also calls our attention to the policy responses of some nations to the problem of financial exclusion. One thing which is worthy of mention is that this paper elaborates only on banking exclusion although the word financial exclusion appears in some contexts. The articulation made in this paper is that irrespective of the nature of the nations where the financial exclusion is prevalent, it is seen that the same groups of people characterized by low income and a bad credit past are afflicted by the problem. Regarding the extent of banking exclusion, the study reveals that between one percent to seventeen percent of the adults do not have a bank account in the industrialized countries. The study emphasizes that the income inequality plays a great role in determining the extent to which each country faces the problem of financial exclusion. Countries with low
levels of income inequality tend to have lower levels of financial exclusion. A good example is Sweden, which has less than 2 percent of adults with no account in the banks in the year 2000 whereas the highest levels of exclusion are to be found in the countries, which are the least equal in income distribution. For instance, Portugal has about 17 percent of adult population having no account with the banks in the same year 2000. The study also brings to us the fact the government led public actions like paying social security benefits and pension through bank account has had a positive impact on tackling the problem of banking exclusion. Australia, where payments like social security benefits and pension are made through banks, has very few adults without bank accounts. The study further points to the fact that in countries like Sweden and Germany people with a bad history of debt are at the risk of financial exclusion. Regarding the influence of age, the study shows that the very young and the very old are more likely to be unbanked.

Fernando (2007) elaborates on international experience on the access to finance for low income households. Drawing upon the difference between developed and developing nations with respect to the access to finance, especially for the low income households, he vehemently argues that formal financial sources encompassing the organized banking sector stand to cater to the needs of only a minority in developing nations. Hence, there is an urgent need to devise measures and mechanisms by which access to finance can be made available to the lower strata of society in terms of income and assets.

Ameshi, Abel, Bongo, & Nusafor (2007), in their joint work endeavored to emphasize the need of ensuring the global sustainable finance. They attempted to integrate the widespread financial exclusion existing in developing economies into the global sustainable financial discourse. Drawing conclusion from the data on Living Standard Survey in Nigeria in 2003-04, the author observed a strong relationship between poverty and participation in the banking system.

Buckland & Wayne (2008), attempted to link the two existing literature on credit constraint and financial exclusion and they develop an empirical model to assess the impact of financial exclusion on the low and middle-income customers of Canada. At the outset of the paper they posit that the problem of financial exclusion is prima facie a problem coming under the Microeconomic theory. Financial exclusion fundamentally tries to exhibit how people operate in the financial market. Looking from this perspective, it is obvious that financial exclusion is rooted in the consumer behavior of savings and the
credit concept related to the Life-Cycle Model of Consumption. Having reviewed
theories pertaining to the phenomenon of exclusion, they come to the argument that very
often the problem of credit constraint and financial exclusion overlap. In fact, the problem
of financial exclusion is rooted in the problem of credit constraint. A person may have a
saving account, but he may not have sufficient access to credit, and having been denied
access to appropriate and timely credit, he may have been categorized as financially
excluded. There are two groups of customers: the Unbanked, which do not have even a
single way of access to mainstream formal financial institutions, viz. opening a saving
account. The second is the Under banked who are technically not excluded in the sense
that they may have opened a saving account with a bank, but may not have access to
credit, which the institutions deny to them as they feel them to be credit unworthy. This
Under Banked is also financially excluded. Thus, this paper takes us to a different
dimension of exclusion. In this study, three indicators of financial exclusion are used.
They are: 1. Absence of a bank account to detect the “Un-Banked”. 2. Absence of access
to credit. 3. The extent of reliance on other financial institutions like Pawnsshops and Pay
day Lenders. The analysis of data relating to two years viz. 1999 and 2005 reveals that
the proportion of families without an account was growing between 1999 and 2005 in
Canada. Regarding the second indicator that is the absence of access to credit, the study
shows that the proportion of families that had been denied access to credit also went down
slightly from 3.76 percent to 3.32 percent between 1995 and 2005. As far as the third
indicator is concerned, the study reveals that the proportion of families relying on
pawnsshops increased slightly from 6.89 percent in 1995 to 7.06 percent in 2005. The
dependence of families on payday lenders also significantly went up in Canada during the
period between 1995 and 2005. Further review of this study is called for as it sheds light
on the determinants of financial exclusion, which seems to be more relevant in our study.
In the model developed for this study income and wealth are identified as the main
determinants of financial exclusion and unsurprisingly the data analysis shows that in
Canada for the period between 1995 and 2005 financial exclusion was shown to be rising
as income fell. The same is the case with wealth too. As wealth increased, the extent of
financial exclusion went down. The study also identified the influence of other factors
like age, education, employment status, marital status, sex, and family size on the
determination of financial exclusion.
Corr & Conroy (2009), found that women are likely to be more financially excluded than men. The relatively high financial exclusion of women was more attributed to factors like income and the work status of women than any gender effect. This study looks into the problem of financial exclusion from the perspective of the ‘use’ of financial products. According to the study, financial exclusion is not only about the ‘access’ to financial products but it is more about the ‘use’ of the financial products. The survey conducted for this study in Ireland reveals that 23 per cent of household did not have a current account (current account being the key indicator of financial exclusion) in 2005 and in 2000, 33 percent of people had no current account (Out of a representative sample of 7000). The study also points to the fact that poverty is one of the key reasons for the financial exclusion of women. Having recognized the fact that employment is the route that takes people out of poverty, the study has found that the increase in employment for women is the main reason for increased number of women accessing financial products. However, women working in the flexible labor market are at a great risk of poverty and hence they are excluded from the financial markets. Besides income and employment, the study also found some other factors responsible for financial exclusion viz. societal, supply and demand side factors.

