

## **“Awareness and Accessibility of Microfinance Schemes Among Tribal Communities in Mahad: Challenges and Opportunities.”**

**Author:** Asst. Prof. Jyothi V. Poojary

**Co-author:** Miss-Sakshi Ramraksha Varma

**Institute:** Hirwal Education Trust's College of Science (Computer Science and Information Technology), Mahad-Raigad

### **Abstract**

Microfinance schemes have emerged as powerful tools for poverty alleviation and financial inclusion, particularly in underserved communities such as tribal populations.

This study investigates the awareness levels and accessibility of microfinance schemes among tribal communities in the Mahad area, aiming to identify barriers and opportunities for enhancing financial inclusion and socioeconomic development.

Utilizing a mixed-methods research design, the study combines quantitative surveys and qualitative interviews to gather insights from both the providers and beneficiaries of microfinance services. The surveys assess the extent of awareness about existing microfinance schemes, utilization patterns, perceived benefits, and challenges faced by tribal community members.

### **Introduction**

The origin of microcredit and thus microfinance is credited to Dr. Muhammad Yunus, the father of micro finance Bank who innovated the Grameen Bank in 1983. Microfinance is the source of loans, savings and the other introductory fiscal services to the poor. The tribal in India are generally pastoral living in substantially in timbers and mountains, kindly insulated from the general population, are overwhelmingly illiterate and further than population live below the poverty line.

### **Definition: -**

Microfinance is defined as formal scheme designed to improve the wellbeing of poor through better access to saving and services loans. **Schreiner, 2000.**

The objective of this study was to assess the impact of microfinance on the tribal people with respect to social, economic and political empowerment.

The impact assessment of microfinance easily indicates the change in the income position of heirs; reducing of dependence on plutocrat lender; increase expenditure or the investment on the children's educations, health, husbandry inputs, increase in the product and the most important the increased mindfulness and the tone confidence among the poor.

A self-help group is defined as a “self-governed, peer controlled information group of the people with an analogous social profitable background and having a desire to inclusively perform common purpose”.

**Key words** – micro finance, tribal community, saving, self-help group, back-word classes, empowerment.

### **Literaturereview**

Microfinance has been recognized as a key tool for poverty alleviation and financial inclusion, particularly for marginalized tribal populations. Despite various government initiatives, tribal communities continue to face socio-economic challenges due to factors like low literacy, poor infrastructure, and limited access to resources (Panda, 2006). Microfinance institutions (MFIs) play a vital role in providing financial services such as credit and savings, empowering tribal communities (Anand, 2017; Roy, 2019).

However, awareness of these microfinance schemes remains low among tribal populations. Research suggests that awareness levels are influenced by education, accessibility, and cultural perceptions (Bandopadhyay et al., 2018). Inadequate outreach strategies and a lack of culturally tailored communication exacerbate this issue (Mohanty & Khatun, 2020).

Higher awareness has been linked to improved financial literacy and economic empowerment among tribal communities (Kumari & Kumari, 2021; Mahapatra et al., 2019). Yet, challenges such as language barriers, mistrust of financial institutions, and insufficient infrastructure hinder the uptake of these services (Bhatia & Mohanty, 2018).

Innovative approaches, such as community-based outreach programs and mobile technology, could improve awareness and enhance microfinance uptake (Kumar & Patra, 2022). Further research is needed to assess the impact of targeted interventions to promote financial inclusion among tribal populations in Mahad.

### **ResearchGap**

Duringthe research review it seemsthatthereishugegapinresearchregardingtheactual impact of microfinance on the economic stability and improvement of the tribal communitiesin Mahad. Howeffectivetheseschemesarein promotingsustainable development and poverty alleviation in this specific context might not have been thoroughly explored. People faces lots of challenges due to lack of literacy in the community and lack of financial services and the training session.

Howeverafterrecommendationandimplementationofthisschemestheresultswill changed, as after implementing this scheme there would be a wide change in the literacy rate of community. Due to continuous update about schemes and regular training and financial session the people in the community can easily access the financial services. They can be self-Independent, self-employed and through the skills can compete the market world.

The study is undertaken to analyze the role of microfinance in empowering tribal communities in the Mahad Dist. In order to realize the objectives stated, the data has collected by adapting both the primary sources and secondary sources. Understanding the demographic composition of the tribal community in Mahad, including population size, age distribution, literacy levels, and income distribution. There are about 22 respondents collected through primary survey. The primary data is enumerated from a structured questionnaire in the study region. The secondary data is collected through various journals, reports and official government websites etc.

### **Data collection Method:-**

#### **Primary Data Collection**

A structured questionnaire was designed to evaluate consciousness, knowledge, attitudes, and perceptions regarding microfinance systems. The survey targeted a selected sample of participants, incorporating variables such as education, source of income, and interest in participating in microfinance schemes. A random sampling method was employed, with a total sample size of 22 respondents from the Mahad region.

In addition to the survey, semi-structured interviews were conducted in the Adivasi areas of Mahad to gain qualitative insights into microcredit awareness and perceptions of various financial schemes. These interviews facilitated an in-depth understanding of the challenges and perspectives of the tribal community concerning microfinance opportunities.

#### **Secondary Data Collection**

Secondary data were obtained from sources such as government reports, official websites, academic research papers, and news articles. These sources provided supplementary insights into microfinance schemes, their implementation, and their impact on marginalized communities.

