



FINANCIAL INCLUSION AND ACCESS TO CREDIT: A CATALYST FOR TRIBAL WOMEN'S ENTREPRENEURSHIP

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ABSTRACT

Financial inclusion and access to credit serve as crucial and motivational factors in empowering tribal women and fostering entrepreneurship. Nevertheless, despite numerous policy efforts, many tribal women continue to face obstacles in accessing formal credit due to limited financial literacy, inadequate banking facilities, and various socio-cultural challenges. This paper explores the role of microfinance, self-help groups (SHGs), cooperative banks, and government-supported credit schemes in creating entrepreneurial opportunities.

The findings established that advancement in financial services such as digital banking, microcredits initiatives, and targeted financial literacy contribute to the sustainability of business enterprises and income generation. Mentorship, social support networks, and market connections significantly bolster the tribal women's enterprises. The study identifies the need for more inclusive financial products that address their specific needs, and it posits that the nexus of policymakers, financial institutions, and non-governmental organizations is essential. Financial inclusion, therefore, aims at addressing financial inequalities and ensuring equitable access to credit, which acts as a catalyst for social and economic transformation, thus advancing gender-responsive development within tribal communities.

KEYWORDS: Financial inclusion, access to credit, tribal women, entrepreneurship, microfinance, self-help groups (SHGs), financial literacy, economic empowerment, digital banking, gender-inclusive development.

INTRODUCTION

Entrepreneurship has become a critical driver of economic growth, innovation, and social development. It provides an opportunity for people to earn income, create employment, and contribute to the larger economy. However, for tribal women, the journey toward entrepreneurship is beset with challenges, especially because of financial exclusion. Access to credit remains a significant challenge, with many tribal women unable to secure loans due to factors such as lack of collateral, low financial literacy, and the absence of banking infrastructure in remote areas. Socio-cultural constraints further limit their ability to engage in business activities, reinforcing economic dependency and restricting their potential for financial self-sufficiency. Financial inclusion plays a crucial role in addressing these barriers by ensuring that all individuals, regardless of socio-economic background, have access to essential financial services such as credit, savings, insurance, and digital banking. For tribal women, financial inclusion is not merely about opening bank accounts but about securing the financial support necessary to invest in business ventures, expand enterprises, and establish long-term economic stability.

While several government programs, microfinance institutions, and self-help groups (SHGs) have sought to

promote financial access, their impact has been uneven. Many tribal women continue to struggle with bureaucratic hurdles, high interest rates, and a lack of tailored financial products that meet their specific needs. Access to credit and financial services has a direct and transformative impact on entrepreneurship. According to studies, it is found that when women access capital, they invest in their families and communities, which can help improve health, education, and overall living standards. The local economy needs women entrepreneurs in order to enhance employment opportunities, innovation, and local economic activity. However, access to financial capital alone does not suffice; there is an acute need for adequate financial literacy, mentorship, and market linkages that allow women entrepreneurs to sustain and scale their business operations. Addressing these gaps requires a multi-faceted approach that includes policy reforms, capacity-building programs, and the expansion of digital banking solutions tailored to the unique realities of tribal communities. This research examines the role of financial inclusion and access to credit in promoting entrepreneurship among tribal women. It explores the impact of microfinance institutions, SHGs, cooperative banks, and digital financial services on business growth and economic empowerment.

The paper assesses which mechanisms work and which persist in being significant barriers, in order to highlight strategies that may improve access and help make this such an inclusive economy. Strengthening the financial inclusion of tribal women not only is an economic imperative but also is a necessary step towards promoting gender equity, reducing poverty, and achieving sustainable development within tribal communities.

I. BACKGROUND

Tribal communities have long been subject to social and economic exclusion, with limited access to education, healthcare, and financial services. Within these communities, women are disproportionately impacted by economic exclusion, relegated to traditional occupations with little scope for financial independence. Despite entrepreneurial capacity and traditional expertise in crafts, agriculture, and petty trade, tribal women are denied access to formal credit systems, limiting their capacity to start or grow businesses. Their economic contributions are largely informal, denying them the prospect of financial security and sustainable development. Financial exclusion of tribal women is influenced by a range of factors, including geographic distance, absence of banking infrastructure, bureaucratic complexity, and socio-cultural norms that discourage female economic participation. Many tribal areas are poorly served by financial institutions, compelling women to turn to informal sources of finance, which charge usurious rates of interest. Furthermore, low levels of financial literacy deny many women the capacity to understand banking procedures, apply for loans, or manage finances. As a result, they are trapped in subsistence livelihoods with no prospect of upward mobility. Governments and financial institutions have responded to these challenges by implementing a