Johnson & Nino-Zarazua (2009), in their paper use data from Financial Access Surveys executed in Kenya and Uganda in 2006 to investigate the socio-economic, demographic, and geographical factors causing access to and exclusion from the formal and informal financial market. Approaching the issue from the perspective of institutional analysis, the study finds that social institutions act as barriers to access to financial services and hence these countries experience pervasive existence of informal financial institutions catering to the financial needs of the people.

Osei-Assibey (2010), in his study based on data on some 176 micro enterprises in Ashanti region of Ghana attempts to fill the void in the finance literature by investigating the underlying factors that drive voluntary self-exclusion. The findings of this study suggest that voluntary self-exclusion is driven also by the perceived difficulties in accessing finance and negative cultural-religious biases toward credit use as well as financial illiteracy. Quite interestingly, the study sheds light on the fact that most of the respondents are interest inelastic or insensitive which suggests that they are more interested in easier and faster access to fiancé rather than the cost of obtaining finance. It
is to be mentioned here that this research outcome has also been corroborated by many studies in Indian contexts as well. The study is a revelation to the truth that focusing on supply side measures to build all-inclusive financial system is unlikely to be fruitful. As complementary to the institution led supply side measures, what is needed is an extensive financial literacy programs and social mobilization to augment the demand for finance. Such a holistic approach is the panacea to solve the problem of financial exclusion.

1.6.2 Review of Literature from Indian contexts.

Studies on financial inclusion/exclusion are relatively new in India, and hence literature on this emerging topic is not available in plenty. Yet, in the succeeding section, an attempt is made to sail through those literatures pertaining directly or indirectly to the present study, which focus on the broader issues of financial exclusion.

Dev (2006), brings out issues and challenges in tackling the problem of financial exclusion. Based on the 59th round of National Sample Survey Organization (NSSO) data, the author observed that at the all India level around 49 percent of the farmer households were indebted to all sources of finance. The study also found that among the social groups, indebtedness through financial sources is lower for Scheduled Tribes (STs) as compared to the other social groups including Schedules Caste (SCs), and Other Backward Class (OBCs). One thing to be noted here is that the NSSO data, which this study has used, defines financial exclusion not only in terms of having access to the saving bank account, but it takes into consideration the accessibility of people to credit as one of the primary criteria to judge whether an individual is financially included or not. Being Indebted to a financial institution is an indicator of the fact that the person has been included in the financial system in terms of having access to the credit facilities. In this study, he also attempted to discuss in detail the demand and supply side factors, which are responsible for creating and exacerbating the problem of financial exclusion.

Basu P (2006), in her work laments that the financial market and institutions in India have not properly served its rural poor despite substantial improvement in the financial delivery mechanism over the past three decades. A vast majority of poor concentrated in rural regions do not have access to formal finance. She examines the level and pattern of access to finance for the rural poor, makes an appraisal of various approaches to financial inclusion, and analyses the factors that work behind the lack of
adequate financial services for the poor. She also makes recommendations to scale up the access of finance to rural poor.

Rao (2007), attempted to analyze the pattern of debt in rural and urban households as reflected in the decennial All India Debt and Investment Survey (AIDIS) conducted by National Sample Survey Organization and a profile of the Small-borrowal accounts (SBAs) as revealed by the Survey of SBAs conducted by the Reserve Bank of India. He found that a major segment of the households both in rural and urban areas were outside the ambit of debt from the formal sources mainly the banking institutions. Comparing urban households with rural households, he found that the share of institutional sources of finance was relatively high for urban households.

