

# Financial Inclusion Among PVTGs : A Study

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## Abstract:

Particularly vulnerable tribal groups (PVTG) were popularly known as Primitive tribal group (PTG) in early times after independence. Later in 2006, it was renamed into Particularly vulnerable tribal groups (PVTG) by Government of India. Particularly Vulnerable Tribal Groups (PVTGs) are a sub-classification from the broader class called scheduled tribes. Among 705 aboriginal tribes only 75 tribes are identified as PVTGs who are primitives among the primitives, backward among the backward, most neglected, and disadvantaged groups. High concentrations of PVTGs are found in Odisha (13) followed by 12 in Andhra Pradesh and 09 in Bihar including Jharkhand. They are more vulnerable to westernization and modernization because of globalization, industrialization, usage of cash money system, shrinking forests and lesser rights on their forest habitats. They are usually socially, educationally and economically under-developed when compared to other tribes.

This study explores the financial challenges faced by PVTGs, with a specific focus on their access to credit and its impact on their economic conditions. The study identifies the need for more inclusive financial products that address their specific needs. Financial inclusion implies providing the access to finance for the people at the bottom of the pyramid. The financial inclusion of the rural people remains the challenge because the poor people, especially the tribal people, do not have knowledge and are financially illiterate. They cannot also bank and require specialised support to access financial capabilities. The marginalised people do not have access to finance, and the social collateral or the social capital enables the marginalised members to get access to finance.

**Key Words-** PVTGs, Financial Inclusion, Credit Access, Economic Condition.

## Introduction:

The Particularly Vulnerable Tribal Groups (PVTGs) in India represents one of the most marginalized segments of society. Recognized by the Government of India based on criteria such as pre-agricultural level of technology, low literacy, declining or stagnant population, and economic backwardness, the 75 officially identified PVTGs remain on the periphery of mainstream development efforts. The number of PVTGs as per report is highest in Odisha i.e (13) , followed by Andhra Pradesh and Telangana (12), Bihar and Jharkhand (09), Madhya Pradesh and Chattisgarh (07), Kerala and Gujarat having 05 groups each. Despite decades of targeted schemes and welfare programs, PVTGs continue to face significant financial challenges that hinder their economic progress and social integration. PVTGs mostly reside in ecologically delicate regions including forests, hills with subsistence living having poor connectivity to the world. (Malik, 2020, Radhakrishna, 2009, Lokur Committee 1965).

In 1975, the Government of India established the Dhebar Commission to identify the most vulnerable tribal groups, categorizing them as Primitive Tribal Groups (PTGs). The commission initially classified 52 communities as PTGs. Later, in 1993, an additional 23 groups were included, bringing the total to 75 PTGs out of 705 Scheduled Tribes, distributed across 18 states and one Union Territory (UT), as per the 2011 Census. In 2006, the Government of India renamed PTGs as Particularly Vulnerable Tribal Groups (PVTGs) (G. Muralidhar, 2014). There are 8 PVTGs resides in Jharkhand namely Asur, Korwa, Birjia, Birhor, Sabar, Mal Pahariya, Sauria Pahariya and Parhaiya across several districts of Jharkhand. Geographically PVTGs are concentrated near Rajmahal hills in the north east and in the south west region of Jharkhand (Census 2011).

One of the most critical issues impeding the economic development of PVTGs is limited access to credit systems. Due to geographic isolation, lack of collateral, low literacy levels, and institutional biases, PVTG communities often depend on informal credit sources such as moneylenders, which expose them to exploitation through high-interest rates and debt traps. This financial exclusion not only restricts their ability to invest in productive assets but also perpetuates a cycle of poverty and dependence.

PVTGs in the region face numerous obstacles, including limited access to education, healthcare, and modern infrastructure, along with geographical isolation and reliance on traditional livelihoods. However, there are also opportunities to improve their economic participation through sustainable agricultural practices, skill development, and better market integration. This study explores the credit access and economic development of PVTGs, examining the barriers they face and the potential opportunities for fostering economic growth and social inclusion. By understanding these dynamics, effective policies can be developed to promote sustainable development while respecting the cultural heritage of these communities. This research examines the role of financial inclusion and access to credit in promoting entrepreneurship among pvtgs. It explores the impact of microfinance institutions, SHGs, cooperative banks, and digital financial services on business growth and economic empowerment.

### **Research Objectives:**

- To analyse the socio economic condition of pvtgs
- To access the effectiveness of Government initiatives in tribal development
- To identify the major barriers in uplifting the pvtgs communities

### **Research Methodology:**

This study adopts a mixed-methods research approach, combining both quantitative and qualitative techniques to examine the financial challenges faced by Particularly Vulnerable Tribal Groups (PVTGs), with a focus on credit access and its impact on economic development.

