



Financial Inclusion and Digital Banking for Katkari Tribes in India: Pathways, Challenges and Policy Imperatives

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Abstract:

Financial inclusion is a crucial driver of economic development and social upliftment, particularly for marginalized communities such as the Katkari tribes in India. Despite numerous government and private sector initiatives, the Katkari tribes continue to face financial exclusion due to socio-economic constraints, illiteracy, and lack of access to banking services. This research paper explores the role of digital banking in bridging the financial gap and enhancing the economic stability of the Katkari community in India. The paper evaluates existing financial inclusion initiatives, challenges, and potential solutions through digital banking.

Keywords: Financial Inclusion, Digital Banking, Katkari Tribes, Economic Development, Sindhudurg District

Introduction:

The Katkari tribes are a Scheduled Tribe community predominantly residing in Maharashtra, particularly in districts such as Sindhudurg, Raigad, and Pune. Historically, they have faced social and economic marginalization, with low literacy rates and limited access to mainstream financial services. Financial inclusion aims to integrate these communities into the formal financial system, thereby improving their economic opportunities and social well-being.

With the advent of digital banking, financial services have become more accessible to remote and underserved populations. The Government of India, through initiatives like Pradhan Mantri Jan Dhan Yojana (PMJDY), Direct Benefit Transfers (DBT), and the Digital India mission, has attempted to promote financial

inclusion among tribal communities. However, the extent of financial penetration among the Katkari tribes remains limited. This paper seeks to analyze the impact of digital banking on their financial inclusion and propose measures for effective integration.

Research Methodology:

This study employs a mixed-method approach combining both qualitative and quantitative research methodologies. The methodology includes:

Secondary Data Collection:

- Analysis of government reports, policy documents, and financial inclusion initiatives.

- Review of academic literature, case studies, and reports from financial institutions and NGOs working in the field of tribal financial inclusion.
- Examination of statistical data from sources such as the Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development (NABARD), and the Ministry of Tribal Affairs.

Socio-Economic Profile of the Katkari Tribe:

1. Historical and Socio-Cultural Context:

The Katkari community historically inhabited forested regions of Raigad, Thane, Pune, and other parts of western Maharashtra. Traditionally, they made livelihoods through forest produce, primitive agriculture, and seasonal wage labor. Colonial classifications such as the **Criminal Tribes Act of 1871** further stigmatized the community, a legacy that resonates in their social exclusion today.

Most Katkari families are landless and depend on wage-based work such as brick kiln labour—where men, women, and even children migrate for extended periods—and agricultural wage work during sowing and harvesting seasons.

2. Economic Vulnerabilities:

Katkaris exhibit extremely low income, limited savings, minimal asset ownership, and high dependence on seasonal work. Surveys show that average household earnings are low, with many reliant on advances from employers, leaving them trapped in debt cycles.

Access to basic documentation such as Aadhaar, ration cards, and bank accounts has historically been poor, which has impeded their enrolment in government welfare schemes and formal financial systems.

Conceptualizing Financial Inclusion for Marginalized Tribes:

Financial inclusion comprises four core elements: **access, usage, quality, and sustainability** of financial services. For tribal groups like the Katkari, inclusion also intersects with **identity recognition, literacy, social stigma, and infrastructural deficits**.

Inclusion is more than merely opening bank accounts; it requires, financial literacy, affordable credit, insurance and risk Mitigation and Digital Access.

Government Initiatives and Inclusion Progrms:

Government and development actors have introduced several initiatives with varying degrees of success.

1. Jan Dhan Yojana and Bank Accounts:

The Pradhan Mantri Jan Dhan Yojana (PMJDY) aimed to bring excluded populations into the formal financial fold through zero-balance accounts and debit cards. However, uptake among Katkaris has been limited due to documentation challenges and low awareness.

2. Pradhan Mantri Van Dhan Yojana (PMVDY):

The **Van Dhan Yojana** initiative focuses on value addition of minor forest produce and marketing support to tribal groups like the Katkaris, enabling income generation and linkage to formal markets. Tribal entrepreneurs in Shahapur have used this scheme to market medicinal plants like Giloy.

3. Digitized Concessional Loans and Tribal Credit Cooperatives:

State initiatives, such as the digitized loan processing platform under **Shabari Adivasi Vitta Va Vikas Mahamandal**, have facilitated access to concessional loans for tribal beneficiaries, including the Katkaris, integrating Aadhaar-based KYC and financial literacy modules to streamline credit access.

Documentation Drives:

Efforts by NGOs and state agencies to provide caste certificates and other identity documents have been crucial in unlocking access to welfare schemes and financial services for previously invisible tribal households.