Chavan (2008), made a preliminary attempt to understand the extent and nature of gender inequality in the provision of banking services in India. Relying on the data from the Basic Statistical Returns of Scheduled Commercial Banks and Small Borrowal Accounts Surveys of the Reserve Bank of India, he attempted to analyze whether the increasing spread of microfinance has indeed resulted in the financial inclusion of women at large. Two indicators were employed to assess the extent of access to banking services for women: extent of credit supplied to women and the extent of deposits received from women. In the case of credit supplied only about 12 percent of the individual bank loan account belonged to women in 2006 whereas in the same year women constituted about half of India’s population (48.4 percent). In the case of deposits, women’s share was to the tune of 24.7 percent of individual bank deposits accounts in 2006. He has drawn attention to the pervasive rural urban disparity in accessing to banking services. In 2006, the number of bank deposits per 10,000 women in urban areas was double the number of bank deposits per 10,000 women in rural areas. His study shows that the disparity in terms of access to banking services between women from different socio-economic groups has also widened. During the period between 1997 and 2006, the share of Dalit and Adivasi women in total bank credit under the small borrowal accounts declined steadily from 4.8 percent of the total credit in 1997 to 1.3 percent in 2006. Notwithstanding the analysis he has done in this study, it suffers from the drawback that it confines itself to banking aspects only. Other aspects of financial inclusion viz. access to insurance seem to have been neglected by this study.
Rangappa, Renuka, & Sandesh (2009), analyzed the impact of Self Help Groups (SHGs) on financial inclusion by attempting to verify the hypothesis that ‘there is association between the participation in SHGs and the degree of financial inclusion’. The study is based on the primary data collected from Davangere district of Karnataka state. The impact of SHGs on financial inclusion has been studied by comparing the ‘with SHG’ household and ‘without SHG’ households. In the study, they found that the accessibility to institutional credit by the SC/ST household is relatively less compared to the households of general caste. Proving that SHGs have a positive impact on tackling the problem of financial exclusion, the study found that the percentage of households borrowed from institutional sources is relatively more among the households with SHGs compared to the households without SHGs. Underlining the significance of land holding that enables a person to have quicker and effective access to financial services, the study observed that the percentage of households attaining the high degree of financial inclusion increases with the size of the land holding. It is worth reporting here that no landless household and those belonging to the marginal farm size category reached the high degree of financial inclusion. Using Chi-square test, the study proves that there is significant association between the degree of financial inclusion and membership in the SHGs. The study has found that the SHG-Bank linkage programme has enhanced the flow of institutional credit to landless and marginal farm households and discouraged non-institutional borrowing like borrowing from moneylenders at exorbitant interest rates.

Bhatia & Chatterjee (2010), in their study attempt to identify the extent of financial exclusion of the urban poor in the slums of Mumbai. The study was on a sample of 106 respondents selected randomly from four slums, having between 40 and 150 households. The study found that one third of the respondents had savings bank accounts. A majority of respondents had been holding their accounts for six years. In many nations, lack of identity proof is suggested to be a reason driving financial exclusion. Nevertheless, in this study it was found that only 5 percent of those having no access to banks could not open bank accounts due to non-availability of proper proof of identity. Quite surprising is the fact that out of the respondents that were surveyed, only two respondents reported having taken loans from the banks, and that too for consumption purpose. To the distress of policy makers, it may be noted that one in 10 respondents in this study reported having taken loans from informal sources, and out this 10, 5 had taken loan from moneylenders. Pointing to the truth that information lag is rampant in the
financial market, the study has the evidence that only two of the respondents were aware of the rate of interest they would earn on their money parked with the banking system. The precise rate of interest was unknown to many although some had the information that banks were paying a minimal interest. This study is fraught with the problem that it took financial exclusion as something, which is related only with the situation of having an account with the banking system. With an inadequate sample size, it threw no insights into the whole issue of financial exclusion.

Singla (2010), in his study narrates the ground level status of financial inclusion strategy adopted in areas where State Level banking Committee (SLBC) claimed that 100 percent financial inclusion had been achieved in the states of Punjab and Haryana. Contrary to the claim of SLBC, this study observed that financial inclusion in the study area is 70 percent in terms of number of accounts. The study also throws light on the significant difference between rural and urban areas with regard to the extent of financial exclusion. Using the technique of hypothesis testing, the study came to two prominent conclusions: 1. the owning of an account is dependent on gender. 2. Income and owning a bank account are independent. The first conclusion causes little surprise as in most of the cases male are more financially included than the female. Nevertheless, the second conclusion runs contrary to many of the studies conducted abroad which statistically prove that financial exclusion is more rampant among the low-income household. That means income and financial exclusion, here in this context owning a bank account, are dependent. The non-existence of the dependency relationship between income and financial exclusion prevails in India probably due to the institutional intervention through Reserve Bank of India in promoting financial inclusion. Supply side interventions are to be adequately aided by the demand side factors to see that financial inclusion continues and impacts further economic and social advancement of the included population.