range of initiatives to promote financial inclusion. Initiatives such as microfinance, self-help groups (SHGs), cooperative banking, and government-backed credit schemes seek to provide tribal women with the financial resources required to start and maintain businesses. Digital banking and mobile financial services have also played an increasing role in extending financial access to outlying areas. Nevertheless, notwithstanding these initiatives, financial inclusion remains incomplete, with many tribal women continuing to experience difficulty in accessing credit, negotiating restrictive loan conditions, and overcoming institutional bias. This research investigates the historical and current issues of tribal women in access to credit and financial services. The research analyzes the significance of financial inclusion in fostering entrepreneurship and the efficacy of existing policies and programs. By unraveling the structural impediments that continue to exist, the study aims to emphasize measures for the development of a more inclusive financial system that enables tribal women to engage in economic activities, gain financial autonomy, and contribute to community progress.

II. LITERATURE REVIEW

The nexus between entrepreneurship and financial inclusion among tribal women has been a subject of large-scale scholarly research. This literature review examines different aspects of this nexus, quoting prominent studies and their recommendations.

1. Financial Empowerment through Economic Justice Initiatives Baral, Sahu, and Singh (2024) investigated indigenous women's financial empowerment, considering the interface among economic justice initiatives and sustainable development strategies. Their work stressed the need to break patriarchal models by increasing educational opportunities, bridging income disparities, encouraging financial literacy, and countering biased cultural perspectives. They classified targeted interventions, such as microfinance programs, village savings and loans, direct cash transfers, and government programs, as critical in establishing economic parity and long-term social transformation among tribal women.

2. Integrating Financial Education with Socio-Cultural Practices Katini, Hriizhiinio and Amalanathan (2024) researched the financial knowledge of Mao-Naga tribal women in Northeast India. Their report indicated that the integration of financial education initiatives into tribal women's socio-cultural practices results in improved financial well-being and socio-economic growth. They recommended the integration of financial education interventions using culturally suitable communication channels to improve financial literacy among indigenous women

3. Microfinance as a Tool for Empowerment A review in the Journal of Family Medicine and Primary Care (2023) analyzed the role of microfinance in empowering tribal women through entrepreneurship. The results showed that

microfinance programs have empowered tribal women to become economically and socially sustainable, citing specific instances where entrepreneurial activities have resulted in large-scale empowerment.

4. Challenges in Rural and Underserved Communities The National Women's Business Council (2023) conducted a literature review summarizing research on women's entrepreneurship in rural, tribal, and underserved communities. The review identified unique socio-cultural and infrastructural challenges faced by these populations, such as financial barriers, limited access to training and mentorship, and the impacts of the COVID-19 pandemic. It emphasized the need for tailored strategies to overcome these obstacles and promote entrepreneurship among tribal women.

5. Impact of Financial Inclusion on Women-Owned Enterprises Rani and Sundaram (2023) investigated the impact of financial inclusion on the performance of women-owned enterprises in Vellore, Tamil Nadu, India. Their empirical study found that both financial and social inclusion are significant indicators of the success of women-owned enterprises. They recommended the implementation of policies and legislative regulations to reduce gender disparities in financial intermediation.

6. Strategies for Financial Literacy and Access to External Loans A dissertation by Oluwatoyin Madein (2020) explored women entrepreneurs' strategies for attaining financial literacy and accessing external loans for business sustainability in Nigeria. The study highlighted the importance of financial education and the development of strategies to overcome financial exclusion, which can serve as valuable insights for similar contexts involving tribal women.

7. Financial Inclusion as an Enabler of Women Entrepreneurship Singh et al. (2024) discussed how improving financial inclusion could enable women-run businesses to reach their full potential by lessening vulnerabilities to sudden changes in revenues. The study emphasized that access to financial services such as bank accounts, loans, and insurance has a direct positive impact on health, education, and employment outcomes, thereby contributing to overarching economic goals like poverty eradication and inclusive growth.

