



Financial Inclusion and Economic Empowerment of Scheduled Tribe Households: An Empirical Study of Selected Tribal Areas in kumuram bheem district of Telangana

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Abstract

Financial inclusion is an important instrument for improving the economic well-being of households, particularly among socially and economically vulnerable communities. Access to formal banking, savings, credit, insurance, pension and digital financial services can enhance household financial security and economic opportunities. This study proposes to examine the relationship between financial inclusion and economic empowerment among Scheduled Tribe (ST) households in selected tribal areas of Telangana.

The study focuses on access to banking services, savings, institutional credit, insurance, pension, digital financial services and financial literacy as dimensions of financial inclusion. Economic empowerment is examined through indicators such as household income, savings capacity, asset creation, livelihood security, debt management and participation in financial decision-making.

The study proposes to collect primary data from selected ST households through a structured questionnaire. Descriptive statistics, Chi-square test, correlation and multiple regression may be used to analyse the relationship between financial inclusion and economic empowerment. The study is expected to provide evidence regarding the level of financial inclusion among ST households and identify the major barriers affecting their access to formal financial services. The findings may be useful to banks, government departments, local bodies and development agencies in designing measures for inclusive tribal economic development.

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KEYWORDS: Financial Inclusion, Economic Empowerment, Scheduled Tribes, Financial Literacy, Banking Services, Digital Finance, Tribal Development.

INTRODUCTION

Financial inclusion refers to the availability and effective use of appropriate formal financial services by individuals and households. It extends beyond merely opening a bank account and includes access to savings, credit, insurance, pension, remittances and other financial services.

The Reserve Bank of India's National Strategy for Financial Inclusion 2019–2024 emphasised affordable access to formal financial services, expansion and deepening of financial inclusion, financial literacy and consumer protection.

The Pradhan Mantri Jan-Dhan Yojana (PMJDY) is one of India's major financial-inclusion initiatives. Its objectives include access to basic savings accounts, credit, remittances, insurance and pension. PMJDY accounts can also facilitate Direct Benefit Transfer and access to related insurance and pension schemes.

Financial inclusion is particularly relevant to Scheduled Tribe households because access to formal financial institutions can influence their ability to save securely, obtain institutional credit, manage financial risks and participate in economic opportunities.

Telangana has accorded importance to the socio-economic development of Scheduled Tribes. The Telangana Government states that the Tribal Welfare Department is responsible for areas including education, health, livelihood and development schemes for tribal communities.

According to the Telangana government's Scheduled Tribes Special Development Fund document, STs constituted 9.08% of the state's population according to the 2011 Census, and the state has adopted targeted development interventions to bridge developmental gaps affecting ST communities.

Therefore, studying financial inclusion at the household level can provide useful evidence about whether formal financial services are translating into improved economic opportunities for tribal families.

REVIEW OF LITERATURE

The relationship between financial inclusion and economic development has been examined by several researchers and institutions. Previous studies have generally focused on access to banking services, financial literacy, savings, credit, digital finance and their influence on household economic well-being.

1. **Jins Varkey and Jamon Mathew (2022)** ^[6]: The study title is “Financial inclusion of scheduled tribes in Kerala—an empirical study”- this study has limited in Kerala state only.
2. **Komala Palem and Dr. A.V.N Murthy (2024)** ^[7]: This study title is “The Impact of Financial inclusion on women empowerment through financial literacy A select study on scheduled caste women empowerment in Chittoor District”. This study is focused on financial inclusion on women empowerment and it is limited in chittur district of Andhra Pradesh.
3. **Alagh, Rashi & Tapliyal, A.B (2024)** ^[8]: The study title is “Financial inclusion and its impact on women empowerment”- This study is focused on women empowerment.

4. **Reshma K & Kanniemmal K (2026)** ^[9]: The study title is “Impact of Financial Literacy and Pradhan Mantri Jan Dhan Yojna Awareness on Financial Inclusion of Attappady Scheduled Tribes in Kerala”. This study has focused on Kerala state only.

BACKGROUND OF THE STUDY

Financial services can contribute to household economic development in several ways:

A savings account can provide a secure mechanism for saving. Institutional credit can reduce dependence on informal sources of borrowing where suitable and affordable credit is available. Insurance can help households manage certain financial risks, while pension products can contribute to long-term financial security.

Digital financial services have also become increasingly important. Mobile banking, UPI, ATM/debit cards and other digital channels can reduce geographical barriers to financial services. However, access does not necessarily mean effective usage. Financial literacy, digital literacy, income, education, geographical accessibility and trust can influence actual utilisation.

The PMJDY framework explicitly incorporates financial literacy, credit, insurance and pension along with banking access. For tribal households, therefore, financial inclusion should be examined through multiple dimensions rather than through bank-account ownership alone.

Statement of the Problem

Although financial inclusion has expanded through formal banking and government financial programmes, differences may remain in the effective use of financial services.

Some households may have bank accounts but use them only for receiving government benefits. Others may have access to savings facilities but limited access to institutional credit, insurance or pension products.

Similarly, digital financial services may be available but may not be effectively used because of limited digital literacy, connectivity problems or lack of confidence in digital transactions.

The central problem addressed by this study is therefore:

To what extent does financial inclusion contribute to the economic empowerment of Scheduled Tribe households in selected tribal areas of Telangana.

