

A Study on Inclusive Finance and Demographic Status of Rural and Tribal Women in Rural Districts of Tamil Nadu

Dr. Basuvaraj M¹ and Dr. M. Jegadeeshwaran²

Assistant Professor, Department of Commerce and Business Administration, University of Allahabad, Uttar Pradesh¹
Associate Professor, Department of Commerce, Bharathiar University, Coimbatore, Tamil Nadu²

Abstract: *The study examines the relationship between inclusive finance and the demographic status of rural and tribal women in eight rural districts of Tamil Nadu. It highlights the challenges of financial exclusion caused by factors like lack of infrastructure and accessibility. Through a survey of 384 respondents, the study analyses demographic factors such as age, caste, income, education, marital status, occupation, and bank affiliation. The findings emphasize the need for tailored financial literacy programs and improved access to banking services to promote socio-economic empowerment among rural and tribal women, ensuring equitable financial inclusion across diverse groups.*

Keywords: Inclusive Finance, Rural and Tribal Women, Demographic Analysis, and Rural Districts

I. INTRODUCTION

All over the world, developing economies are anticipating a new channel to eliminate poverty and include every citizen in economic growth and socio-economic development. The Indian government has a long history of working to expand financial reach to the poor and downtrodden, particularly in rural India, to engulf them in building a strong India and being a part and partner in a new economic world order. To build a strong India, the financially excluded should be provided with banking facilities and services. Barriers like lack of identity proof, poor infrastructure, and distance between the bank and the residential area of the people play a vital role in financial exclusion. The economic exclusion was defeated in various phases by the nationalization of the major private sector banks in 1969, and the expansion of rural bank branches resulted in public sector banks accounting for about 56 percent of total rural branches in 2022. Microfinancing by setting Self Help Groups has been introduced to uplift people experiencing poverty. Pradhan Mantri Jan Dhan Yojana has been implemented to expand the coverage of people towards opening accounts in banks; more than 46.25 crore beneficiaries banked under PMJDY since inception, amounting to Rs. 1,73,954 crores. To help the rural poor, the Reserve Bank of India has initiated the Kisan credit card, through which 76 million people have benefited. The Indian Council for Research on International Economic Relations (ICRIER) has measured the financial inclusion index to determine the extent of the reach of banking services IFI values (Availability and Usage dimensions India has been ranked 38. Though all these initiatives did give encouraging results, the vast population was still left behind. Encouraged by all the initiatives, the Reserve Bank of India is looking at covering the entire population in inclusive growth by bringing them under the banking umbrella through financial inclusion. Despite impressive economic growth over the last two decades, many countries in the world are experiencing inequalities leading to adverse consequences for social cohesion, which, in turn, could dampen growth prospects (Zhuang & Hasan, 2008). For growth to be sustained in the long run, it should be inclusive and broad-based across all sectors and sections of the economy (George, 2011). Inclusive finance and socio-economic development promote economic growth, increase the standard of living, reduce poverty, decrease disparity, promote agricultural growth rate, and provide new work opportunities (Deutscher & Jacquet, 2009). Therefore, financial inclusion has emerged as an important topic on the global agenda for sustainable long-term economic growth. It is a stepping stone and is integral to the country's inclusive growth process and sustainable development (Sadakkadulla, 2007; Subbarao, 2010). Financial Inclusion is defined as ensuring access to timely and adequate credit and financial services to vulnerable groups at an affordable cost. In recent



years, financial inclusion and socio-economic development have been the objectives of developing countries. Various attempts have been made to familiarize people with financial inclusion. Inclusive growth and socio-economic development can be achieved by providing financial services and financial literacy to the financially excluded people in rural areas.

Rural and Tribal Districts in the State of Tamil Nadu

As of 2023, there are 38 districts in Tamil Nadu. The selected eight districts are the most rural, tribal, and hill station districts. These eight districts have 4202 villages, and most of the villages are located at rural and hill stations, and many of the villages do not even have transport facilities. The districts are The Nilgiris, Krishnagiri, Dharmapuri, Ariyalur, Viluppuram, Vellore, Cuddalore, and Tiruvallur districts. They are struggling to get proper socio-economic development and inclusive finance, and the gap continues.

