

## **A STUDY ON SAVINGS AND INVESTMENT BEHAVIOUR OF TRIBAL PEOPLE OF DEOGHAR DISTRICT OF JHARKHAND STATE, INDIA**

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### **ABSTRACT**

This exploratory study deals with the investment behaviour among the tribal population of Deoghar 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 its positive correlation with their investment and savings behaviour. The article also brought an insight on huge number of un-skilled labor, increased financial inclusion, low income level among the tribal of Deoghar 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:** Deoghar, Tribal, Financially Included, Financial Literacy Campaign.

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

### **INTRODUCTION**

The word 'Deoghar' has been derived from Hindi words 'Deo' meaning God and 'Ghar' meaning home. This place has gained an immense popularity as a pilgrimage destination of Eastern India and holds its importance as one among the twelve Shiva Jyotirlingams.

Deoghar is one among the six districts of Santhal Pargana division in Jharkhand state. The other five districts in the division are: Godda, Dumka, Pakur, Sahibganj, and Jamtara. According to 2011 Census, Deoghar district has population of 1,492,073 spread over an area of 2479 sq. km. There are two sub-divisions i.e. Deoghar and Madhupur and five development blocks: Deoghar, Mohanpur, Sarwan, Devipur and Sonaraitari in the district.

Deoghar is located from 24-10' to 24.48' North and 86.42' to 86.7 East. 28% of the land is highly fertile, which makes agriculture as one of the most popular source of livelihood across the district.<sup>3,4</sup>

Investment behaviour is important towards growth of a country. Indian financial industry offers a bouquet of savings and investment 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 (or 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 Deoghar.
- To find co-relation between investment behaviour and level of education.
- To find level of understanding of various investment opportunities among tribal people.
- 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 exigencies. Government should train tribal communities about different business opportunities and investment avenues in order to uplift their livelihood. <sup>5</sup>

V. Ramanujam and Dhanyamol. V. R has studied on &quot;Personality Traits Impact On Financial Inclusion Among Scheduled Tribes In Kerala & quot; concluded that social infrastructure and financial inclusion should go pallelly 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 <sup>6</sup>

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

Nanda, A.K. and Samanta, S. (2018), in their article " Mainstreaming tribals through financial literacy – a review of literature " 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. <sup>8</sup>

Kumar, Dr. B.Pradeep; in their article " 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. <sup>9</sup>

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. <sup>10</sup>

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 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 Panchayat Secretary of Gram Panchayat, PRI members, Programme Officers of block, Gram Rozgar Sewak (GRS) of village, post masters and bank officers of the area towards the financial inclusion of ST was not positive. 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. <sup>11</sup>

## RESEARCH METHODOLOGY

### Research Design:

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

### **Sampling Design:**

**Sample size:** 100

### **Rationale of Selection:**

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

### **Sampling Methods**

Convenience sampling method has been used for data collection.

### **Data Collection**

**Primary data** – Collected through Questionnaire method consisting of open and close ended questions.

**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 gap in understanding of the respondents about different investment options.
- The research was focused only on tribal of Deoghar district.
- We faced language barrier during the survey as majority of respondents were not very much familiar with Hindi and English.
- Respondents were hesitant to disclose their personal 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

### Age wise Classification of Respondents

Age Group	No. of Respondents	Percentage
21-30	12	12%
31-40	40	40%
41-50	35	35%
51-60	8	8%
61-70	5	5%
<b>Total</b>	<b>100</b>	<b>100%</b>

### Result and Result and Inference

The study has been carried out on earning members of the tribal 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 5% of senior citizens were earning members.

### Sex wise Classification of Respondents

Sex	No. of Respondents	Percentage
Female	8	8%
Male	92	92%
<b>Total</b>	<b>100</b>	<b>100%</b>

### Result and Inference

The above data indicates that 8% of respondents were female whereas 92% were male. This also indicates only few tribal females are earning members of their families.

### Education wise Classification of Respondents

Educational Qualification	No. of Respondents	Percentage
Illiterate	10	10%
<5th std	33	33%
5th - 9th std	18	18%
10th	15	15%
12th/Diploma	13	13%
Graduate	9	9%
Post Graduate or higher	2	2%
<b>Total</b>	<b>100</b>	<b>100%</b>

### Result and Inference

As per the survey conducted, 10% of tribal people were illiterate, 51% were below 10<sup>th</sup> and 11% were graduate and above.

