

Digital Financial Inclusion among Tribes: A Post Covid Pandemic Scenario

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ABSTRACT

Digital financial inclusion ensures that the marginalized and underserved population has digital access to and use of formal financial services. Such services should be personalized to the needs of consumers and delivered responsibly, at a cost that is both affordable consumers and fair for suppliers. For both individuals and companies, the digitalization of finance can reduce costs and open up new market and livelihood opportunities to help nations rebuild better after Covid-19. This study assesses the extent of digital financial inclusion and measures the awareness and usage level of digital financial services among tribal people in Kasaragod district, Kerala. The results showed that there is association between age of the respondents and the period of using digital financial services and also there is no significant difference between males and females in usage of digital financial services. The study reveals that people having different educational group have different level of awareness about digital financial services.

KEYWORDS: Digital financial inclusion, digital financial services, Covid-19, Tribal People

INTRODUCTION

The covid-19 global health crisis, which has quickly become an economic crisis, is seriously threatening people's livelihoods around the world. Financial inclusion implies the provision of financial goods and services at an affordable cost to low-income and marginalized communities in order to enhance their access to financial services and to grow their investment habits. Digital financial inclusion requires the introduction of digital means of cost reduction to access the already financially excluded and underserved population with a variety of formal financial services that are provided responsibly at a cost that accessible for consumers and sustainable for suppliers.

Cash transfer digitalization connects more users to transaction accounts, and mobile based financial services offer easy access even remote areas. All these developments add up to the rate of the poorest segment of society's inclusion in the formal financial channel. The use of digital technology to reach the unbanked population is one of the most recent

initiatives adopted by the RBI in the field of financial inclusion, bringing up great potential for financial services. In this context, digital platforms are expected to deliver low-cost financial services to both the poor and rural people, particularly in rural or distant locations, increasing digital financial access and therefore providing high-quality, accessible financial services. Digital technology continues to penetrate every nook and cranny of the country, transforming people's lives. However, it is unclear if these stages reach the bottom of the pyramid, and whether the general public is familiar with disadvantaged populations, such as tribal people, and digital innovation.

REVIEW OF LITERATUREs

Dr. Shafeer P S (2019) conducted a study on usage of digital financial services among youth form the college campus in Kerala by using purposive sampling method for data collection. The study concluded that most young people use mobile banking services at a moderate level, so the level of

How to cite this paper: Nisha K | Dr. Jayarajan T K "Digital Financial Inclusion among Tribes: A Post Covid Pandemic Scenario"

Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-5 | Issue-5, August 2021, pp.543-546, URL: www.ijtsrd.com/papers/ijtsrd43815.pdf



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use of digital banking services by young people is not significantly different.

Mayank Jindal and Dr. Vijay Laxmi Sharma (2020) investigated the usability of online banking in India during covid-19 pandemic. The aim of this study was to evaluate the contribution of online banking to avoid the covid-19 pandemic. Samples are obtained using a survey technique from the city area of Bulandshahr district of Uttar Pradesh. This study discovered that in the covid-19 period, online banking played a vital role in citizen protection. In the online payment from covid-19 virus, all types of individuals using online banking feel safe. People feels 89.12% comfortable while using online banking, according to the sampling and response.

Itai Agur, Soledad Martinez Peria and Celine Rochon (2020) conducted a study associated with IMF on digital financial services and the pandemic: opportunities and risks for emerging and developing economies. This research shows that digital financial services can communicate with banks, staff, suppliers and new markets easily and affordably. This helps governments to meet households and companies in a timely manner. During the responses to the covid-19 crisis, many of these take on added value, as government seek ways to rapidly and efficiently disburse funds to those in need and many households and businesses strive to access online payments and funding quickly.

Ulric Eriksson Von Allmen, Purva Khera Sumiko Ogawa and Ratna Sahay (2020), a global survey of more than 70 stakeholders has been conducted, including fintech companies, central banks, regulatory bodies and banks, to determine digital financial inclusion during covid-19. It demonstrates that global and national leaders need to close the digital gap across and within countries in order to create inclusive communities and resolve growing inequality throughout and after the current crisis to reap the benefit of digital financial services.

Immaculate Nafula Machasio (2020) conducted a study on Covid-19 and digital financial inclusion in Africa: How to leverage digital technologies during the pandemic. The study concludes that African countries with underdeveloped digital financial services are likely to be able to pool capital and introduce adaptive financial regulation as development partners and central banks have been at the forefront of formulating and implementing financial inclusion strategies to date.