II. REVIEW OF LITERATURE

Asian Development Bank (2000) "Finance for the Poor: Microfinance Development Strategy." It mentioned that in the absence of an inclusive formal financial system, poor individuals and small entrepreneurs must rely on informal sources to invest in better opportunities because of its timely availability and easy accessibility, but at a much more significant interest burden. Financial inclusion can help remove this Impediment. It can help in reducing inequality and poverty through several channels. Credit, savings, and insurance facilities enable people experiencing poverty to take advantage of financial resources beyond their own capabilities. It facilitates them in building funds for potentially profitable investment opportunities or smoothening their future consumption.

Chelliah R.J and Shanmugam K.R (2001) have studied "Some aspects of Inter-District Disparities in Tamil Nadu." The researchers attempted to analyze the causes of some districts' relatively low-income levels. They found that there are considerable inequalities in income and disparities in levels of human development among districts in Tamil Nadu. In addition, the income inequality is much higher than the inequality in human development. They found that low agricultural productivity and social backwardness could also be reasons for the low income.

Nicholas Crafts (2002) has measured "The Human Development Index 1870-1999: Some Revised estimates". He concluded that the HDI has given an optimistic picture of economic development in the twentieth century. Improvements in life expectancy were a significant achievement worth a great deal to the average person and should be given much more prominence by economic historians.

Littlefield et al. (2003) have conducted a study on "Is Microfinance an Effective Strategy to Reach the Millennium Development Goals?" and they concluded that access to financial services helps people experiencing poverty and has a positive impact on nutrition and health outcomes, demand for education and the status of women within a household were developed.

Treasury (2004) in his report on "Promoting Financial Inclusion," explained the demand side and supply side factors of financial exclusion. In the report, the demand side factors were described as self-exclusion. Factors such as the inadequacy of banking services, lack of banking advice to the disadvantaged class, etc., have been discussed on the supply side. Moreover, the government's new initiatives in lessening the extent of exclusion were broadly explained throughout the review.

Leelaadhar (2005) in his study "Taking Banking Services to the Common Man-financial Inclusion," stated that banks should undertake various strategies to expand the outreach of their services in order to promote financial inclusion. The banks would have to evolve specific strategies to expand the outreach of their services in order to promote financial inclusion. One of the ways in which this could be achieved in a cost-effective manner is by forging linkages with microfinance institutions and local communities. Banks should give wide publicity to the facility of no-frills accounts. Further, the study suggested that technology could be a very valuable tool in providing access to banking products in remote areas.

Mohan (2006) in his article "Economic Growth, Financial Deepening, and Financial Inclusion," studied the consequences of financial exclusion and stressed that financial deepening was very necessary. The consequences of financial exclusion entirely depend upon the irregular cash flows. He believed that providing appropriate low-cost, fair,



and safe financial products, services, or instruments like bank accounts, affordable credit, assets, savings, insurance, payments, and remittance facilities, as well as money advice from mainstream providers to all, would strengthen financial deepening and provide resources to the banks to expand credit delivery.

Agarwal (2007) in his article "100 percent Financial Inclusion: a Challenging Task Ahead," studied the current scenario of financial inclusions in India and revealed that there is significant variation across states in the number of accounts per hundred adult population. Although population group-wise distributions of deposits and credits of scheduled commercial banks showed that the percentage share of deposits is on the decline in the rural, semi-urban, and urban areas, the share in metropolitan had been rising continuously. The credit share is lower than deposits in all regions except metropolitan. This clearly points to the bank's focus on high-potential areas of operation. As a result, many poor are excluded from banking services.

Kauhal.S.K (2007) made a study on "Performance of Women's Self Help Groups (SHGs) in District Moradabad, Uttar Pradesh". The main objective of the study was to find out the relationship between socioeconomic characteristics and group processes. The study was carried out in Moradabad, Uttar Pradesh. A total of 160 respondents from selected SHGs constitute the sample of the study by random sampling method. The descriptive research design was used. The findings of the study show that the group process has a positive significant relationship with education, participation, maintenance function, interpersonal trust, and group cohesiveness. Women's participation in SHGs enabled them to discover inner strength, gain self-confidence, social and economic empowerment, and capacity building.

