

**INVESTMENT BEHAVIOUR OF TRIBAL PEOPLE OF JAMTARA DISTRICT OF
JHARKHAND STATE, INDIA.**

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Abstract

This exploratory study deals with the investment behaviour among the tribal population of Jamtara district of Jharkhand state, India. Tribal areas of Jharkhand are some of the poorest regions of Jharkhand. An increase in saving and investment behaviour is an important tool in fostering sustainable growth. This article gives an insight on the current situation and awareness level of tribal population about saving and investment and provided a brief insight on education level among tribal and how it is positively correlated with investment and savings behaviour among them. The article also brought an insight on huge number of un-skilled labor, increased financial inclusion, low income level among the tribal of Jamtara district. Based on the finding we need to understand that saving and investment behaviour is very low even though they are financially included. There is a strong need to plan financial literacy campaigns in these areas.

Keywords: Jamtara, Tribal, Financially Included, Financial Literacy Campaign.

JEL classification code: E2, G1, G2, H8, I2

Introduction

Santhal Pargana is one of the divisions of Jharkhand which is headquartered in Dumka. The division comprises of six districts: Dumka, Deoghar, Godda, Sahibganj, Pakur and Jamtara. As per 2011 Census, the district has an area of 1811 sq. km and population of 7,91,042. The district comprises of one subdivision (Jamtara) and six blocks viz. Kundhit, Nala, Jamtara, Narayanpur, Karmatanr and Fatehpur.^{1,2}

The district is located from 230-10' to 240-5' north and 860-30' to 870-15' east. Jamtara ranks 19th in terms of population and 21st in terms of total area in the state of Jharkhand. The economy is mainly dependent on agriculture. 64% of total workers are engaged into Primary sector.^{3,4}

Investment behaviour is an important attribute towards growth of the country. Indian financial industry too presents a plethora of savings opportunities to the investors. Investment is beneficial for both society and the economy. For the economy as a whole, overall investment sanctioned in the current period is prime determining factor of aggregate demand and level of employment. The current investment determines economy's future productive capacity and, ultimately contributes towards growth in the standard of living.

Various Investment avenues in India : □

- Savings Bank Account □
- Bank Fixed Deposit (Bank FDs) □
- Bonds and Debentures □
- Company Fixed Deposits (FDs) □
- Equity Shares
- Gold
- Government Securities
- Life Insurance Policies □
- Money Market Funds (liquid funds) □
- Mutual Funds □
- New Pension Scheme □
- Post Office Savings Schemes (POSS) □

- Public Provident Fund (PPF) ☐
- Real Estate ☐

Objectives Of The Study

- To analyze Savings and Investment pattern of Tribal people of Jamtara.
- To find co-relation between education level and investment pattern
- To find knowledge level of tribals regarding various investment avenues.
- To find co-relation between income level and investment pattern of tribals.

Review Of Literature:

Viswanath, P.V. in his article Connectivity and Savings Propensity among Odisha Tribals has observed that there are two different thoughts prevailing among tribal societies. Households with agriculture income and migrant workers are optimistic about saving needs. whereas people with lower income opportunities are traditional and considered saving as a precautionary measure of future emergencies. Government should train tribal communities about different business opportunities and investment avenues in order to uplift their livelihood. ⁵

V. Ramanujam and Dhanyamol. V. R has studied on Personality Traits Impact On Financial Inclusion Among Scheduled Tribes In Kerala concluded that social infrastructure and financial inclusion should go parallel in order to have all around development of tribal population. Access to financial services like saving, credit, Insurance and ATM services have positive impact on self employment, poverty and household consumption of common people ⁶

S. Saravanan and Dr. K. Poorna in their study on Financial Inclusion Policies and Scheduled Tribes in the Nilgiris District, Tamil Nadu & quot; have revealed that government schemes like PMJDY, KCC, Old age pension scheme, SHG bank linkage, MGMRG program and micro-credit facility influenced tribal people significantly. Most of them had bank accounts as remuneration under these schemes are paid through Direct Banking transfers (DBT). ⁷

Nanda, A.K. and Samanta, S. (2018), in their article Mainstreaming tribals through financial literacy – a review of literature & quot; has observed that exclusion from income generating activities, poverty, caste discrimination, lack of formal education, exploitation by money lenders and lack of financial literacy are the primary reason behind poverty among tribal population. ⁸

Kumar, Dr.B. Pradeep in their article & quot;Financial Vulnerability among Tribes in Rural Areas: Certain Observations from a Study observed that money lenders are the popular sources of credit among tribal people. Despite of various government effects tribal population particularly in rural area lack credit support from formal banking channels. Financial inclusions will be the effective solutions to come out of this problem. ⁹