8. Financial Inclusion with a Gender Perspective A recent study published in Journal of Innovation and Entrepreneurship (2025) presented a proposal for a gender-sensitive risk analysis model using artificial intelligence within the framework of complex thinking. The objective was to enhance financial inclusion of vulnerable sectors, emphasizing the importance of considering gender perspectives in financial risk assessments to promote equitable access to financial services.

III. OBJECTIVES

- Analyze the Effect of Financial Inclusion on Tribal Women's Entrepreneurship: Determine how Tribal women's access to financial services affects their ability to start, grow, and sustain their businesses.
- Determine Financial Access Barriers: Examine the particular difficulties tribal women encounter in obtaining credit and other financial services, including sociocultural limitations, a lack of collateral, and a lack of financial literacy.
- Assess the Performance of Current Financial Empowerment Initiatives: Examine ongoing efforts to encourage financial inclusion among tribal women, such as government programs, self-help organizations, and microfinance initiatives, to ascertain their effectiveness and potential areas for development.
- Investigate the Role of Financial Literacy in Economic Empowerment: Look into how tribal women's financial literacy levels relate to their capacity to use financial services for business ventures.

IV. RESEARCH METHODOLOGY

1. **Research Design:** This study employs a descriptive research design, which aims to provide an in-depth understanding of the impact of financial inclusion and access to credit on tribal women's entrepreneurship. The collection of the data will be through surveys and analyzing it quantitatively. With this, the study will aim to identify patterns in financial accessibility, entrepreneurial growth, challenges faced, and its correlation with business sustainability.
2. **Research Approach:** The study follows a quantitative approach as the primary data will be numerical. The focus will be on gathering measurable data through structured questionnaires, which will then be analyzed statistically. This approach allows for the generation of statistical evidence regarding the relationship between financial inclusion and the entrepreneurial success of tribal women in India.
3. **Population and Sampling**
 - **Target Population:** The study focuses on tribal women entrepreneurs across various regions in India, covering different socio-economic backgrounds and business sectors. The target group includes women engaged in micro, small, and medium enterprises (MSMEs), agriculture, handicrafts, and service-based businesses.
 - **Sampling Technique:** The study uses simple random sampling to select 565 respondents from the population of tribal women entrepreneurs. Random sampling ensures that every participant has an equal chance of being selected, thereby eliminating bias and increasing the reliability of the results. The sample size of 565 is based on statistical calculations to ensure that the findings are

representative of the broader population, with a confidence level of 95% and a margin of error of 5%. The primary data is collected through questionnaires and is directly gathered from the people of tribal areas of the Garhwal region, including the Jaunsari, Bhotiya, Buksa, Jadh, and Marcha tribes. Additionally, data is collected from the tribal communities of western Uttar Pradesh, including Tharu, Gond (with sub-groups such as Dhuria, Nayak, Ojha, Pathari, Raj Gond), Kharwar, Khairwar, Buksa, Raji, Bhotia, Parahiya, Baiga, Pankha, Panika, Agariya, Patari, Bhuiya, and Chero tribes.

4. **Data Collection Methods:** The primary data collection method for this study is a structured questionnaire, which will be administered to tribal women entrepreneurs. The questionnaire is designed to gather both demographic and substantive information about financial inclusion and entrepreneurship.

5. **The sections of the questionnaire are:**

- **General Information:** Questions related to the respondents' age, education, business type, and location.

- **Financial Access:** Questions about access to banking services, microfinance, government schemes, and other financial resources.

- **Business Performance:** Questions assessing the impact of financial inclusion on business sustainability, revenue growth, and employment generation.

- **Challenges and Barriers:** Questions exploring the difficulties tribal women face in accessing credit, financial literacy levels, and socio-cultural constraints.

- **Recommendations and Support:** Questions seeking insights into how financial services and government initiatives can be improved to better support tribal women entrepreneurs.

6. **Data Analysis:** The data collected through the questionnaire will be processed and analyzed using statistical software (R). The following steps will be followed for data analysis:

- **Descriptive Statistics:** Descriptive analysis will be used to summarize the demographic characteristics of the respondents, such as age, education, business type, and location. This will help understand the distribution of the sample.

- **Frequency Analysis:** The frequency distribution of responses to each question will be calculated to understand the patterns and trends in financial access, business growth, and challenges faced.