Kumar. K.D. Singh and P. Kumar (2007) through their study "Trends in Rural Finance: Performance of Rural Credit and Factors Affecting the Choice of Credit Sources," highlighted the discrimination of credit flows among regions and among different households. The less educated and the poor people were mostly excluded from banking services. Further, the procedure for loan disbursement could be made simple so that it would not be difficult for less educated and illiterate households to access institutional financing agencies for credit.

Statement of the Problem

India has made an enormous difference by prioritizing financial inclusion through its policies and other initiatives. However, due to the sheer size of the population and the considerable disparity between the urban and rural parts of the country, a large section of the adult population still does not have access to formal financial services. Cost-effectiveness and sustainable delivery mechanisms to reach out to remote locations further add to the situation's complexity. Access to financial services has been recognized as an important aspect of development, and more emphasis is generally given to extending financial services to low-income households. Inclusive finance is an important tool for combating the multi-dimensional aspects of poverty and Socio-economic development (Nalini & Mariappan, 2012).

III. OBJECTIVE AND METHODOLOGY OF THE STUDY

To study the inclusive finance and demographic status of rural and tribal women in rural districts of Tamil nadu. The research is mainly based on rural and tribal areas that will be collected from the sample respondents through the survey method by administering the questionnaire developed for the purpose. A well-structured interview schedule questionnaire was designed and distributed to 384 respondents from selected sample areas to gather the required data for this research work. Before data collection, a pilot study was undertaken, and 80 questionnaires were distributed to respondents from rural and tribal districts in Tamil Nadu. Based on the responses obtained, certain modifications were made to that questionnaire, and the final instrument was developed and distributed, and the data from the sample respondents was collated. The percentage analysis used for studying the demographic profile. The study comprises rural and tribal women from rural and tribal districts in Tamil Nadu. The rural and tribal districts are the Nilgiris, Krishnagiri, Dharmapuri, Ariyalur, Viluppuram, Vellore, Cuddalore, and Tiruvallur districts. The following table explains the number of sample respondents selected from the rural and tribal districts under the multistage random sampling method. For SAMPLE Size Determination Using Krejcie and Morgan Table. The Limitations of the confined only to the eight rural districts; hence, the results cannot be generalized to the other remote and hill areas.



District Wise Selection of Samples from Rural and Tribal Areas of Selected Districts

S.No.	Name of the Districts	No. of Sample Respondents
1	The Nilgiris	48
2	Krishnagiri	48
3	Dharmapuri	48
4	Ariyalur	48
5	Viluppuram,	48
6	Vellore	48
7	Cuddalore	48
8	Tiruvallur	48
Total		384

Source: Krejcie & Morgan (1970)

Demographic information of selected respondents

Age, caste, education, marital status, income, occupation, and bank affiliation are the demographic factors used in this study. This chapter provides the respondents' descriptive statistics according to each of these variables.

Age-wise classification of respondents

The respondents' age group is divided into four primary groups: those under 30, those between 31 and 40, those between 41 and 50, and those over 50. The following table shows the frequency distribution of the aforementioned categories.

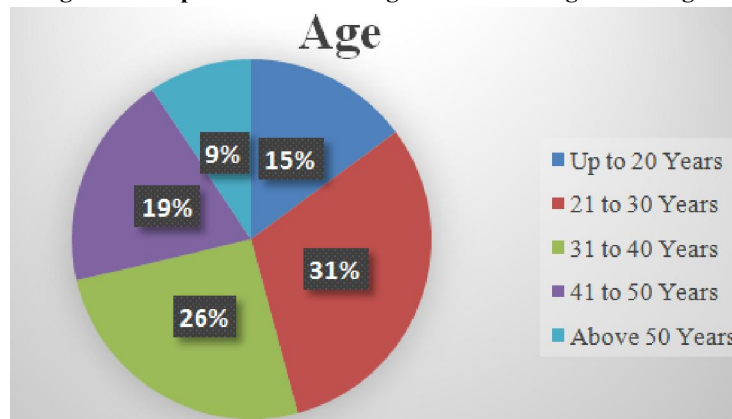
Table 1: Age-Wise Classification of Respondents

Age	Frequency	Percentage
Up to 20 Years	57	14.84
21 to 30 Years	119	30.99
31 to 40 Years	98	25.52
41 to 50 Years	74	19.27
Above 50 Years	36	9.38
Total	384	100.00

Source: Survey

The table 1 indicates the Age-Wise Classification of Respondents. In Tamil Nadu, the age-wise classification data on rural and tribal women provides a thorough overview of the demographic data. The majority of respondents (30.99%) are between the ages of 21 and 30, indicating a significant number of rural and tribal women working in financial products and services.