Kar (2010), in her study raises one important question: what obstructs the rural poor from obtaining bank finance? In a sample of 130 households that she chose randomly from two villages in Mayurbhanj, a tribal-dominated district of Orissa, only 26 percent, have obtained some form of formal finance, while the rest 74 percent have no access to formal financial system. She endeavored to examine the association between landholdings, educational attainment, SHG membership, proximity to bank and access to formal financial sources. She found that a majority of the sample households (55 percent)
are landless, and a statistically significant chi-square establishes a strong relationship between the possession of landed property and access to bank finance at a low transaction cost. This, in turn, has reduced the opportunity cost of off-farm employment. In the case of educational attainment, the study shows that it has a positive impact on access to finance. It is observed in this study that skill-based training increases the scope of availing bank finance, as nearly 53 percent of households who secured credit from bank possessed some kind of skills. The study also found that membership in Self Help Groups (SHG) and access to formal finance is positively correlated. Unsurprisingly, the study found that there is an association between proximity to bank and access to bank finance owing primarily to the fact that proximity reduces transaction cost as it reduces travel costs. In this study, only 18 percent of the sample households live in an area within a distance of 1 km, and the largest number of households who availed of bank finance belongs to this category. The study found that women have better access to finance through Self Help Groups (SHGs). The situation of Tribal with regard to access to finance is dismal despite efforts for their financial inclusion. Despite a detailed analysis of the proper association between various factors and access to formal finance, this study seems to be fraught with fundamental problems like considering a narrow definition of financial inclusion.

Kamath, Mukherji, & Sandstrom (2010), conducted a seemingly simple exercise: they look at the relationship between the level of access to institutional sources of finance (commercial banks and primary agriculture credit societies) and the proportion of households having debt outstanding. They also used simple regression tools to figure out the existing disparities in access to finance across different states in India and to dig up the extent of influence between the demand for financial access and its main micro level determinants. Their argument is that for over the last 60 years, India has been experimenting with the supply led or institution led financial inclusion strategies, but in vain. The wide scale campaign for financial inclusion using primarily the method of opening ‘no-frill accounts’ under the guidance and stewardship of Reserve Bank of India notwithstanding, large segments of Indian population still survive without having adequate access to mainstream financial services being supplied mainly by the Commercial Banks and Primary Agricultural Credit Societies. The authors, therefore, find fault with this system of institution led financial inclusion strategy and argue that instead of such a strategy what is required simultaneously is a demand led strategy to supplement the supply led efforts of banks and primary agricultural credit societies. With the aid of
All India Debt and Investment Survey (AIDS) data, collected and processed by National Sample Survey Organization (NSSO), they attempted to understand the role of micro level variables like the occupation of household, its social group, its religion, asset ownership, expenditure etc in determining the demand for institutional credit. Comparing demand for institutional credit with its supply, they raise the argument that in India the states that have been witnessing vast increases in institutional access (supply of credit) are not the ones that exhibit high use of the institutional credit (the demand for credit). Owing to this mismatch between the supply of and the demand for institutional credit across states in India, a single strategy of financial inclusion cannot be applied to all states alike. This study also tries to posit the point that Scheduled Tribes (STs) and Scheduled Castes (SCs) are recognized as economically and socially backward social groups and many government programmes have inbuilt support system for these communities. Despite this support, because of their low participation in economic activity, this study found that households belonging to these social groups are less likely to be able to access institutional credit. Analyzing the influence of Monthly Per capita Consumption Expenditure (MPCE) on the demand for institutional finance, the study shows that having high MPCE is likely to enhance access to finance, but it has little real impact on the likelihood of availing institutional finance. That means the relation between MPCE and the demand for institutional credit in India appears to be weak, according to this study. Nonetheless, what is quite interesting is that the ownership of land has ‘positive, statistically significant, and economically large effects’ on the likelihood of getting institutional credit in India. This study, in its analytical vigor, seems to be more convincing and it peeps into many empirical relations albeit it suffers from the lacunae that it fails to rigorously treat the issue of financial exclusion with the backing of primary data.

1.6.3 Review of Literature on tribal studies.

Thurston (1909), in his monumental work, furnishes a detailed account of all hill tribes of Kerala. His focus was on the original way of life of the hill tribes like Paniya, Kurihncy, Adiya, Kuruma and Kattunaika. He studied in detail the customs, manners and religious lives of the tribes. His attempt was to study the sociological and anthropological aspects of the tribal communities in Kerala. Although he did not care about the economic
life of the tribes, his studies are considered as poneering works in the field of tribes in Kerala.

Nag (1958), had an extensive tour across the tribal belt of Madhya Pradesh to narrow down into the tribal economic organization and the resourcefulness of the tribal system. The Baiga tribal community was the focus of his study. Nag attempted to go deep into the various sources of the economy of Baiga. Taking the model adopted by Nag, later Saxena extended the study to other tribes of Madhya Pradesh. Nevertheless, the main lacuna that one could find in this study is that it did take into consideration only the economic organization of tribal system giving no adequate space for the illustration of the socio-cultural aspects of tribes. It has well been accepted that a mere discussion on the economic aspect of tribes without any due regard to their socio-economic aspects would not serve the purpose.

Ayyappan (1965), has to his credit many studies conducted on different types of tribes in Kerala spreading across various regions. Nevertheless, his focus was on the socio-economic development of the Irula Community. He also made follow up studies on this community to comprehend the changes that were brought about in the economic and social life of the Irula following the implementation of development schemes under the initiative of the government.