Arunmozhi M. S(2016) in their work Tribal People of Nilgiris District and Their Financial Inclusion Awareness" has found that awareness about financial inclusion among tribal community is significantly less. Half of the tribal population are not aware about different financial inclusion initiatives. ¹⁰

A study by Das and Nath (2011) surveyed ST workers who had completed 100 days of work under MGNREGS (Mahatma400 Gandhi National Rural Employment Guarantee Scheme) in the financial year 2009-10/2010-11. in the districts of Ranchi and Simdega of Jharkhand state more than than 84 percent of accounts (84.25) were found having very less amount (i.e.Rs.100) of deposit and only the remaining accounts were found having more than Rs.200 at the time. The perceptions of Programme Officers of block, PRI members and Panchayat Secretary of Gram Panchayat, Gram Rozgar Sewak (GRS) of village, bank officers and post masters of the area towards the financial inclusion of ST wage seekers were found as negative. The proactive participation of financial institutions to facilitate the process of extending different financial services to the weaker, poor and vulnerable sections of the society to achieve inclusive growth through financial inclusion has been suggested.¹¹

Research Methodology

Research Design

The study has been designed to observe the Savings and Investment behavior of Tribal people of Jamtara district. The data has been gathered by questionnaire method. The responses obtained were analyzed by various statistical tools.

Sampling Design

Sample size: 100

Rationale of Selection

- Tribal people of Jamtara district
- Respondents from both Rural and Urban area
- Earning member of the family

Sampling Methods

Convenience method of sampling has been used to collect the data from the respondents. We have chosen the respondents based on their availability thus the name “convenience”.

Data Collection

Primary data – Collected through Structured Questionnaire method

Secondary data – Previous records from journals, magazines, Census of India and other sources.

Statistical Tools Used For Analysis

- Percentage analysis
- Chi-square test
- Bar chart
- Correlation Analysis

Limitations Of The Study

- The lack of knowledge of the respondents about different investment avenues.
- The research was focused only on tribal of Jamtara district.
- We faced language barrier during the survey as majority of respondents were not very much familiar with Hindi and English. They were comfortable in their mother tongue.
- Respondents were not comfortable to reveal their information
- As most of the respondents were workers and daily wage earners, it was difficult to approach them during day time.

Data Interpretation And Analysis

a. Age wise Classification of Respondents

Age	No.of Respondents	Percentage
18 to 20	4	4%
21 to 30	25	25%
31 to 40	32	32%
41 to 50	22	22%
51 to 60	14	14%
61 to 70	3	3%
Total	100	100%

Table no. 1: Age wise Classification of Respondents

Result and Discussion

The study has been conducted on earning members of the family. Majority of respondents were within the age-group 31 to 40 whereas number of respondents who fall into senior citizen age group (61 to 70) was the lowest. This indicates in overall sample, only 3% of senior citizens were earning members.

b. Sex wise Classification of Respondents

Sex	No. of Respondents	Percentage
Female	21	21%
Male	79	79%
Total	100	100%

Table no. 2: Sex wise Classification of Respondents

Result and Discussion:

The above data indicates that 21% of respondents were female whereas 79% were male. This also indicates only few tribal females are earning members of their families.

c. Education wise Classification of Respondents

Education	No. of Respondents	Percentage
Illiterate	15	15%
<5th std	21	21%
5th - 9th std	16	16%
10th	15	15%
12th/Diploma	16	16%
Graduate	15	15%
Post Graduate or higher	2	2%
Total	100	100%

Table no. 3: Education wise Classification of Respondents

Result and Discussion

As per the survey conducted, 15% of tribal people were illiterate, 37% were below 10th and 17% were graduate and above.

d. Occupation wise Classification of Respondents

Occupation	No. of Respondents	Percentage
Agriculture	27	27%
Workers and labors	36	36%
Business	10	10%
Salaried	15	15%
Self employed	6	6%
Others	6	6%
Total	100	100%

Table no. 4: Occupation wise Classification of Respondents

Result and Discussion

The above data indicates that majority of the respondents were Workers and Labors (36%), 27% were dependent on agriculture, 16% are self employed or run their own business and 15% were salaried.

e. Availability of Bank accounts

Availability of Bank Accounts	No. of Respondents	Percentage
No	12	12%
Yes	88	88%
Total	100	100%

Table no. 5: Availability of Bank accounts

Result and Discussion

As per the survey conducted, 88% of respondents were having bank accounts whereas 12% did not have bank accounts.

