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Non-Primitive Tribes in Wayanad
District, Kerala, India**

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Extent and Nature of Banking Exclusion among the Marginalized: A study of Non-Primitive Tribes in Wayanad District

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Abstract

The much touted 'financial inclusion' programme currently in progress naturally prompts one to ponder over the issue of 'financial exclusion', especially of those who have become the outliers of neo-liberal led development. As we know, 'financialization' has become the order of the day and hence, there has been a call for greater financial inclusion. Obviously, banking inclusion in the way of opening a savings bank account is the first step towards financial inclusion. Still, there are people left out of the reach of banks. Tribes being deprived of economic and social capital have been on the periphery of development. They continue to languish in the misery of life. In this background this study attempts to probe into the extent to which tribes have been excluded from accessing banking services. The present study based 500 samples drawn from four different tribe communities in Wayanad, viz. Kurichya, Kuruma, Paniya and Adiya, reveal that banking exclusion has almost been absent among tribes, thanks to the popularity of MGNREGS programme.

Key Words: *Financial Exclusion/Inclusion, Demand following financial Inclusion, Integrationist Approach, Inclusive Growth, Self Exclusion, Labor Market, Bank Account, MGNREGS*

1. The Context of Study and the research problem

The present study has been placed in the context of increasing attention being paid to the objective of accomplishing 'inclusive growth' which has become the mantra of economic policies in India in recent times. It is obvious that the need of inclusive growth stems from the pitfalls that have been created by the neo-liberal policies since 1991. Access to adequate, affordable and timely financial resources has been identified as an important tool through which the celebrated objective of inclusive growth could be realized. Taking note of these, an array of initiatives have been undertaken in India at the behest of the interest of RBI and Ministry of Finance to bring the hitherto 'unbanked' people under the ambit of financial network hoping that it would spawn economic and social progress in their life.

Many segments of society have become the 'outliers' of development in India, having been thrown to the peripheries of life mainly as a consequence of displacement arising out of development needs. They cover scheduled caste, tribes, fishermen, unemployed women and workers in the unorganized sector, to name a few. The economic and social deprivation that they

experience, owing to historical and policy related reasons, have translated them into ‘outliers’ of development, and this deprivation has been resonated in their poor access to financial services offered by institutional financial sources in our country. They are still starved of quick, easy, and affordable financial resources from institutions which are claimed to have been established to free these people of the clutches of greedy indigenous moneylenders. Available evidence shows that of these categories of people, scheduled tribes have been the most excluded from the financial services especially from the banking sector. Various rounds of debt surveys carried out by the NSSO and the Survey of Small Borrowal Accounts by the RBI stand testimony to this (Chavan, 2008).

Scheduled tribes in India appear to be a heterogeneous human entity as they differ in their various characteristics, viz. their culture, economic condition, social fabric, and historical and political origin, from region to region. For instance, schedule tribes in North-East form a majority there and their economic standard appears to be better off compared to their counterparts elsewhere in the country (Thomas, 1965). Coming to Kerala, where tribes constitutes only 1.4 percent of total State’s population, the tribes have been most marginalized and weaker segments, despite the fact that State has projected herself to be a model before the world thanks to better social sector indices akin to that of the developed countries (Rajasenana, 2009). The state has made enviable progress in establishing an array of financial institutions and in respect of banking penetration the state has made remarkable progress. In this background, it would be interesting to probe into the extent and nature of banking exclusion of the tribe communities in Kerala. The specific objectives of the present study are:

- To analyze the extent and nature of banking exclusion among non-primitive tribes.
- To probe into the reasons of banking exclusion/inclusion among non-primitive tribes.
- To examine the inter-tribal variation in banking exclusion/inclusion.

