

# AN ANALYSIS OF INVESTMENT BEHAVIOUR OF TRIBAL PEOPLE OF GODDA DISTRICT OF JHARKHAND STATE, INDIA.

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## **ABSTRACT**

*This analysis deals with the investment behaviour among the tribal population of Godda district of Jharkhand state, India. Tribal areas of Jharkhand are among the poorest regions of Jharkhand. A boost in saving and investment behaviour is crucial in fostering sustainable growth. This research article gives an insight on the awareness level of tribal population about saving and investment. It also provides a brief insight on education level among tribal and it's positive correlation with investment and savings behaviour. The article also brings an insight on huge pool of un-skilled labors, significant improvement on financial inclusion status and low income level among the tribal of Godda district. Based on the finding we need to understand that saving and investment behaviour is inadequate despite they are financially included. There is a strong need to plan and execute financial literacy campaigns in these areas.*

*Keywords: Godda, Tribal, Financially Included, Financial Literacy Campaign.*

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

## INTRODUCTION

Godda district, known for its small forests and hills, is an integral part of Santhal Pargana division. The district is famous for the popular Rajmahal Coal-fields in Lalmatia. As per 2011 census, Godda district has population of 1,313,551 spread over an area of 2110 sq. km. There are two sub-divisions i.e. Godda and Mahagama and nine development blocks: Godda, Pathargama, Basantrai, Mahagama, Meharma, Boarijor, Thakurgangti, Sundarpahari and Poraiyahat in the district.<sup>1,2</sup>

Godda is located at 24.47' to 25.23' North and 87.08' to 87.48' East. Agriculture as one of the most popular source of livelihood across the district.<sup>3</sup>

Investment behaviour is vital towards fostering economic growth of a country. Indian financial industry encompasses a range of savings and investment opportunities to the investors. Investment is crucial for both society and the economy. For the economy as a whole, overall investment sanctioned in the current period impacts aggregate demand and level of employment. The current investment determines economy's future productive capacity and, ultimately contributes towards development 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 Investment pattern of Tribal people of Godda.
- To find co-relation between level of education and investment behaviour.
- To analyse understanding level of various available investment opportunities among tribal people.
- To find a co-relation between investment pattern and income level of tribals.

## REVIEW OF LITERATURE:

Digambar Naik et.al.(2021) in their study "Education for Social Inclusion of Tribal: An Indian Perspective" attempts has been made to bring out the weaknesses in the existing government endeavours and suggest measures in increasing social inclusion of tribal children in a holistic way and by developing their capacity. Making schools accessible to tribals brings opportunities for tribal society to obtain respect and dignity in society.<sup>4</sup>

In the article "Unraveling the Socio-Economic Condition of Tribal Peoples in West Bengal"(2019) by Shambhu Prasad Chakrabarty, Jayanta Ghosh, Bhupal Bhattacharya, Santanu Panda has emphasized on the need of modern and scientific development, lack of income opportunity, lack of knowledge in rural locations where in semi urban areas the scenario has been changed due to awareness among them. Researchers have recommended for government initiatives for spreading awareness on the development schemes to them, need of organizing skill development programme, Loop whole for the failure in implementation of different schemes, initiative to increase the school attendance and to identify the basic needs of tribals.<sup>5</sup>

In the journal "Tribal development: A New Vision For The Transforming India" by Munmun Sen(2018) has discussed on tribal development which has been conceived as an important approach to keep tribal people at the centre stage. Problems which hampers their development such as education, poverty, land, health, naxalism, inefficient administration and governance and exploitation of children were analyzed and measured such as establishment of welfare department, reservation in jobs, educational facilities, economic opportunities were suggester through this paper.<sup>6</sup>

An empirical study on "Lifestyle of the tribals in India" by Dr. Radhika Kapur (2018) has focused upon the lifestyle of the tribals and demographics station and distribution, education and nutrition programming, technological advancement and education. Result has attempted to understand that tribal people residing in hill areas and forests, men hunt for their food, literacy level is extremely low, they migrate in search of jobs and works, tribals have extreme knowledge of natural products and its use in treatment of illness, disease, infection and other problems<sup>7</sup>

Watts (2015) focused on present scenario of financial inclusion of rural and urban households,role of government and banks in financial inclusion and the major factor affecting the implementation of PMJDY. He concluded that illiteracy and poverty are the hindrance for proper implementation of this scheme. Most of the people in India do not know how to use debit card and poor people have no money to operate their accounts.<sup>8</sup>

A study titled "Financial Literacy among Working Young in Urban India" by Sobhesh Kumar Agarwalla et.all. (2013) investigated on the influence of various socio-demographic factors on different dimensions of financial literacy. He found that gender education and income of the working youth influenced financial literacy.<sup>9</sup>

Amit Agrawal et.al. (2020). A Study on Investment Behaviour of Indian Household Investors and its impact on GDP of India found that the terms Savings,Investment and GDP growth rate are co-integrated to each other. Saving of an individual is related to income,investment is related to savings and investment is the determinant of GDP growth rate.<sup>10</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	Number of Respondents	% Respondents
21 to 30	13	13.00%
31 to 40	43	43.00%

41 to 50	27	27.00%
51 to 60	14	14.00%
61 to 70	3	3.00%
<b>Total</b>	<b>100</b>	<b>100.00%</b>

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 3% of senior citizens were earning members.