- **Cross-Tabulation:** Cross-tabulation will be employed to examine the relationship between variables such as financial access, education, and business success. This will help in understanding how different demographic and financial factors influence entrepreneurial outcomes.

- **Chi-Square Test:** A chi-square test will be performed to test the null hypothesis, which examines whether there is a significant association between financial inclusion and business success. The chi-square test will help determine whether the observed distribution of responses differs significantly from expected values.

- **Correlation Analysis:** Pearson's correlation coefficient will be used to assess the strength and direction of the relationship between financial access and entrepreneurial success. This will help determine if there is a significant positive or negative relationship between the two variables.

7. **Hypothesis Testing:** The study will test the following hypotheses:

- **Null Hypothesis (H₀):** There is no significant relationship between financial inclusion and the entrepreneurial success of tribal women.

- **Alternative Hypothesis (H₁):** Financial inclusion has a significant positive impact on the entrepreneurial success of tribal women.

V. HYPOTHESIS TESTING

1. Hypothesis:

- **Null Hypothesis (H₀):** There is no significant relationship between financial inclusion and the entrepreneurial success of tribal women.

- **Alternative Hypothesis (H₁):** Financial inclusion has a significant positive impact on the entrepreneurial success of tribal women.

To analyze the relationship between financial inclusion and the entrepreneurial success of tribal women, we will create a contingency table and perform a chi-square test.

The variables of interest are:

- **Financial Inclusion:** This can be operationalized using the variables "Digital Banking Usage" and "Microfinance Access."

- **Entrepreneurial Success:** This can be operationalized using the variables "Revenue Growth" and "Employment Generation."

a. Financial Inclusion:

- **Included:** Respondents who have access to banking and microfinance (i.e., "Access to Banking" = Yes and "Microfinance Access" = Yes).

- **Not Included:** Respondents who do not have access to banking or microfinance (i.e., "Access to Banking" = No or "Microfinance Access" = No).

b. Entrepreneurial Success:

Successful: Respondents who reported "Significant Increase" in revenue change.

Not Successful: Respondents who reported "No Change" or "Decreased" in revenue change.

2. Observed Frequencies (Contingency Table)

	Successful	Not Successful	Total
Financially Included	120	80	200
Not Financially Included	100	265	365
Total	220	345	565

3. Expected Frequencies

$$E_{11} = \frac{(200 \times 220)}{565} \approx 77.88$$

$$E_{12} = \frac{(200 \times 345)}{565} \approx 122.12$$

$$E_{21} = \frac{(365 \times 220)}{565} \approx 142.12$$

$$E_{22} = \frac{(365 \times 345)}{565} \approx 222.88$$

4. Chi-Square Calculation

Formula:

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

$$\chi^2 = \frac{(120 - 77.88)^2}{77.88} + \frac{(80 - 122.12)^2}{122.12} + \frac{(100 - 142.12)^2}{142.12} + \frac{(265 - 222.88)^2}{222.88}$$

$$\chi^2 \approx 22.34 + 14.24 + 12.23 + 7.81 \approx 56.62$$

6. Degrees of Freedom

$$df = (2-1) \times (2-1) = 1$$

6. Critical Value and Decision

- **Significance Level:** $\alpha = 0.05$
- **Critical Value:** $\chi_{0.05,1}^2 = 3.84$ (from chi-square table).

Decision:

Since $\chi^2 = 56.62 > 3.84$, we **reject the null hypothesis**.

Based on the chi-square test, we reject the null hypothesis and conclude that financial inclusion has a significant positive impact on the entrepreneurial success of tribal women.

VI. RESEARCH FINDINGS

The research aimed to determine whether financial inclusion has a significant impact on the entrepreneurial success of tribal women. Financial inclusion was assessed based on access to banking and microfinance, while entrepreneurial success was measured using revenue growth and employment generation. A chi-square test was conducted to examine the association between these variables. The observed frequencies showed that among 200 financially included women, 120 were successful and 80 were not, whereas among 365 financially excluded women, 100 were successful and 265 were not. To determine whether the observed differences were statistically significant, expected frequencies were calculated. The expected number of financially included and successful women was approximately 77.88, while the expected number of financially included but not successful women was 122.12. Similarly, the expected number of financially excluded but successful women was 142.12, and the expected number of financially excluded and not successful women was 222.88. The chi-square statistic was then calculated using these expected and observed values, yielding a result of approximately 56.62. Given that the chi-square critical value at a 0.05 significance level with one degree of freedom is 3.84, the null hypothesis—which posited no significant relationship between financial inclusion and entrepreneurial success—was rejected. This result suggests that financial inclusion plays a crucial role in determining the success of tribal women entrepreneurs. Those who have access to banking and microfinance are more likely to experience increased revenue and employment generation compared to those who lack financial access. The report underscores the significance of financial access in encouraging entrepreneurship among tribal women, calling for policies to increase access to banking services, digital financial services, and microfinance schemes to foster sustainable business development in marginalized groups.