2. The Research Methodology

Since Wayanad district in Kerala houses the largest number of tribe households, this study focuses on the extent of banking exclusion among the tribes in Wayanad district only. Further, tribe communities are not alike in all aspects of development. While certain tribe communities have shown commendable progress in their economic and social life, of course, supported by

land and other assets, some other groups still continue to be the most deprived and poor. For instance, Kurichya and Kuruma communities have been regarded as the ‘forward’ among tribes in Wayanad whereas Paniya and Adiya are very ‘backward’. Further, it is interesting to note that tribes as a whole could be categorized into two: the primitive tribes and non-primitive tribes. While in the case of former, they still live in deep forests not being connected with the mainstream, the latter live in colonies mostly closer to the mainstream communities. Therefore, it is natural that unlike the former the latter communities must have come into contact with the banking system, and hence the present study fits into the case of ‘non-primitive’ tribes only. Therefore, this study focuses on the extent of access to banking services in the case of non-primitive tribal communities in Wayanad District. Since four communities viz. Kurichya, Kuruma, Paniya and Adiya come under the framework of this work, we also intend to focus on the inter tribal variation in access to banking services among the tribe communities.

The study has adopted the Probability Proportionate to Sampling (PPS) method for collecting a representative data. Out of 500 sample chosen, near around 52 percent constitutes Paniya Households, the largest community in terms of population (Table No.1). In addition to quantitative analysis done on the basis of sample, the study has ventured into qualitative analysis to bring out more facts.

Table 1: Sample Chosen for Collecting Data

Panchayat	Paniya	Adiya	Kuruma	Kurichya	Total
Noolppuzha	27	0	23	0	50
Pullppally	29	7	13	0	50
Padinjarethara	36	0	0	14	50
Mananthavady	16	21	0	13	50
Mooppainadu	40	0	7	2	50
Kaniyambatta	27	0	12	11	50
Nenmeni	30	0	20	0	50
Thornadu	22	0	0	28	50
Kottathara	24	0	0	26	50
Thirunelly	10	31	0	9	50
Total	261	59	76	104	500
Percentage in the total Sample	0.52	0.12	0.15	0.21	1.00

Source: Compiled based on the data obtained from KILA, Thrissur.

3. Results and Discussion

As discussed above, this study purports to probe into the access of non-primitive tribe communities to the banking services/products. Since the world today is experiencing financilization at an unprecedented pace, obviously people have become well equipped with an array of financial services that are deemed to be catering to their specific financial requirements. For an average asset rich plains man all kinds of financial products or services may appear to be as indispensable as his daily necessities. But for asset less, jobless and unskilled tribe people, only essential and fundamental financial services may appear to be relevant. Therefore, in the case of tribes it is meaningless to talk about all modern financial products and hence, in this study, we consider access to only one form of fundamental financial services viz. access to bank accounts.

Having a bank account is just an entry into the whole edifice of finance. It is not something which ends in itself. To avail of all other financial services meaningfully and effective, one must have an access to a savings bank account. The access to using banking services is considered as a universal need as it is “fundamental to enable full participation in economic and social life” (Sinclair, McHardy, Dobbie, Lindsay, & Gillespie, 2009). The lack of it may stigmatize the people, leading even to social exclusion (Anderloni, 2008). Having bank account is an important precondition to participate in the economy in which a person lives (Gloukoviezoff, 2007). At the same time it needs to be mentioned that because of just possessing a bank account, one cannot claim to have been fully financially included as the word ‘finance’ encompasses more services/products than just a bank account.

3.1 Extent of Banking Exclusion

Looking into the extent of banking exclusion among the tribes, it is found that banking exclusion, that is exclusion from having a savings bank account, is extremely negligible (around 5 percent) among the tribal communities(Table No.2). Obviously, the drive of banking inclusion strategies that have been aggressively followed under the stewardship RBI might have contributed to this huge number of tribal people holding a bank account. Nevertheless, what is observed here is just a picture of tribes holding at least a bank account or those who have opened

a bank account irrespective of whether they use it or not. What is noteworthy is that approximately 95 percent do hold an account.