Rgm Ayadi and Mais Shaban (2020) conducted a study on the role of digital financial inclusion as a pillar of resilience in responding to exogenous shocks

and pandemic, such as the covid-19 crisis, has been investigated and recommends prompt action to enter the unbanked through digital financial services to assist these vulnerable groups in the current difficult circumstances.

SIGNIFICANCE OF THE PROBLEM

A study in digital financial inclusion and awareness and usage if a digital financial service during covid-19 is more important in the present day situation. A game alteration for digital financial services may be the covid-19 pandemic. Development in mobile money, fintech services and online banking will greatly benefit low income households and small businesses. Financial inclusion can also improve economic growth as consequences of digital financial services. While the epidemic is expected to boost the use of these services, the development of the industry's smaller companies has been called into doubt, as has uneven access to digital resources. To ensure full inclusion going forward, multiple steps will need to be taken.

Digital financial inclusion enables tribal people to increase their investments, to access different financial services and make investment decisions. A study related to digital financial inclusion is relevant from this point of view in the tribal region, especially during the pandemic of covid-19. And if there is financial inclusion in rural areas, then financial inclusion in other areas will certainly also occur.

OBJECTIVES

1. To find out the extent of digital financial inclusion among tribal people in Kasaragod district.
2. To analyze the level of awareness among tribes with regards to digital financial services.
3. To study the usage digital financial services among tribal people in Kasaragod district.

HYPOTHESES

1. Different educational group have different level of awareness about digital financial services.
2. No significant difference between males and females in their usage of digital financial services.
3. There is no association between age and period of using digital financial services.

RESEARCH METHODOLOGY

Primary data is used for the study collected from the tribal people of Kasaragod district. 50 samples were collected from KuttikolPanchayath, Kasaragod district using multistage random sampling. Due to the fact that the majority of the respondents are illiterate, data is gathered through an interview schedule.

The Secondary data is used to evaluate the previous studies and recent updates done in this field. Using

different statistical tools, the collected data is categorized and analyzed.

ANALYSIS AND INTERPRETATION

Testing of hypothesis, No: 1

H₀: There is no significant difference between educational group and awareness level

Table 1: showing the test statistic of ANOVA

	Sum of Squares	Df	Mean Square	F
Between Groups	5437	4	1357	5.9
Within Groups	4894	20	230	
Total	10331	24		

Degree of freedom (K-1, N-K) = (4, 30)

Table value of F at 5% level of significance for (4,30) degree of freedom is 2.77. Calculated value of F is more than the table value of F. Therefore, the hypothesis that the different educational groups have different level of aware about digital financial services is accepted.

Testing of hypothesis, No: 2

H₀: There is no significant difference between males and females in their usage of digital financial services.

Table 4: t test for equality of means of usage of digital financial services.

Independent Samples Test					
	Levene's Test for Equality of Variances		t-test for Equality of Means		
	F	Sig.	T	df	Sig. (2-tailed)
Equal variances assumed	2.776	.102	-1.372	50	.166

INTERPRETATION:

T test shows that the significance value of t is 0.166 > 0.05. Therefore, the hypothesis that there is no significant difference between males and females in usage of digital financial services is accepted.

Testing of hypothesis, No: 3

H₀: There is no association between age and period of using digital financial services.

The chi-square test of independence was applied and the result is given below.

Table 5: chi-square test

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.503 ^a	16	.069

The Pearson chi-square value is 23.503 with 16 degrees of freedom and p value is 0.069 > 0.05 which is not significant. So the hypothesis that there is association between age of respondent and period of using digital financial services is accepted.

FINDINGS

- Majority of the respondents using mobile banking services.
- No significance difference between males and females in their level of usage of digital financial services.
- One of the reasons why some tribal people do not use financial services is financial illiteracy.
- 95% of respondents have bank accounts.
- Mobile and TV charges, payment of electricity bill and transfer of sums are the key application of online banking services.
- Because of covid-19, central and state governments have undertaken many initiatives to facilitate digital payment, so most of the respondents are aware of different digital financial services.

CONCLUSION

The purpose of the study was assessing the extent of digital financial inclusion among tribal people in Kasaragod district. The study showed that most of the respondents had a basic level of knowledge of different digital financial services. The results showed that there is association between age of the respondents and the period of using digital financial services and also there is no significant difference between males and females in usage of digital financial services. The study reveals that people having different educational group have different level of awareness about digital financial services.

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