Figure 1: Respondents were categorized according to their age.



On the other hand, 25.99% of all responses showed that women between the ages of 31 and 40 utilize financial services to a considerable extent. Many respondents (19.27%) are in the 41-50 age range, while 14.84% of rural and tribal women under 20 years old took part in the poll. Only 9.38% of respondents were over 50 and showed little interest in financial goods and services. The age range of rural and tribal women is highlighted by this data, which also highlights the significance of adjusting financial programs and services to suit the distinct requirements and goals of women at various stages of life in order to promote greater financial inclusion and empowerment among rural women.

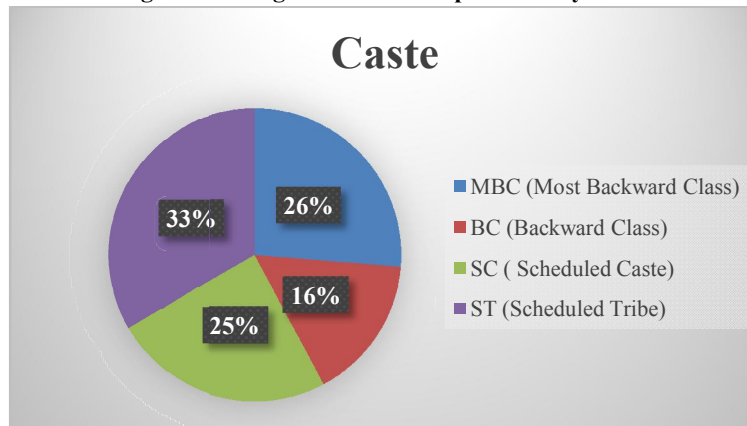
Table 2: Categorization of Respondents by Caste

Caste	Frequency	Percentage
MBC (Most Backward Class)	101	26.30
BC (Backward Class)	61	15.89
SC (Scheduled Caste)	94	24.48
ST (Scheduled Tribe)	128	33.33
Total	384	100

Source: Survey

The table 2 shows the Caste-Wise Classification of Respondents. The proportion of rural and tribal women who use banking services across various caste groups is shown by the caste-wise categorization statistics. The Scheduled Tribe makes up the majority (33.33%), followed by the most backward class (26.30%), Scheduled caste (24.48%), and Backward Category (15.89%). In order to eliminate gaps and guarantee fair access to banking services across different caste groups, targeted financial inclusion activities are crucial, as seen by the statistics showing the variety of rural women's access to banking facilities.

Figure 2: Categorization of Respondents by Caste



Classification of Respondents by Income

The respondents' monthly income is divided into five categories: below Rs.5000, between Rs. 5001 to Rs. 10,000, between Rs. 10001 and Rs. 15,000, between Rs. 15001 and Rs. 20,000, and beyond Rs. 20,000.

Table 3: Classification of Respondents by Income

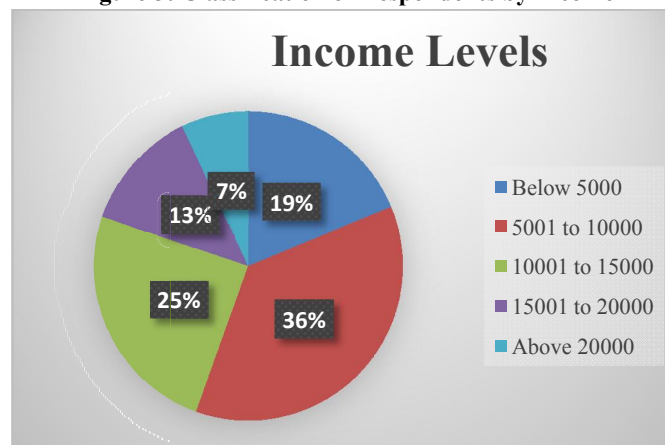
Income Levels (Monthly)	Frequency	Percentage
Below 5000	72	18.75
5001 to 10000	141	36.72
10001 to 15000	95	24.74
15001 to 20000	49	12.76
Above 20000	27	7.03
Total	384	100