### Sex wise Classification of Respondents

Sex	Number of Respondents	% Respondents
Female	17	17.00%
Male	83	83.00%
<b>Total</b>	<b>100</b>	<b>100.00%</b>

The above data indicates that 17% of respondents were female whereas 83% were male. This also indicates only few tribal females are earning members of their families.

### Education wise Classification of Respondents

Educational Qualification	Respondents	% Respondents
Illiterate	5	5.00%
<5th std	19	19.00%
5th - 9th std	13	13.00%
10th	15	15.00%
12th/Diploma	28	28.00%
Graduate	18	18.00%
Post Graduate or higher	2	2.00%
<b>Total</b>	<b>100</b>	<b>100.00%</b>

As per the survey conducted, 5% of tribal people were illiterate, 32% were below 10<sup>th</sup> and 20% were graduate and above.

### Occupation wise Classification of Respondents

Occupation	Respondents	% Respondents
Agriculture	12	12.00%
Agriculture;Business	3	3.00%
Agriculture;Salaried	2	2.00%
Agriculture;Self employed	2	2.00%
Agriculture;Workers and labors	9	9.00%
Animal Husbandry	2	2.00%
Animal Husbandry;Agriculture	5	5.00%
Animal Husbandry;Agriculture;Business	1	1.00%

Animal Husbandry;Agriculture;Workers and labors	1	1.00%
Animal Husbandry;Business	1	1.00%
Animal Husbandry;Self employed	3	3.00%
Animal Husbandry;Workers and labors	1	1.00%
Business	11	11.00%
Contractor	1	1.00%
Salaried	22	22.00%
Self employed	8	8.00%
Self employed;Business	1	1.00%
Self employed;Salaried	4	4.00%
Self employed;Workers and labors	2	2.00%
Workers and labors	9	9.00%
<b>Total</b>	<b>100</b>	<b>100.00%</b>

The above data indicates that majority of the respondents were involved into Agricultural activity (31%, either sole activity or in combination with other occupation.

#### Availability of Bank accounts

Availability of Bank Accounts	No. of Respondents	Percentage
No	24	24%
Yes	76	76%
<b>Total</b>	<b>100</b>	<b>100%</b>

As per the survey conducted, 76% of respondents were having bank accounts whereas 24% did not have bank accounts.

#### Income wise Classification of Respondents

Annual Income	Respondents	% Respondents
<50000	8	8.00%
50,000-1,00,000	29	29.00%
1,00,000-2,00,000	28	28.00%
200000-500000	25	25.00%
500000 - 800000	9	9.00%
>800000	1	1.00%
<b>Total</b>	<b>100</b>	<b>100.00%</b>

The study reveals that 8% of the respondents had less than 50,000 annual income, whereas 29% had annual income in the range of 50,000-100,000. Only 10% of the respondents had annual income more than 5 lakhs.

### Investment Awareness wise Classification of Respondents

Investment Experience	Respondents	% Respondents
Beginning (no investment experience)	59	59.00%
Moderate (Comfortable with fixed deposits, Chit Funds, Post office)	38	38.00%
Knowledgeable (has -bought or sold individual shares of stock or bonds)	2	2.00%
Experienced (Frequently trade in stocks, commodities, options and futures)	1	1.00%
<b>Total</b>	<b>100</b>	<b>100.00%</b>

Above data indicates that 59% of total respondents had no investment experience, 38% of them had moderate knowledge(comfortable with fixed deposit, chit funds etc.), 2% were knowledgeable(exposure of share trading) and only 1% were experienced (Frequently trade in stocks, commodities, options and futures).

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

Segregation of Short Term and Long Term Goals	No. of Respondents	Percentage
No	89	89%
Yes	11	11%
<b>Total</b>	<b>100</b>	<b>100%</b>

The survey reveals that 89% of the respondents have not segregated their short term and long term goals, whereas 11% 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	0.39	0.36	0.25
Extent of Correlation	<b>Moderate</b>	<b>Moderate</b>	<b>Weak</b>

The analysis indicates that there is moderate correlation between education and investment experience of respondents. Higher the level of education, higher the level of investment exposure.

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 weak correlation with education. This indicates that education alone is not responsible for lower penetration on pension schemes.

### **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	0	5	5
<5th std	0	19	19
5th - 9th std	1	12	13
10th	1	14	15
12th/Diploma	4	24	28
Graduate	5	13	18
Post Graduate or higher	0	2	2
<b>Total</b>	<b>11</b>	<b>89</b>	<b>100</b>

Calculated Chi Square value = 9.13

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

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

**Education has no impact on Segregation of goals.** In order to ensure proper financial planning, there should be strong focus on financial literacy 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 20% of the population have pursued their college education.
- Majority of the tribal of Godda district are involved in Agricultural activities as most of them have ancestral agricultural lands.



- 76% of the tribal people have their bank accounts which was only 23.53% 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. 37% of them earn less than 1 lakh per year.
- 59% 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 and investment experience of an individual.

### **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 tribals own agricultural land and they follow traditional method of cultivation. Proper training on usage of modern agricultural equipment and improved variety of fertilizers will help to 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 Godda 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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