Vyas (1967), made a comparative analysis into the socio-cultural and economic characteristics of Baniyas, found mainly in Rajasthan, Gujarat, Punjab and Andhra Pradesh, which constitutes an undeniable part of Indian tribal community. He emphasized the difference in the socio-economic organization of these tribes in different states.

Shah (1969), brought out a broad outlook of the subsistence nature of tribal economy through his elaborate account of the tribes of Gujarat. Based on the data set of RBI pertaining to the Debt and Investment Survey in 1961-62 and the data furnished by the various department of the state of Gujarat, the study found that elements of modernization had not crept into the tribal system and the tribes were apprehensive about modernity. The lack of modernism could be found in every walk of tribal life. There was little diversification of job opportunities for tribes, which forced them to stay in the agricultural sector despite the low wages and productivity. The productivity of land deteriorated as no additional investment was made. Tribes, having been disappointed with the formal credit delivery system, had to bow their heads before the traditional credit
agencies, which often pushed them into a vicious cycle of indebtedness. Owing to indebtedness, they were dispossessed of their land. All these, undoubtedly, paint the picture of a subsistence economy.

Burman (1973), looked into the changes that modernity had brought about among the tribes living in borders. The integration of tribes with non-tribes in borders had made enormous constructive transformations in the tribal way of life with positive implications. He found that the tribes had adopted technology and skill of the non-tribes, but at the same time, it was observed that such steps to fall into the modern way of life did not derail their value system, and the good emotional aspect of the tribal system remained intact. He attributed these positive changes to the modern education.

Murdia (1975), reviewed the then prevailing condition of ‘Scheduled Castes and Scheduled Tribes in respect of land allotment and land alienation. The paper also elaborated on the steps taken by various States in allocating land to the SCs and STs. The paper pointed out that tribes being very simple people ‘hesitated to come forward to defend their rights. In many cases ‘binami’ transactions are taking place because tribes are interested more in annual rent than in keeping away the non-tribal from their land’. The study also cautioned against the possibility of the land falling in the hands of moneylenders thanks to the problem of indebtedness to the non-tribal moneylenders.

Mathur (1977), dealt with diverse problems that that tribes face in Kerala. He traced out the social and linguistic based evolution of major tribes in Kerala, which is important in anthropological studies. His works were a revelation to various tribal issues like alienation of tribes from their own land, bonded labour system. He also focused on the problem of indebtedness prevailing among the tribes. Moreover, the plight of the tribal women also attracted the attention of Mathur. Besides these, he concentrated on the building up of political organizations aiming at addressing tribe specific issues and intrusion of nexalite movements into the tribal belt.

Rao (1978), conducted a study on the implications of transfer of land from the hands of the tribes to the non-tribes in the Srikakulam District of Andhra Pradesh, which gives us interesting insights into the problem of land transfers involving the tribes. The study found that since land was considered as an incredible asset in the rural areas, the tribe cultivators (the credit seekers) and lenders treated it as the most suitable collateral for availing credit from both formal and informal sources. Tribes availed of credit mainly
to invest in the agricultural operations. The non-payment of credit with exorbitant interest often dictated at the terms and conditions of the informal money lenders led to the alienation of land from the tribes. In short, this study brings us the notion that the land is at the core of all tribal issues.

Kunhaman (1980), attempted to study the tribal economy of Kerala in a dialectical angle. His main concern was about the inter regional variation in social and economic advancement that tribes in Kerala have made. He was enquiring about the factors contributing to these differences that could be seen across the states among different tribal communities. He attributed these differences to the varying degrees of protective measures adopted by the rulers of Kochi, Travancore, and Malabar. He was of the view that Tribes in Travancore have become much forward in many respects compared to other regions thanks to the efficacy of protective measures implemented by the progressive rulers of Travancore.

Ramaiah (1981), attempted to analyze the issues concerning the availability of credit, and facilities for marketing forest and other produce by the tribes. His study was centered on the Warangal district of Andhra Pradesh. The study also examined the problem of ownership of land by the tribes and its relationship with the availability of credit from formal and informal sources.

Kumar (1986), in his study on the Mal-Paharias tribes and Santal parganas in the districts of Bihar provided a vivid picture of the socio-cultural and economic settings of these tribes. He closely analyzed the pattern of land use adopted by these tribes and its impact on their life. He also endeavored into understanding the source of income and the pattern of expenditure by these tribes. After having analyzed these socio-cultural aspects of tribes, he concluded that by giving adequate institutional support from the part of governments, they could be brought to the mainstream of economic and social life.

Thakur (1986), in his study discussed the socio-economic conditions of the Santhals in Bihar. He also analyzed the response of the tribes to the projects and programmes implemented by governments to improve the conditions of the tribes.

Basu (1987), looked into the problems of tribes living in areas rich in natural resources. He also warns against the development of intermediaries among the tribes who are educated, a situation where a few learned tribes try to exploit the unlearned majority.
His study has come with the revelation that tribes in rich mineral areas suffer a lot, deprived of bare basic facilities like the availability of safe drinking water. He finds that the per capita income of tribes living in the study area is abysmally low compared to the non-tribes. This study was undertaken in Chottanagapur in South Bihar.