Source: Survey



The table 3 depicts the Income - Wise Classification of Respondents. A varied economic environment among the respondents is revealed by the income-wise classification of Tamil Nadu's rural and tribal women who use banking goods and services. The bulk of respondents (36.72%) are in the moderate-income range, which is between Rs. 5001 and Rs. 10,000. The 24.74% are those who make between Rs. 10,000 and Rs. 15,000 per month. Additionally, 18.75% of individuals make less than Rs. 5,000, while 12.76% and 7.03% of people make between Rs. 15,000 and Rs. 20,000 and beyond Rs. 20,000, respectively. A higher-income group is represented by those making more than Rs. 20,000 per month. This detailed income categorization not only reveals the economic diversity within rural women but also emphasizes the importance of designing financial products and services that cater to the specific needs and aspirations of these distinct income groups. It underscores the significance of inclusive finance and socio-economic efforts in Tamil Nadu, which should consider the income disparities and requirements of rural and Tribal women to ensure equitable access to financial resources and opportunities for economic empowerment.

Figure 3: Classification of Respondents by Income



Classification of Respondents by Education

The respondents' educational background is divided into six groups: illiterate, below 10th, 10th passed, 12th passed, graduation, and post-graduate. The following table shows the frequency distribution of the aforementioned groups.

Table 4: Classification of Respondents by Education

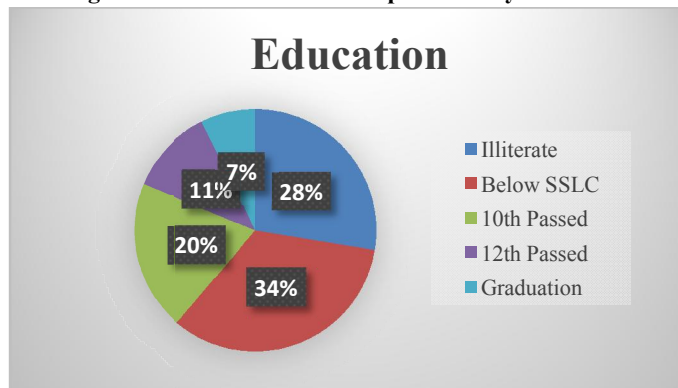
Education	Frequency	Percentage
Illiterate	106	27.60
Below SSLC	129	33.59
10 th Passed	77	20.05
12 th Passed	44	11.46
Graduation	28	7.29
Total	384	100

Source: Survey

It could be understood from the table 4 education-wise classification of respondents, there is a wide spectrum of educational accomplishments among rural and indigenous women, according to statistics on their educational backgrounds. While 27.60% of sample respondents are illiterate, 20.05% of respondents passed the 10th grade, and 11.46% passed the 12th, a significant majority (33.59%) has finished their education up to the 10th grade. In addition, just 7.29 of rural and tribal women had graduated. The need for customized financial literacy and inclusion programs that address the many educational backgrounds and levels of rural women is reflected in this educational variety, which will eventually support financial inclusion and economic empowerment throughout this diverse group.



Figure 4: Classification of Respondents by Education



Classification of Rural and Tribal Women by Marital Status

Three categories are used to classify the rural and tribal women's marital status: widowed, unmarried, and married.

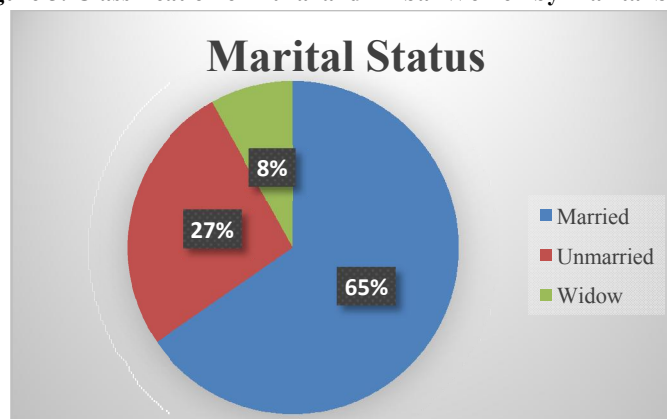
Table 5: Classification of Rural and Tribal Women by Marital Status