### **Hypothesis**

The study examines the relationship between socio-economic factors and awareness of microfinance schemes through the following hypotheses:

#### **Null Hypothesis ( $H_0$ ):**

1. There is no significant association between access to information channels and awareness of microfinance schemes among the tribal community in Mahad.
2. Socio-economic factors, including income, education, and occupation, do not have a significant impact on the awareness of microfinance schemes among the tribal community in Mahad.

#### **Alternative Hypothesis ( $H_1$ ):**

1. A significant association exists between access to information channels and awareness of microfinance schemes in the Mahad region.
2. Socio-economic factors such as income, education, and occupation significantly influence awareness of microfinance schemes among the tribal community in Mahad.

### Data Analysis

To examine the relationships between categorical variables, such as awareness levels, socio-economic factors, and access to information channels, the study employs the non-parametric **Chi-square test**. This statistical test is appropriate for assessing associations between categorical variables, making it a suitable method for evaluating the research hypotheses.

### Hypothesis 1: Access to Information vs Awareness of Microfinance Schemes

#### 1. Case Processing Summary

Cases	Valid	Missing	Total
N	22	0	22

#### 2. Crosstabulation Table: Access to Information vs. Awareness of Microfinance Schemes

Access to Information Channels	Aware of Microfinance (Yes)	Not Aware of Microfinance (No)	Total
Yes (Has Access)	4	13	17
No (No Access)	1	4	5
<b>Total</b>	<b>5</b>	<b>17</b>	<b>22</b>

#### 3. Chi-Square Test Results

Test	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	0.000	1	1.000
Likelihood Ratio	0.000	1	1.000
Linear-by-Linear Association	0.000	1	1.000
<b>N of Valid Cases</b>	<b>22</b>		

#### Interpretation

The Pearson Chi-Square value is 0.000 with 1 degree of freedom ( $df = 1$ ). The p-value (1.000) is greater than 0.05, indicating no significant association between access to information and awareness of microfinance schemes.

Conclusion: Awareness levels are not significantly influenced by access to information.

## **Hypothesis 2: Socio-Economic Factors vs Awareness of Microfinance Schemes.**

### **1. Case Processing Summary**

<b>Cases</b>	<b>Valid</b>	<b>Missing</b>	<b>Total</b>
N	22	0	22

### **2. Crosstabulation Table: Socio-Economic Status vs. Awareness of Microfinance Schemes**

<b>Socio-Economic Status</b>	<b>Aware of Microfinance (Yes)</b>	<b>Not Aware of Microfinance (No)</b>	<b>Total</b>
Higher Socio-Economic Status	5	12	17
Lower Socio-Economic Status	2	8	10
Total	5	17	22

### **3. Chi-Square Test Results**

<b>Test</b>	<b>Value</b>	<b>df</b>	<b>Asymptotic Significance (2-sided)</b>
Pearson Chi-Square	0.007	1	0.933
Likelihood Ratio	0.007	1	0.933
Linear-by-Linear Association	0.007	1	0.933
N of Valid Cases	22		

### **Interpretation**

The Pearson Chi-Square value is 0.007 with 1 degree of freedom ( $df = 1$ ). The p-value (0.933) is much greater than 0.05, indicating no significant association between socio-economic status and awareness of microfinance schemes.

**Conclusion:** Socio-economic factors (income, education, occupation) do not significantly influence awareness levels.

### **Findings:-**

- The study revealed a low level of awareness among the tribal community in the Mahad area regarding the microfinance schemes.
- Limited accessibility to the information about the microfinance scheme was identified as a significant barrier.
- Social economic factor such as literacy level income level occupational a geographical location influence the awareness levels and access to microfinance services.
- The study highlighted the needs for the targeted communication channels to communicate the information effectively.
- Main trouble community members rely on the informal financial system due to the lack of

awareness about the formal micro finance options.

- Access to the information about the microfinance scheme among the tribal community hinder in the ability to find the benefits from this Financial Services.
- Some common barriers are awareness include the lack of literacy language barrier and the Limited outreach effort by The Financial Institutions.

### **Suggestions**

- Organising workshops and training sessions specially fulfil the needs and the preferences of the tribal community in Mahad this session can provide the information about the microfinance scheme there benefits and how to access them.
- The communicated information about the microfinance schemes in the local languages spoken by the tribal community to ensures the better understanding an engagement.
- Utilize the trusted channels within the community such as the local leader's community leaders and the respected organisation to communicate the information about the Micro Finance schemes with them.

By implementing the suggestions, the stakeholder can work towards improving the awareness and access to the microfinance scheme among the tribal community in the Mahad area ultimately conducting to their economic empowerment and the financial inclusion.

### **Limitations:**

1. The study is limited to tribal community in mahad area.
2. Random sampling method has been chosen for the study.
3. The sample chosen may not ensure the total pollution of tribal people in Mahad area
4. The sample size is limited to 22 respondents in Mahad area.

### **Conclusion:-**

The study highlights that low awareness levels among the tribal community in the Mahad region knowingly hamper access to microfinance schemes, preventing individuals from fully utilizing these financial services. Trust and credibility arise as critical factors influencing perceptions of microfinance, emphasizing the need for reliable information sources such as local leaders and respected organizations. Additionally, fostering collaboration among key stakeholders, including government agencies, financial institutions, NGOs, and community-based organizations, is essential for developing and implementing effective awareness strategies. By leveraging collective resources and expertise, these entities can address the challenges associated with enhancing microfinance awareness and accessibility within marginalized communities.

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