Table 2: Status of Having Accounts-Tribe Wise

Status of having bank accounts	Tribal Communities				Total
	Kurichya	Kuruma	Paniya	Adiya	
Yes, do have bank accounts	96.20	97.40	93.10	96.60	94.80
Not having bank accounts	3.80	2.60	6.90	3.40	5.2
within tribal group	100	100	100	100	100

Source: Field Survey, 2012. Chi-square P value is .345 (Not significant)

Having seen that the extent of banking exclusion is low among the tribes, it is worthwhile to look into whether there exist any differences among tribe communities in respect of their access to bank account. Evidently, amongst the tribes the Kuruma tribe has 97.4 percent of households with a savings bank account, while the Paniya tribe, both a backward and a non-primitive tribe has 93.1 percent of households with savings bank accounts. Chi-square test reveals that there is no significant difference among tribe communities in respect of having bank accounts (Table No.2).

3.2 Type of Bank Accounts

Banks offer different type of accounts viz. savings bank account, current account, recurring deposit account, and deposit account to the customers. Apart from these, with the implementation of MGNREGS programme, the MGNREGS account has become very popular in recent times in rural areas. Since India has one of the largest postal net works in the world and post offices are popular in rural areas, accounts with the post offices are also reckoned as a type of accounts in this study. From the discussions with the bank officials and tribal promoters, it has become known that certain households among tribes tend to have both savings bank accounts and NREGS account, and hence one more category of account has been incorporated in this study, namely ‘both Savings bank and NREGS account category.

Unsurprisingly, it is revealed that most of the tribe households posses MGNREGS account, showing the phenomenal importance that the MGNREGS programme has received among the tribes (Dreze & Khera, 2011). However, the percentage of tribe households holding Savings

Bank Account alone appears to be only 25.3, while 22.8 percent hold both Savings Bank Account and NREGS account together. This is because of the fact that MGNREGS account has been considered as a special purpose account, which is opened to receive income arising out of works done under the MGNREGS programme. It is interesting to note that tribes hold relatively less number of post office saving bank accounts.

Table 3: Tribe Wise Distribution of the Type of Accounts

Type of Account	Tribal Communities				Total
	Kurichya	Kuruma	Paniya	Adiya	
Savings Bank Account	31.00	44.60	15.20	33.30	25.30
Post Office Account	1.00	0.00	0.00	7.00	1.10
NREGS Account	44.00	14.90	68.70	33.30	50.80
Both SB Account and NREGS Account	24.00	40.50	16.00	26.30	22.80
% within tribal group	100	100.00	100	100	100.

Source: Field Survey, 2012. Chi-Square Test P value is .000 (Significant)

Our next attempt in this section is to investigate into inter tribal differences in holding different type of accounts. First, we shall have a look at the tribe wise distribution of the type of account. Among the tribe communities, the Kuruma tribe has exhibited a distinguishing picture as exactly 44.60 percent of households belonging to this tribe hold savings bank account and 40.50 percent hold both saving banks and MGNREGS account (Table No.3). The percentage of Kuruma households holding MGNREGS account alone hovers around just 15 percent. None from this tribe appears to have secured a Post Office Account. In contrast to this, the Paniya tribe has not fared well in possessing different type of accounts. Its historical backwardness has reflected on their pattern of holding bank account as well. Among the Paniya community, only 15.2 percent hold savings bank account alone where as 68.7 percent hold MGNREGS account not combined with the Savings Bank Account. The percentage of Paniya households holding both Savings Bank account and MGNREGS account hovers around only 16 percent. Quite interestingly, it appears, however, that the Kurichya and Adiya tribe, respectively a forward and backward tribe community, share seemingly similar status in respect of the type of account they hold. For instance, the percentage of Kurichya household possessing savings bank account is slightly lower (31 percent) than that of the Adiya household (33.3 percent). Similarly, regarding both

Savings bank account and MGNREGS account, amongst the Kurichya and Adiya tribes respectively 24 and 26 percent hold these accounts. The holders of Post Office Savings Account are relatively more amongst the Adiya tribe (7 percent). It again astonishes that amongst the Kurichya tribe 68.7 percent hold only MGNREGS account. The reason why Kurichya tribe hold more MGNREGS account is that members of this community are more actively involved in MGNREGS work on account of the awareness of this programme amongst this community.