Marital Status	Frequency	Percentage
Married	251	65.36
Unmarried	102	26.56
Widow	31	8.07
Total	384	100.00

Source: Survey

The table 5 indicates the marital status of Respondents. A wide range of life experiences may be seen in the marriage status of tribal and rural women. The married category had a sizable majority of responders or 65.36 percent. On the other hand, 26.56% of tribal and rural women are classified as single. The large percentage of people in this category who have lost their marriages (8.07%) underscores the hardships they confront. According to this research, it is crucial to include rural women's marital status when creating financial inclusion programs since it might significantly affect their demands and financial situation. To improve widowed women's economic well-being and general financial inclusion, special attention to their particular needs is especially important.

Figure 5: Classification of Rural and Tribal Women by Marital Status



Classification of Respondents by Occupation

According to their occupation, the respondents are divided into four groups: daily wage workers, farmers, 100 Days Work Scheme participants, and self-employed people.



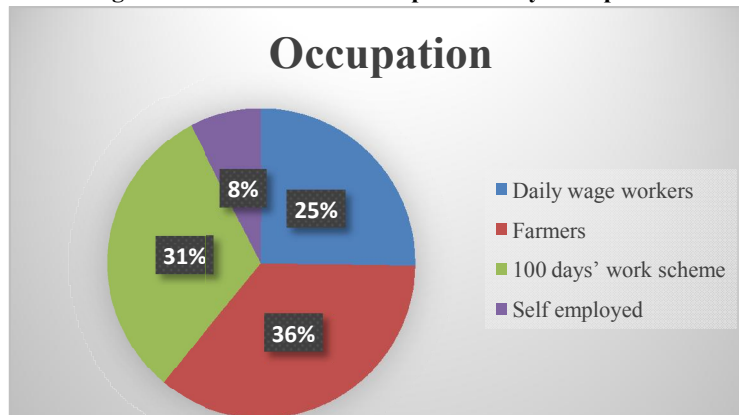
Table 6: Classification of Respondents by Occupation

Occupation	Frequency	Percentage
Daily wage workers	67	25.26
Farmers	137	35.68
100 days' work scheme	121	31.51
Self-employed	33	7.55
Total	384	100

Source: Survey

The table 6 demonstrate the classification of respondents by occupation. A wide variety of economic activities are shown by the data pertaining to the occupations of the tribal and rural women in the research. Farmers make up a sizable part (35.68%), reflecting the region's rural character and the significance of agriculture as a source of income. However, 31.51% of women in rural and tribal regions participate in the Mahatma Gandhi National Rural Employment Guarantee scheme, which highlights the fact that a sizable fraction of women participates in the program and that it is the primary source of income for many women. Additionally, 25.26 percent of the population are daily wage workers, which reflects the prominence of daily wage workers as a source of income for this group. Just 7.55% of people operate small-scale businesses by themselves. This variation in employment highlights the need for customized financial inclusion plans that address the unique financial needs and difficulties experienced by rural and tribal women working in a range of rural occupations.

Figure 6: Classification of Respondents by Occupation



Classification of respondents by bank-wise

By requesting the name of the respondents' affiliated Bank, the rural and tribal women are categorized by Bank.

Table 7: Classification of respondents by bank-wise

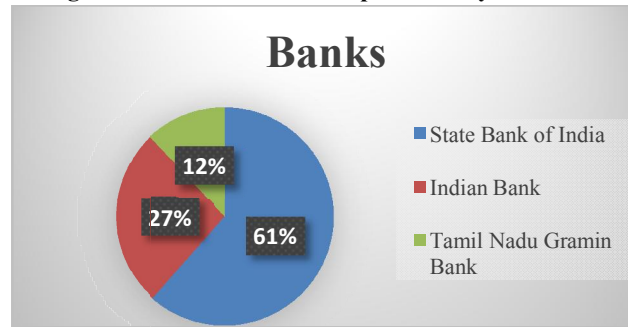
Bank	Frequency	Percentage
State Bank of India	236	61.46
Indian Bank	102	26.56
Tamil Nadu Gramin Bank	46	11.98
Total	384	100

Source: Survey

The table 7 shows the bank-wise classification of respondents. There are some intriguing trends in the banking choices of rural and tribal women, according to the statistics on bank selection. The State Bank of India is the financial institution of choice for a sizable majority (61.46%), demonstrating the national Bank's widespread presence and reputation. The fact that 26.56% of respondents chose Indian Bank and 11.98% chose Tamil Nadu Gramin Bank further demonstrates the value of regional and rural banks in meeting the community's financial requirements. This variation in bank choice highlights how crucial it is to provide a range of banking options and customized financial services to meet the unique needs and preferences of rural and tribal women.