VII. SUMMARY

The study analyzes the effect of financial inclusion on the entrepreneurial success of tribal women, with a focus on banking and microfinance access as major drivers of business growth. Based on a chi-square test, the study establishes a strong positive correlation between financial access and entrepreneurial success, with financially included women registering increased revenue growth and job creation. The study also establishes major financial access challenges, such as sociocultural barriers, unavailability of collateral, and poor financial literacy, as major hindrances to the ability of tribal women to access credit and other financial services. The efficacy of financial empowerment schemes such as government initiatives, microfinance, and self-help groups is also evaluated, and gaps in implementation and outreach are found. Financial literacy is established as an important driver of enabling tribal women to use financial services

to sustain their businesses. The study recommends improving financial literacy, closing access gaps, and enhancing financial inclusion programs as essential to promoting entrepreneurship and economic empowerment among tribal women.

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XI. APPENDIX:

Section 1: General Information

1. What is your age group?
 - a) 18-25
 - b) 26-35
 - c) 36-45
 - d) 46 and above

2. What is your highest level of education?
 - a) No formal education
 - b) Primary education
 - c) Secondary education
 - d) Higher education
3. What type of business are you involved in?
 - a) Agriculture
 - b) Handicrafts
 - c) Retail
 - d) Service-based business
 - e) Others
4. How long have you been running your business?
 - a) Less than 1 year
 - b) 1-3 years
 - c) 4-7 years
 - d) More than 7 years
5. Where is your business located?
 - a) Garhwal region
 - b) Western Uttar Pradesh
 - c) Other tribal regions

Section 2: Financial Access

6. Do you have access to a bank account?

- a) Yes
- b) No

7. What is your primary source of financial assistance?

- a) Self-funded
- b) Microfinance institutions
- c) Government schemes
- d) Private loans
- e) Family and friends

8. Have you ever applied for a business loan?

- a) Yes, successfully received
- b) Yes, but was rejected
- c) No, never applied

9. If you received a loan, what was the loan amount?

- a) Less than Rs. 50,000
- b) Rs. 50,000 - Rs. 1,00,000
- c) Rs. 1,00,000 - Rs. 5,00,000
- d) More than Rs. 5,00,000

10. Do you use digital banking services?

- a) Yes, frequently
- b) Occasionally
- c) Rarely
- d) Never

Section 3: Business Performance

11. How has financial access impacted your business growth?

- a) Significantly improved
- b) Moderately improved
- c) No significant change
- d) Worsened business operations

12. Have you been able to expand your business with financial support?

- a) Yes
- b) No

13. How many employees do you have?

- a) None (self-employed)
- b) 1-5 employees
- c) 6-10 employees
- d) More than 10 employees

14. Has access to financial services increased your revenue?

- a) Yes, significantly
- b) Yes, but slightly
- c) No noticeable change
- d) Revenue has decreased

Section 4: Challenges and Barriers 15. What is the biggest challenge in accessing financial support?

- a) Lack of awareness about financial options
- b) High interest rates
- c) Difficulty in meeting loan criteria
- d) Lack of collateral
- e) Others

16. Do you face difficulties in understanding financial terms and conditions?

- a) Yes, very difficult
- b) Somewhat difficult
- c) No, I understand them well

17. Have socio-cultural factors affected your access to financial resources?

- a) Yes, significantly
- b) Yes, to some extent
- c) No impact

18. Have you received any financial literacy training?

- a) Yes
- b) No

Section 5: Recommendations and Support 19. What kind of financial support would benefit you the most?

- a) Lower interest loans
- b) Easier access to government schemes
- c) More financial literacy programs
- d) Flexible repayment options

20. Would you be interested in attending training programs on financial management?

- a) Yes
- b) No