Let us now turn to the Chi-Square test to see whether there prevails any significant difference amongst these tribe communities with regard to the distribution of different type of bank accounts. The analysis shows that since the P value is .000 at 5 percent level of significance, there is significant difference in respect of the distribution of different type of bank accounts (Table No.3).

3.3 Reasons for Exclusion from Having Bank Accounts

Now we need to probe into factors that have culminated into the banking exclusion of a meager 5 percent of tribes. Literature on financial exclusion/banking exclusion suggests five factors viz. Price Exclusion, Marketing Exclusion, Condition Exclusion, Access Exclusion, Self Exclusion and Geographical exclusion (Sinclair, 2001) that could lead to financial/banking exclusion. All these factors when taken individually may not be as relevant to the tribal communities as in the case of general population. Nevertheless, for analytical exercise, it would be apt to enquire about these factors leading to banking exclusion of tribes in the study area.

Table 4 Reason for Exclusion from Bank Accounts

Reason for Exclusion	Tribal Communities				Total
	Kurichya	Kuruma	Paniya	Adiya	
Access Exclusion	0.00	0.00	11.10	0.00	7.70
Condition Exclusion	25.00	50.00	0.00	50.00	11.50
Marketing Exclusion	0.00	0.00	16.70	0.00	11.50
Self Exclusion	75.00	50.00	72.20	50.00	69.20
Total	100	100	100	100	100

Source: Field Survey, 2012. Figures are in percentages

As the table portrays (Table No.4), one cause of banking exclusion namely geographical exclusion which arise either due to the lack of sufficient number of bank branches or due to the closure of existing braches, called ‘geographical desertification’ in the literature on financial exclusion, has rarely been cited to be a factor resulting in banking exclusion in this study¹. Of the rest of the four causes shown in table, we find that most of the respondents excluded from having bank accounts have suggested that they own no account with bank because of reasons attributed to themselves. Needless to add, one needs to explore on this ‘self exclusion’, the most frequently cited cause of banking exclusion (69 percent). Condition exclusion has been cited to be the second most important reason contributing to banking exclusion. Around 12 percent of the respondents have opined that conditions attached to opening bank accounts tend to dissuade them from attempting to open accounts. The other two types of causes have also been cited as factors leaders to the banking exclusion of the tribes.

As regards tribe community approach to the causes of banking exclusion, it is obvious from the table (Table No.4) that 75 percent of Kurichya tribe has cited self-exclusion as the most important factor discouraging them from opening accounts. The Paniya (72 percent) and Kuruma (50 percent) communities have also cited self-exclusion as the main cause of banking exclusion. Hence, it can be presumed that financial exclusion is self-driven, or demand driven, as supply side bottlenecks are apparently insignificant. Thus, it is obvious that self-exclusion has been singled out as the main reason for banking exclusion among the tribes.

3.4 Reasons for Taking Bank Accounts

In the preceding section, we have observed that an overwhelming number of tribe households in the study area are in a position of having received at least one bank account, and most of them hold either a savings bank account or an MGNREGS account. Perhaps, owing to the wide popularity that MGNREGS has received, it is observed that the tribe households, regardless of the community in which they belong, hold both savings bank account and the NREGS account. This being the picture of the status of holding bank accounts among the tribe households, now it would be of interest to investigate into the reasons that influenced the tribes to open accounts with banks. As the table exhibits (Table No.5), the study has put forth five possible reasons that

¹ It is to be noted here that ‘current debates over the pattern and causes of financial exclusion have moved beyond the issue of geographic proximity to other aspects (Sinclair, McHardy, Dobbie, Lindsay, & Gillespie, 2009).

might have acted as compelling factors behind tribes opening accounts with banks. Of course, the first is ‘Self Decision’, and around 29 percent of tribes have cited this as the main reason for taking accounts. Nevertheless, more enticing is the role of MGNREGS, an employment guarantee programme, in forcing the tribes to open bank accounts. The mandatory practice under MGNREGS is that the payment is disbursed to the workers via bank accounts, which make owning and operating bank accounts unavoidable for all the beneficiaries of MGNREGS, no matter how effectively and frequently they use it.