**Data Collection:**

Data Collection is mainly based on Secondary resources:

- Government reports (e.g., Ministry of Tribal Affairs, NABARD, NITI Aayog)
- Research papers and publications on tribal development
- Data from NFHS, Census, RBI, and other financial inclusion studies

**Issues of PVTGs:**

The lifestyle of PVTGs can not be regarded as good in the socio-economic context. Because it is not compatible with that of other communities. Slowly the social situation of PVTGs has slightly improved and continued to improve through different provisions of government. Their way of life is slowly changing in the last decades which were not seen before that. The Children of the PVTG family are able to attend school. But the majority of them opt to work because of the family responsibility upon their shoulders. Due to their ignorance, they are taken advantage by middlemen. To combat this issue, GOI established a Conservation cum Development (CCD) initiative to support PVTGs people and enable them to work while simultaneously preserving the forest. There might be several issues among PVTGs which are not being resolved, but some of them which are quite common.:-

- a. Unequal Implementation through schemes:** In certain circumstances, a PVTG only benefits in a small portion of a district, while the same group suffers in neighbouring blocks. The cause is that microprojects only provide advantages to those who fall under their purview.
- b. Insufficient baseline surveys hampering the welfare programs:** Baseline surveys are insufficient for many PVTGs, The implementation of community- focused welfare programs has been hampered by this.
- c. Non-Update in the PVTGs list:** It has caused name repetition and overlap. Population growth among many PVTGs, including the Birhor, continues to be stagnant or declining(Bhoi & Acharya, 2024; Ghosal et al., 2024; Kanrar & Goswami, 2020). Some PVTGs, like the Onge and Great Andamanese, are also experiencing population decline (Michael, 2020; Sen, 2017). Loss of their traditional means of subsistence, ecosystems, and resources: as a result of industrial projects, tourism, the indifference of the forest administration, climate change, deforestation, and other factors. The majority of PVTGs experience poverty, which can result in hunger, malnutrition, bad health, illiteracy, etc.
- d. Education:** In comparison to other tribal groups, these communities, particularly the women, have relatively poor educational level. Compared to other cultures, the literacy rate of primitive tribes is quite low. Presently, about 38.99 percent of PVTGs are literate.
- e. Health:** The infant mortality rate (IMR), hunger, and other chronic illnesses including leukaemia and skin conditions are all quite high and widespread.

**f. Infrastructure:** Insufficient access to clean water, unsanitary living conditions, hazardous terrain, and nutritional and medical services (Behera et al., 2024; Sahu et al., 2024). The homes built by prehistoric tribal members lack adequate lighting and ventilation. The family and the members share the area with the animals. (S.C., 2019)

### **Expected Outcomes and People Perceptions:**

Priority should be given to targeted efforts that address the core causes of high poverty and poor education of PVTGs and eliminate spatial obstacles to facility-based treatment. They must be linked with more comprehensive measures to lessen socio-economic mortality disparities in order to have an impact at the population level of the PVTGs. Community-based solutions can lessen many of the concerns and problems described above by reaching out to underprivileged communities (Sophie L.P. Busch, 2022). Education is one of the important factors in socialisation system of human beings. One of these crucial systems is the educational system. In the contemporary era, decisions about the economic, social, and political realms have been made in large part as a result of education. The traditional economic system, culture, customs, mores, and practices are often found in rural economies. Due to education, these old structures have undergone clear transformation. Therefore, a major factor in socioeconomic development and change is education. A child's basic necessity is education. In spite of everything, the actual picture is not what it should be. Many people live their whole lives without ever attending school, both in India and many states like Guajrat, Madhya Pradesh, Jharkhand etc. The level of education in primitive tribal societies is quite low. In his 18th report, the Backward Class Commissioner made it abundantly plain that rapid educational expansion is essential for the betterment and development of scheduled tribal people in order to integrate them into society at large. Education and communication abilities are the cornerstones of economic progress. (Pancholi, 2018).

### **Major Findings on Financial Inclusion**

- **Lack of Usage :** While access to bank accounts is increasing, actual usage (regular transactions, digital banking) still remains low. Financial Institutions and government has to actively participate in order to raise their living standard.
- **Barriers:** Major obstacles include financial illiteracy, lack of documentation, geographical distance from bank branches, and lack of confidence in formal institutions can be considered as a hinderances in financial inclusion.
- **Digitalization:** While digital financial inclusion is crucial for unbanked areas, it is limited by poor infrastructure and low technological literacy in indigenous communities.
- **Empowerment:** Financial inclusion, particularly for indigenous women, leads to better savings, reduced reliance on exploitative moneylenders, and greater economic independence.

## Conclusion

The challenges and issues faced by the PVTGs are very crucial over the past few decades. For recognizing their rights and reacting to government-led socio economic, sociocultural, educational and health related efforts, they are somewhat protected from exploitation and domination due to changing norms. The educational and health needs of these populations would be addressed through the use of creative, and collaborative approaches. The majority of the PVTGs' socio-economic and socio-cultural issues would be resolved in addition to providing better health care services and education. Intensifying measures to enhance housing, sanitation, employment opportunities, access to healthcare, and better road transportation infrastructure would ultimately improve the standard of living in tribal populated regions. Even though the significant progress made by PVTGs in terms of the aforementioned accomplishment is reason for the satisfaction. Immense amount of work must be done with a greater emphasis on the numerous unresolved issues like poverty, illiteracy, livelihood and migration, unavailability of drinking water and sanitation facilities, lack of health care facilities, infrastructures, awareness about digital literacy, all- weather roads and affordable transportation, discrimination and exploitation.

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