Menon (1987), looked into the impact of privatization of Common Property Resources (CPRs) in the life of tribes especially the tribal women. Obviously, CPRs have been a main source of livelihood for the tribes living in rural areas in India for a long time. With the onset of neo-liberal reforms, government has started privatizing CPRs, which has been creating more hazards for the life of tribes. She concluded that tribal women have been the main victims of privatization and reduction of CPRs across different parts of India. She was of the view that the traditional unwritten right of CPRs should be with the tribes, and if volume of CPRs available in the country dwindles, then the tribal women would be deprived of resources like firewood which ultimately affect the tribal life in many ways.

Swarap & Singh (1988), studied the link between the socio-economic factors and holding of land by the tribes and found that the per capita consumption of the tribes was positively related to the status of holding land.

Reddy (1988), in a pioneering work, drew our attention to the problem of binami holding of tribal land by the non-tribes as an important threatening problem which pickpocket the entire benefits, that should have gone to the tribes, by the non-tribes. The study cites the increase in the presence of non-tribes in tribal areas as a sign of this tendency. The non-tribes corner the subsidies and other benefits pumped into the tribe area by the government. It is because of this that despite a plethora of policies and programmes aiming at the protection and progress of tribes, their plight continues.

The lack of employment opportunities barring those available in the agriculture sector has been a serious issue as far as the tribes are concerned. Chakravarthy, Singh, & Atibudhi (1989), conducted an in-depth study into the employment opportunities of tribes under irrigated and non-irrigated farmlands. They also examined the consumption pattern of tribes belonging to the above said two areas under varied income conditions. The study suggested that to change the outlook of tribes towards alternative employment opportunities, motivation, and education are essential. The dismally low level of per
capita income found in this study points towards the need to provide income generating assets to the tribes.

Mohanthy (1989), elaborated on the status of economic life of tribes in Orissa emphasizing the need of integrating tribes into the mainstream life to disentangle them from the age-old oppressive tendencies. He journeyed though the progress that the tribes of Orissa had made in response to programmes implemented by the governments to enhance their well-being. He examined the extent to which tribes of Orissa had been integrated with the mainstream population. He appears to have been categorical in his well-cemented view that integration is the best possible tool by which the tribes can be emancipated from all social and economic oppressions. Articulating the role of freedom in enhancing the social and economic life of tribes, he holds the view that letting tribes to enjoy freedom in expressing themselves can pave the way for their constructive and fruitful integration with the mainstream life.

Balagopal (1989), conducted a study by comparing the tribes with the non-tribe poor in Andhra Pradesh. He is of the view that holding of tribal land by the non-tribes through crooked methods has to be tackled effectively. Along with this, there should be rationalization of the State’s monopoly over the forestland. He advocates steps to expropriate land from the non-tribes and unambiguous rationalization of the use of forestland to address the issues of tribes.

Paul (1989), in his work on tribes of Kerala, attempted to study the causes of intra-communal variations that existed among different communities of tribes with regard to many socio-economic characteristics. He attributed these variations to geographical reasons. He found that locational factors greatly influenced the socio-economic features of tribes.

Displacement of tribes from their traditional homelands and its consequences on their life has been at the core of discussion pertaining to tribal issues in India. Adding emphasis to this, Sengupta (1990), in his paper argues that the process of heavy industrialization that has been vigorously pursued in India especially since the Second Five Year Plan has had a dreadful impact on tribal areas, which are rich in precious natural resources. The unplanned exploitation of minerals and metals from the Tribal belt naturally resulted in uprooting tribes thereby depriving them of their livelihood entitlements.
Giving a vivid account of various approaches towards the development of tribes in India, Deogaonkar (1994), attempted to trace out the development of tribes in India under different plan periods. He also threw light on the status and flaws of organizational aspects of different programmes adopted for the development of tribes in India. Apart from explaining the trend in the funds allocated for tribal development under different plan periods, he also closely analyzed the impact of the implementation of Tribal Sub Plan strategy. The study by any count can be regarded an exceptional account of tribal programmes and its impact in India.

Kumar (2001), studied different kinds of inequalities especially income inequality that persists among the tribes in the Nilagiri district of Tamil Nadu. The study revealed that inequality was widespread among the tribe families and largely this was attributed to overdependence on farm employment. The astonishing thing is the finding that around 90 percent of the surveyed tribe households were indebted. Nevertheless, the study miserably failed to deeply examine the extent and the reasons for the indebtedness.

Mohanty (2001), conducted a study into the land distribution among the SCs and STs in India based on the data pertaining to 13 main states. He found that even after fifty years of planning no substantial improvement in the land holding status of scheduled groups has been attained. The pathetic condition is that in some States the condition has been worsened in respect of land holding by the SCs and STs. The study concluded that the ‘states with a strong background of movements have relatively better legislative and executive measures for the protection, restoration and allotment of land’.