Table.5 Reasons for Taking Bank Accounts

Reason for Taking Accounts	Tribal Communities				Total
	Kurichya	Kuruma	Paniya	Adiya	
Self Decision	48.00	58.10	13.60	24.60	29.1
Pressure from Banks	3.00	13.50	9.50	24.60	10.5
Pressure from relatives and friends	2.00	9.50	4.90	12.30	5.9
for NREGS	47.00	18.90	72.00	38.60	54.4
Total	100	100	100	100	100

Source: Field Survey, 2012. Chi-Square Test P value is .00 (Significant)

It is here we have to ponder over the influence of labor market in the process of inclusive growth and more particularly in the context of widening access and use of financial services among the tribes. The Integrationist Approach to Financial Inclusion reiterates that the best way of connecting people with finance and thereby ensuring their participation in the whole gamut of economic and social process is first to connect the people with the labor market. The data captures from this study also corroborates this aspect, where it has been found that an overwhelming percentage of tribes, that is in the vicinity of 54 percent, have cited their involvement in MGNREGS as the main reason for taking bank accounts. Since Tribes lead a community life involving much interdependence among households and members, one may naturally expect that friends and relatives may have influences on the decision making process of tribes with regard to opening bank accounts. However, contrary to this, the present study has found that relatives and friends have hardly had any role in making a household included in the banking system. This is evident from the fact that only a meager 5.9 percent of tribes have opined that they took bank account consequent upon the pressure exerted on them by their friends and relatives. In the light of financial inclusion drive that has been on an unprecedented pace in India under the direction of RBI, the pressure from banks on tribes for opening accounts

should have been a major reason for opening bank accounts. Nonetheless, the data in this study has hardly anything substantiate to suggest that banks have been pressurizing tribes for opening accounts. The table speaks of the fact that only 10.5 percent of tribes have reported that they opened accounts following pressure from banks. Now, our endeavor is to understand whether different tribe communities exhibit any difference in respect of the reasons for opening banks accounts. This would through light on the factor, which has worked well for a particular tribe community in their decision of opening accounts with banks.

Looking at the table (Table no.5), it is obvious that 47 percent of Kurichya households choose to open bank accounts merely because of reasons attributed to MGNREGS and nearly 48 percent owns bank accounts because of their own decision. Only 3 percent and 2 percent of Kurichya households hold banks account because of the reasons viz. pressure from banks and pressure from relatives and friends respectively. For the Kuruma tribe the dependence on MGNREGS for opening accounts is considerably very less, which is clear from the fact that only around 19 percent have suggested MGNREGS as the root cause for opening accounts whereas 58 percent consider 'self decision' as the main reason for opening bank accounts. Not surprising is the role of MGNREGS in tempting the households from the Paniya tribe to have bank accounts. It is found that an overwhelming percentage, that is 72 percent, of Paniya households hold account because of their participation in MGNREGS. The influence of self-decision (only around 14 percent) is remarkably very less as far as the Paniya tribe is concerned. Among the Adiya tribe, another backward tribe under our study, while approximately 24.6 percent each cite self-decision and pressure from banks as the main factor forcing them to have bank accounts, around 39 percent is of the view that it is their participation in MGNREGS, which has prompted them to open bank accounts. Since the P value in the Chi-Square Test is less than .05, the study concludes that there is significant difference among tribe communities as far as the factors that influence them to open accounts are concerned.

4. Concluding Observations

Thus we have highlighted the extent and nature of banking exclusion among the tribal communities that come under this study. The study reveals that banking exclusion on prima facie is not widespread among the tribes as ninety-five percent of the tribe household in our study hold bank accounts. Simply put, they have not been excluded from the banking services at least in the

name of providing a bank account. In the case of tribes, the study has found that most of the tribes have taken account just to bring in line with the mandatory requirements by the government such as the disbursement of wage of MGNREGS through the bank accounts. From this perspective, we may have to contend with the fact that forcefully tribes have been asked to open accounts. We find hardly any sign of demand following financial inclusion among the tribal communities. The analysis of inter tribal variation with regard to banking exclusion and reasons thereof provides us with interesting results.

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