f. Income wise Classification of Respondents

Annual Income	No. of Respondents	Percentage
<50000	29	29%
50,000-1,00,000	36	36%
1,00,000-2,00,000	20	20%
200000-500000	11	11%
500000 - 800000	3	3%
>800000	1	1%
Total	100	100%

Table no. 6: Income wise Classification of Respondents

Result and Discussion

The study reveals that 29% of the respondents had less than 50,000 annual income, whereas 36% had annual income in the range of 50,000-100,000. Only 4% of the respondents had annual income more than 5 lakhs.

g. Investment Awareness wise Classification of Respondents

Investment Experience	No. of Respondents	Percentage
Beginner (no investment experience)	67	67%
Moderate (Comfortable with fixed deposits, Chit Funds, Post office)	30	30%
Knowledgeable (has -bought or sold individual shares of stock or bonds)	3	3%
Total	100	100%

Table no. 7: Investment Awareness wise Classification of Respondents

Result and Discussion

Above data indicates that 2/3rd of total respondents had no investment experience, 30% of them had moderate knowledge (comfortable with fixed deposit, chit funds etc.) whereas 3% were knowledgeable (exposure of share trading).

h. Preferred Mode of Investment wise Classification of Respondents

Preferred Mode of Investment	No. of Respondents	Percentage
Bank FD/RD	32	32%
Business	1	1%
Chit funds	3	3%
Gold	3	3%
Mutual fund	3	3%
Real estate	3	3%
None	55	55%
Total	100	100%

Table no. 8: Preferred Mode of Investment wise Classification of Respondents

Result and Discussion

The above data indicates that 55% of the respondents had no investment experience. Bank FD/RD was the most preferred mode of investment among the respondents (32%).

i. Respondents with Segregation of Short Term and Long Term goals

Segregation of Short Term and Long Term Goals	No. of Respondents	Percentage
No	82	82%
Yes	18	18%
Total	100	100%

Table no. 9: Respondents with Segregation of Short Term and Long Term goals

Result and Discussion

The survey reveals that 82% of the respondents have not segregated their short term and long term goals, whereas 18% have proper short term and long term goals.

j. Correlation of Education with investment, Life Insurance Coverage and Pension schemes

Parameter	Correlation Co-efficient		
	Exposure to Investment	Life Insurance Coverage	Pension Scheme
Education	0.49	0.63	0.4
Extent of Correlation	Moderate	High	Moderate

Table no. 10: Correlation of Education with investment, Life Insurance Coverage and Pension schemes

Result and Discussion

The analysis indicates that there is high correlation between education and life insurance coverage of the respondents. Higher the level of education, higher the chances of life insurance coverage.

Exposure to investment and pension scheme has moderate correlation with education. This indicates that education is one of the factor to influence these variables but there are also other influencing factors like income level, family size, occupation etc.

Findings:

- The study reveals that most of the earning members among tribal belong to 31-40 years of age group whereas most of the senior citizens have no source of income.
- A significant portion of population are illiterate and only 17% of the population have pursued their college education.
- Majority of the tribal of Jamtara district are workers and un-skilled labors. Agriculture is the second most popular occupation as most of them have ancestral agricultural lands.
- 88% of the tribal people have their bank accounts which was only 46% as per 2011 Census. Government initiatives such as Pradhan Mantri Jan Dhan Yojna has helped a lot to increase Financial Inclusion.
- Income level of tribal population is significantly low. 65% of them earn less than 1 lakh per year.
- More than 2/3rd of the population have no investment experience.
- Most of the tribal people have no proper short term and long term goals.
- Level of education is the most important factor behind life insurance coverage of an individual. Education also drives exposure to investment and pension schemes.

Suggestion:

- Government agencies and social service organizations should take strong initiatives to increase literacy level among tribal. They should be motivated to pursue higher education.
- Tribal youths should be trained on vocational courses which will help them to grab the opportunity of self employment or will help them to join skilled workforce, which in turn will increase their level of income.
- Most of the tribal have agricultural land and they follow traditional mode of cultivation. Proper training on usage of modern agricultural equipments and improved variety of fertilizers will help increase income level of tribal.
- Financial Inclusion status of tribal has significantly improved. As a next step, Government agencies and banks should conduct financial literacy programs and investment awareness campaigns to enhance investment behavior of tribal.

Conclusion:

The survey was conducted among Tribal people of Jamtara District. It was observed that there is enough scope to increase their literacy level. They need to be trained on vocational courses and must be motivated to pursue higher education. Most of the tribal people are financially included but they are not aware about various savings and investment opportunities. Very few of them have availed insurance coverage and pension schemes. Different Government agencies with collaboration of

Scheduled Banks need to design financial literacy programs to inculcate Saving and Investment behavior among tribal people of Jharkhand.

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