Varghese (2002), attempted to evaluate the development programmes that had been implemented in the Wayanad District of Kerala State to uplift the living conditions of the tribes. The study, however, was focused on Paniya tribe. This study also went in for making comparison between tribes and non-tribes in key economic achievements like the attainment of education. In her study, she found that the main hurdle in tribal development is seen in the tribal way of life, which is distinct in many respects from that of the plainsmen. The tribes have only limited wants. The aspiration for higher achievement is apparently absent among the tribes particularly among the Paniya tribe. The entrepreneurial skill is scarcely found among the youths owing to the fact that they do not nourish any dream of making profit. Since they work to satisfy their daily needs, they find nothing right in saving for tomorrow. Due to this, the study found that capital
formation is very low among the tribes. Nevertheless, in recent times, the study remarked that, tribes have started saving money in banks and other financial entities. The study cited low social awareness as the main problem, which acts as an impediment in their social and economic advancement. The study labored into the effort of calculating several indices to compare the situation of tribes with that of the mainstream communities by selecting samples from both tribal and mainstream communities. Interestingly, the study calculated the education attainment index of tribes as .355 whereas that of the non-tribes as .733, revealing a marked difference between the two. Notwithstanding these outcomes, the study failed to encompass more tribes into the framework. It is well known that Paniya, a backward tribe, may not be the true representative of all tribes living in Wayanad. The study failed to account for the reasons that are responsible for making tribes less interested in saving money with banks. The study also did not take into account other modes of saving by the tribe households.

Palanisamy (2002), conducted a study into the socio-economic conditions of four tribes living in the Nilgiri region of Tamil Nadu. Besides socio economic conditions, the study also peeped into the income and expenditure disparities that existed among the four tribes under this study. The extent of inequalities in asset holdings was also analyzed and found that inter tribal variation was enormous among the tribes as far as the land asset holding is concerned. The impact of disparity in asset holdings on the extent of poverty among the tribes was analyzed with the help of statistical tools. Nevertheless, the study had no insight into the problem of indebtedness by the tribal household in a better way. A detailed account of the dependence of tribes on formal and informal sources of finance to tide over the temporary shock in income and employment was not properly probed into by this study.

Bhaskaran (2006), made a comprehensive analysis about the ST cooperative in Wayanad to examine mainly whether they have achieved their enterprise objective, and to identify the problems that the cooperatives face in the district. The study was both analytical and descriptive in nature. The study made use of ‘with or without’ approach to examine the impact of cooperative societies. The study has proved that the ST cooperative in the district could bring only a small percent of tribes under the ambit of the cooperatives. Many societies although registered as per rule remained dormant for many years owing to the lack of proper functioning. The study also threw light on the male
domination in the membership of cooperatives. Many societies were not functioning in accordance with the aspirations of the members. The study also revealed that a good number of members were living in houses having no basic facilities. Further, a lion share of members had expenditure surpassing income leaving little for saving with the cooperatives. Most of the tribe members availed of small amount of short-term loans. Nearly, 75 percent of the members defaulted on their repayment resulting in the poor financial condition of societies. More striking is the fact that more than one third of the members were indebted to the moneylenders. Unsurprisingly, the study has found that cooperatives have not been able to make any positive change in the social outlook of tribe members.

Varghese (2010), chose to study the cultural and religious aspects of Paniya Tribes of Nilagiri Hills in Tamil Nadu. This study identified a number of burning issues that make the life of tribes troublesome despite the execution of a plethora of programmes aiming at addressing their development issues. Among these issues, the study found that the landlessness turned out to be a major issue, the correction of which requires political and administrative will from the part of the governments. In fact, landlessness is the epicenter of all tribal problems. Other social problems identified by the study encompass educational backwardness, lack of drinking water and healthy sanitation facilities for the tribes, growing alcoholism among both male and female members of households, unending social discrimination. Growing indebtedness to the indigenous sources and informal sources continue to plague the life of the tribes in many ways. The study however found a slow shift towards the nuclear type family system among the tribes, which is regarded as the result of the infiltration of modernism in the tribal way of life. The study found that tribes were getting irregular jobs leading to lower monthly income, which hovers around Rs.500-Rs.1000.

1.7 Research Gap

The review of literature has given us a birds’ eye view of the relevant studies conducted in the sphere of financial exclusion over the years at the international and national level. Unfortunately, few studies have been found focusing on Kerala’s circumstances, barring one or two works as cited in the review of literature in which also only passing references are made about the problem of financial exclusion. These studies have focused mainly on unearthing financial exclusion with the help of aggregate data,
which do not give us an in-depth understanding of the seriousness of the problem at hand. They mainly use secondary information to penetrate into the problem of financial exclusion. Social group wise studies have been conducted very rarely. It is here that the present study assumes significance. This study tries to unravel the extent, nature, and causes of financial exclusion among the most socially and economically backward community, the STs, in Kerala. This work also intends to analyze the intertribal variation in access and use of financial services by different tribal groups.