Figure 7: Classification of respondents by bank-wise



Classification of respondents by area-wise

The Tamil Nadu districts from which the rural and tribal women are from are shown by the area-wise classification. It demonstrates that the survey included a sample of respondents chosen by district and block.

IV. CONCLUSION

The study on inclusive finance and the demographic status of rural and tribal women in Tamil Nadu reveals significant insights into the socio-economic challenges faced by these communities. Despite numerous government initiatives like the Pradhan Mantri Jan Dhan Yojana and Kisan Credit Card, financial exclusion remains a persistent issue due to barriers such as poor infrastructure, lack of awareness, and geographical isolation. The analysis of 384 respondents across eight rural and tribal districts highlights the diverse demographic characteristics, including age, caste, income, education, marital status, occupation, and bank affiliation. The findings indicate that a majority of rural and tribal women belong to lower-income groups and have limited educational attainment, which directly impacts their ability to access formal financial services. While most respondents are associated with public sector banks like the State Bank of India, there is a noticeable gap in the financial inclusion of marginalized groups, particularly among the elderly and widowed women. To bridge these gaps, the study emphasizes the need for targeted financial literacy programs, simplified banking processes, and enhanced outreach through local institutions. Special attention should be given to customizing financial services based on the unique needs of rural women to promote economic empowerment and sustainable development. By fostering inclusive financial practices, there is potential to improve the standard of living and reduce socio-economic disparities among rural and tribal women in Tamil Nadu.

REFERENCES

- [1]. Asian Development Bank (2000). Finance for the Poor: Microfinance Development Strategy. www.adb.org
- [2]. Chelliah, R.J and Shanmugam, K.R. (2001). Some aspects of Inter District Disparities in Tamil Nadu. Madras School of Economics. Working Paper.No.1, www.mse.ac.in.
- [3]. Nicholas Crafts (2002). The Human Development Index 1870-1999: Some Revised estimates. European Review of Economic History. 6,395-405.
- [4]. Littlefield Elizabeth, Jonathan Murdoch and Sayeed Hashemi (2003). Is Microfinance an Effective Strategy to Reach the Millennium Development Goals? CGAP Focus Note.
- [5]. Promoting Financial Inclusion (2004). HM Treasury. Crown Copyright.
- [6]. Mohan (2006). Economic Growth, Financial Deepening and Financial Inclusion. Paper presented at the annual bankers' conferences at Hyderabad, November 3.
- [7]. Agarwal .R (2007). 100 per cent Financial Inclusion: a Challenging Task Ahead. Paper presented in the conference on global competition and competitiveness of Indian corporate, Organized by Indian institute of management, Kanpur and Indian institute of management, Luck now.
- [8]. Kaushal, S. K. (2007). Performance of Women's Self-Help Groups (SHGs) in District Moradabad, U.P. International Journal of Rural Studies (IJRS), Vol.14, No.2, 1-5.



- [9]. Kumar. A ,K.D.Singh and P. Kumar (2007). Trends in Rural Finance :Performance of Rural Credit and Factors Affecting the Choice of Credit sources. Indian Journal of Agricultural Economics, 62(3), 297-312.
- [10]. Mehta,G. S. (2007). Financial Inclusion and Financial Literacy: Union Banks Initiatives. CAB Calling, 44-48.
- [11]. Ramesh.S and Sahai. P (2007). Universal Financial Inclusion in India: The Way Forward. CAB Calling, 69-73.
- [12]. Srinivasan. N (2007). Vision of Microfinance 2012: Madhya Pradesh. Microfinance India, Bhopal.
- [13]. Afrin, S., Islam, N., & Ahmed, S. U. (2008). A multivariate model of micro credit and rural women entrepreneurship development in Bangladesh. International Journal of Business and Management, 3(8), 169-180. <https://doi.org/10.5539/ijbm.v3n8p169>