### Occupation wise Classification of Respondents

Occupation	No. of Respondents	Percentage
Agriculture	11	11%
Business	5	5%
Salaried	10	10%
Self employed	4	4%
Workers and Labors	20	20%
Animal Husbandry	2	2%
Agriculture & Workers and Labors	25	25%
Agriculture & Self Employed	3	3%
Agriculture & Business	2	2%
Agriculture, Animal Husbandry & Business	2	2%
Agriculture, Animal Husbandry & Workers and Labors	1	1%
Others	15	15%
<b>Grand Total</b>	<b>100</b>	<b>100%</b>

### Result and Inference

The above data indicates that majority of the respondents were Workers and Labors(46%, either sole activity or in combination with other occupation), and 44% were into Agriculture.

### Availability of Bank accounts

Availability of Bank Accounts	No. of Respondents	Percentage
No	20	20%
Yes	80	80%
<b>Total</b>	<b>100</b>	<b>100%</b>

### Result and Inference

As per the survey conducted, 80% of respondents were having bank accounts whereas 20% did not have bank accounts.

### Income wise Classification of Respondents

Annual Income	No. of Respondents	Percentage
<50000	20	20%
50,000-1,00,000	39	39%
1,00,000-2,00,000	25	25%
200000-500000	8	8%
500000 - 800000	3	3%
>800000	5	5%
<b>Total</b>	<b>100</b>	<b>100%</b>

## Result and Inference

The study reveals that 20% of the respondents had less than 50,000 annual income, whereas 39% had annual income in the range of 50,000-100,000. Only 8% of the respondents had annual income more than 5 lakhs.

## Investment Awareness wise Classification of Respondents

Investment Experience	No. of Respondents	Percentage
Beginner (no investment experience)	74	74%
Moderate (Comfortable with fixed deposits, Chit Funds, Post office)	23	23%
Knowledgeable (has -bought or sold individual shares of stock or bonds)	3	3%
<b>Total</b>	<b>100</b>	<b>100%</b>

## Result and Inference

Above data indicates that 74% of total respondents had no investment experience, 23% of them had moderate knowledge (comfortable with fixed deposit, chit funds etc.) whereas 3% were knowledgeable (exposure of share trading).

## Respondents with Segregation of Short Term and Long Term goals

Segregation of Short Term and Long Term Goals	No. of Respondents	Percentage
No	80	80%
Yes	20	20%
<b>Total</b>	<b>100</b>	<b>100%</b>

## Result and Inference

The survey reveals that 80% of the respondents have not segregated their short term and long term goals, whereas 20% have proper short term and long term goals.

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

Parameter	Correlation Co-efficient		
	Investment Experience	Life Insurance Coverage	Pension Scheme
Education	0.62	0.56	0.56
Extent of Correlation	<b>Moderate</b>	<b>Moderate</b>	<b>Moderate</b>

## Result and Inference

The analysis indicates that there is moderate 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.

**Relation between Level of Education and Segregation of Goals (Chi-Square Analysis with alpha=0.05)**

**Null Hypothesis:** There is no relation between level of education and segregation of goals.

**Alternate Hypothesis:** Segregation of goals is related to level of education of individuals.

Category	Segregation of Short Term and Long Term Goal	No Segregation of Short Term and Long Term Goal	Total
Illiterate	4	38	42
<5th std	6	102	108
5th - 9th std	11	62	73
10th	17	78	95
12th/Diploma	47	99	146
Graduate	50	69	119
Post Graduate or higher	8	9	17
Total	143	457	600

Calculated Chi Square value = 27.88

Table value of Chi Square with Degree of Freedom, 6= 12.59

Since, calculated value is higher than the table value, null hypothesis is rejected and alternate hypothesis is accepted.

**Segregation of goals is directly related to the level of education.** In order to ensure proper financial planning, there should be strong focus on education of tribal people.

**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 11% of the population have pursued their college education.
- Majority of the tribal of Deoghar district are workers and un-skilled labors. Agriculture is the second most popular occupation as most of them have ancestral agricultural lands.
- 80% of the tribal people have their bank accounts which was only 36.64% 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. 59% of them earn less than 1 lakh per year.
- 74% of the population have no investment experience.
- Most of the tribal people have not segregated their short term and long term goal.



- 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 Deoghar 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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