1.8 Scope of the Study

This study pertains to the financial exclusion of tribes in Kerala with special reference to the tribes living in the Wayanad District where the ratio of tribe population to the total district population is the largest in the State. The study also intends to analyze the intertribal variation with respect to financial exclusion. For this, two tribes each have been selected from both the forward and the backward tribe categories. From the forward tribes, the study has chosen, Kurichya and Kuruma and from the backward tribes, Paniya and Adiya. In summary, the scope of study is confined to the tribes in Wayanad, and more particularly among the four dominant non-primitive tribes as mentioned above. Nevertheless, despite this, since tribes are the epitome of the marginalized and weaker sections of population, the findings and conclusions that the study lands on shall be made applicable to other such social groups akin to the tribes.

1.9 Importance of the Study

As has been described earlier, the contemporary growth strategy being adopted in India is oriented towards materializing the broader objective of inclusive growth along with attaining faster economic growth. Financial inclusion has been reckoned as an inevitable tool to accomplish the objective of inclusive growth. This euphoria in emphasizing the need of ensuring financial inclusion as a component of inclusive growth strategy stems from the realization that in recent times finance has begun to play a key role in the exchange economy. Added to this is the growing influence of the process of financialization, which compels one to be connected with the financial system in one way or another. More over studies have shown evidences that there is strong positive relation between finance and decline in poverty. The experience of many nations in the realm of Self Help Groups (SHGs) stands testimony to this. All these call for the inclusion of
people with the financial system since finance, in broader sense of the term, insulate the people from various kinds of vulnerabilities.

Data on the access and use of finance in India speak of the fact that the problem of financial exclusion is widespread among the marginalized and weaker sections like the tribes. The fundamental economic and social backwardness of these groups of people is held largely responsible for this. In this context, the present study, describing the extent of financial exclusion of tribes and explaining the association of financial exclusion with socio-economic and cultural factors, assumes importance.

1.10 Data Sources

The study employs both primary and secondary data. The primary data is collected through face-to-face interview method using well-structured and pre-tested interview schedule. Secondary data have been obtained from NSSO, Analysis of Small Borrowal Accounts by the RBI, Census Report, District Report of Wayanad and Tribal Department, Government of Kerala.

1.11 Structure of the Research Report

The report of this work is structured as follows.

The first chapter gives the context of the research, provides the research problem, and lists out the objectives of study. In addition to this, this chapter contains an elaborate account of the review of literature and the research gap.

The second chapter provides the meaning of different concepts used in the work like financial exclusion. It also reviews different theories relating to the problem of financial exclusion and provides strategies being implemented to fight the problem of exclusion. A vivid account of the historical evolution of the problem of financial exclusion is also an important part of this chapter. Finally yet importantly, this chapter explains in detail the research methodology applied in the present study.

The third chapter discusses the problem of financial exclusion in India with the help of data available from the sources of NSSO and RBI.

The fourth chapter is an account of the tribal economy in India with emphasis on Kerala and Wayanad. It also briefly narrates the features of four tribe communities that
are brought under this study. Apart from this, this chapter also gives the profile of the Wayanad District, which is the study area.

The fifth chapter provides the socio-economic profile of the tribe communities that the study take into consideration for analysis.

The sixth chapter discusses the extent of the problem of financial exclusion of tribes with emphasis on exclusion from bank account, credit from both formal and informal system, insurance, and pension. The reasons for exclusion are also explained in this chapter. This chapter also explains the intertribal variation in financial exclusion.

The seventh chapter explains the influence of socio-economic and cultural factors on the degree of financial exclusion of tribes. This chapter also includes the report of the Focus Group Discussion conducted among the selected tribes.

The eighth chapter, the last one, concludes the work with findings and conclusion.

1.12 Limitations of the Study

Although care has been taken to complete the study devoid of mistakes, the study suffers from limitations, many of which are often inherent in studies on tribes. This study focuses only on the Wayanad district, although the presence of tribes is also seen in other districts like Palakkad, Kannur, and Idukki. It is well known that tribal studies based on primary data have many flaws. This is because of the special characteristics of the tribal population. Getting tribes involved in the survey is a herculean task. Establishing a rapport with the tribes also takes enormous time. The communication barrier and the constraints of the geographical terrain posed problems for the execution of the survey. The help that the researcher had received from the ST promoters, ST officials, and local tribal heads in the execution of the primary survey using face-to-face interview technique was a relief to the researcher in many ways. Another problem with any primary data collection especially in the case of a social group like the tribes is the chance of ‘under reporting’ and ‘over reporting’ of data. Among the tribes, the probability of under reporting is high since they expect many more dole outs from the government if they show themselves in poor light. The problem of recalling is another problem that the researcher had to confront with.
Works Cited


Chapter 1

Introduction


Chapter 1  
Introduction