NEED FOR THE STUDY

The study is significant for the following reasons:

- **Financial Inclusion:**

It examines whether ST households have effective access to formal financial services.

- **Economic Empowerment**

It examines whether access to financial services is associated with improved household economic conditions.

- **Financial Literacy**

Financial knowledge can influence the ability of households to select and use financial products.

• Tribal Development

The study focuses specifically on ST households and therefore provides community-specific evidence.

• Policy Relevance

The findings can assist banks, government departments, local bodies and development institutions in identifying gaps in financial-service delivery.

RESEARCH GAP

The relationship between financial inclusion and economic development has been examined by several researchers and institutions. Previous studies have generally focused on access to banking services, financial literacy, savings, credit, digital finance and their influence on household economic well-being. And several studies examined in other states and other areas but specially research gap in financial inclusion and economic empowerment of Scheduled Tribes in Selected areas in kumuram bheem district in Telangana state.

5. OBJECTIVES OF THE STUDY

The study has the following objectives:

- To assess the level of financial inclusion among Scheduled Tribe households in selected tribal areas of Telangana.
- To examine access to banking and savings services among ST households.
- To study the availability and utilisation of institutional credit.
- To examine awareness and use of insurance and pension services.
- To assess the adoption of digital financial services.
- To examine the level of financial literacy among ST households.
- To analyse the relationship between financial inclusion and economic empowerment.
- To identify the major barriers to effective financial inclusion.
- To suggest measures for improving financial inclusion and economic empowerment among ST households.

SCOPE OF STUDY

Future researchers may examine:

- Financial inclusion among tribal women.
- Digital financial inclusion among tribal youth.
- Financial literacy and investment behaviour of ST households.
- Microfinance and tribal livelihood development.
- SHGs and financial empowerment of tribal women.
- Financial inclusion and entrepreneurship among tribal communities.
- Comparative analysis of ST and non-ST households.
- Financial inclusion and sustainable development in Scheduled Areas.

RESEARCH METHODOLOGY

• Research Design

The study adopts a descriptive and analytical research methods

• Study Area

The broader study area is selected tribal areas in Telangana. For a focused empirical study, the research may be limited to Selected Areas in Telangana state. This provides a manageable geographical area for primary-data collection.

The final sample size should be determined based on the accessible population, sampling design and academic requirements.

• Sampling Technique

A multistage sampling technique may be used: like that District → Mandal → Gram Panchayats → Villages/Habitations → ST Households

Where necessary, stratification may be used to ensure representation of different tribal and socio-economic groups.

SOURCES OF DATA

• Primary Data

Primary data will be collected through a structured questionnaire and personal interviews with selected ST households in selected areas in kumuram bheem district of Telangana state.

• Secondary Data

Secondary information may be collected from Published journals, Government of India and Telangana Reports, RBI reports, Government statistical publications, Books and academic reports and using by internet various websites.

Statistical Tools

The collected data may be analysed using descriptive and analytical statistical methods like that Frequency, Percentage, Mean, Standard deviation, Chi-square test, t-test, ANOVA, Pearson correlation, regression analysis and other required statistical tools.

Suggestions

Based on the empirical results, the following measures may be considered:

Financial Literacy

Regular financial-literacy programmes should be organised in tribal villages covering savings, credit, insurance, pensions and digital financial services.

Local-Language Communication

Financial information should be communicated in simple language and, where necessary, in locally understood tribal languages.

Banking Outreach

Banks and Business Correspondents can improve access to basic banking services in remote villages.

Digital Financial Literacy

Training should cover UPI, ATM/debit cards, mobile banking and safe digital transactions.

Credit Access

Suitable institutional credit products can be promoted for livelihood and income-generating activities, subject to normal eligibility and responsible lending requirements.

Insurance and Pension Awareness

Awareness programmes should explain the eligibility, benefits, premiums, exclusions and claim procedures of relevant insurance and pension products.

Role of Gram Panchayats

Gram Panchayats can facilitate financial-awareness programmes by coordinating with banks, government departments, SHGs and community organisations.

Women's Financial Participation

Special attention can be given to women's ownership and effective use of bank accounts and participation in household financial decisions.

LIMITATIONS

The study is restricted to selected tribal areas.

- The sample may not represent all ST households in Telangana.
- Primary information is based partly on respondents' self-reported responses.
- Financial-service availability may vary between villages.
- Digital-finance adoption can change rapidly with technology and infrastructure.
- The study focuses on selected dimensions of economic empowerment.

CONCLUSION

Financial inclusion is an important component of inclusive economic development. For Scheduled Tribe households, meaningful financial inclusion can potentially improve access to secure savings, institutional credit, insurance, pension and digital financial services.

India's financial-inclusion framework places emphasis not only on bank accounts but also on access to credit, insurance, pension and financial literacy.

Telangana's Tribal Welfare framework similarly places emphasis on the welfare, livelihood and economic development of ST communities.

The proposed empirical study can therefore provide household-level evidence on whether and how financial inclusion is associated with economic empowerment among ST households.

The final conclusions should be based on the actual primary data collected from respondents. In particular, the study should test whether financial inclusion is significantly associated with household income, savings, asset creation, livelihood security, debt management and participation in financial decision-making.

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