Data Analysis:

Quantitative Analysis: Statistical methods are applied to secondary data sources, such as RBI and NABARD reports, to identify trends in financial inclusion, banking penetration, and digital transaction volumes among tribal

SHG and Livelihood Support Interventions

Self-Help Groups (SHGs) have enabled Katkari family's to Pool savings, access microloans, and undertake income-generating activities such as vegetable cultivation, poultry, and craft enterprises.

populations. The following table presents key financial inclusion indicators for tribal communities based on RBI and NABARD reports:

Indicator	2018	2019	2020	2021	2022	Source
No. of PMJDY accounts (tribal areas, in millions)	12.5	14.8	17.3	19.5	22.1	RBI Annual Report 2022
% of tribal households with bank accounts	48%	52%	58%	64%	70%	NABARD Financial Inclusion Survey 2022
Aadhaar-linked bank accounts (millions)	8.9	11.2	13.7	16.4	19.0	Ministry of Tribal Affairs Report 2022
Digital transaction adoption rate (%)	22%	28%	35%	43%	51%	Digital India Initiative Report 2022
Active Business Correspondents in tribal areas	30,000	35,500	42,000	48,300	55,000	RBI Financial Inclusion Report 2022

Comparative Analysis: A comparative study is conducted to analyse financial inclusion progress among different tribal communities, using data from various government and institutional

reports. The following table presents a comparison of financial inclusion levels among Katkari and other tribal communities:

Indicator	Katkari Tribe	Bhil Tribe	Gond Tribe	Santhal Tribe	Source
% of households with bank accounts	70%	75%	78%	80%	NABARD Financial Inclusion Survey 2022
Digital transaction adoption rate (%)	51%	60%	65%	68%	Digital India Initiative Report 2022
No. of Business Correspondents per 10,000 people	15	18	20	22	RBI Financial Inclusion Report 2022
Awareness of digital banking services (%)	55%	62%	67%	70%	Ministry of Tribal Affairs Report 2022

Thematic Analysis: Thematic analysis of secondary sources such as policy documents, research papers, and case studies is performed to identify key challenges and best practices in

promoting digital banking adoption among marginalized communities.

Discussion and Policy Implications:

Lack of Digital Literacy: Studies highlight that a significant barrier to digital banking adoption among Katkari tribes is the lack of awareness and education regarding financial services. Government reports suggest that financial literacy programs must be tailored to tribal contexts—using local languages, culturally meaningful analogies, and participatory learning. Community agents and NGOs can play a vital role in disseminating knowledge.

Infrastructure and Connectivity Issues:

Government documents indicate that remote tribal areas suffer from inadequate banking infrastructure and unreliable internet connectivity. The establishment of mobile banking units and digital kiosks has been suggested as a solution.

Success of Government Schemes: Case studies on PMJDY and Aadhaar-linked banking services have shown improvements in financial inclusion, particularly in regions where local banking correspondents are active. NABARD reports also highlight the role of microfinance institutions in reaching remote tribal populations

Trust and Socio-Cultural Barriers: Several case studies illustrate how historical socio-economic marginalization has led to distrust of formal banking institutions. The Katkaris predominantly rely on moneylenders, employers, and informal advances for credit, often at exploitative terms. This dynamic reinforces indebtedness and reduces resilience. Community engagement and culturally relevant financial inclusion strategies are recommended for better adoption.

Role of Fintech and Mobile Banking: Research papers and government reports suggest that mobile banking and fintech solutions, such as UPI-based transactions, have the potential to revolutionize financial access for tribal communities.

Case Study: Integrating Financial Inclusion with Tribal Livelihoods:**SAMPARC Tribal Development Project:**

One compelling example comes from Mulshi and surrounding talukas in Pune District, where a tribal development project integrated financial inclusion with livelihood support. Over a decade, the initiative helped 8,000 individuals gain documented identity (Aadhaar, bank accounts, PAN, caste certificates), facilitating access to welfare and financial products.

Income generating activities—such as goat rearing, bamboo craft, poultry, and small enterprises—were coupled with training in basic business and financial literacy. This integration of financial services and livelihood interventions significantly reduced seasonal migration and enhanced economic stability.

Conclusion:

The Katkari community's struggle for financial inclusion encapsulates the deeper fault lines of caste, poverty, and marginalization. Historical neglect, weak institutional presence, and socio-economic barriers have undermined their ability to participate in formal financial systems. However, strategic interventions—ranging from documentation drives to digitalized credit delivery and livelihood integration—offer promising pathways toward inclusive development.

Financial inclusion for the Katkaris is not merely a technical issue; it requires addressing embedded social vulnerabilities, enhancing agency, and creating enabling ecosystems that support sustainable economic participation. Through concerted efforts by policymakers, financial institutions, community organizations, and researchers, it is possible to transform the lived reality of the Katkari tribe from exclusion to empowerment.

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