

Impact of Recent Financial Inclusion Schemes on Financial Behaviour of Poorest of the Poor : A Comparative Study of Slum Dwellers and Beggars in Lucknow and Kolkata

ABSTRACT

of

THESIS

SUBMITTED TO

**BABASAHEB BHIMRAO AMBEDKAR UNIVERSITY
(A CENTRAL UNIVERSITY)**

LUCKNOW

BABASAHEB
BHIMRAO
AMBEDKAR
UNIVERSITY



प्रज्ञा शील करुणा
ESTABLISHED 1996

FOR THE AWARD OF DEGREE OF

Doctor of Philosophy

IN

ECONOMICS

Under the Supervision of

Dr. D.K. YADAV

Submitted by

FIRDOUS AHMAD MALIK

DEPARTMENT OF ECONOMICS
SCHOOL FOR AMBEDKAR STUDIES
BABASAHEB BHIMRAO AMBEDKAR UNIVERSITY
(A CENTRAL UNIVERSITY)

VidyaVihar, Raebareli Road Lucknow-226025(U.P.), India

Enrolment No: -1369/16

Year 2020

Abstract

Even after 70 years of independence, a large section of the Indian population still remains unbanked. This malaise has led the generation of financial instability among the lower income group who do not have access to financial products and services. However, in recent years the government and Reserve Bank of India has been pushing the concept and idea of financial inclusion. The Government of India and the Reserve Bank of India have been making concerted efforts to promote financial inclusion as one of the important national objectives of the country. Some of the major efforts made in the last five decades including - nationalization of banks, building up of robust branch the network of scheduled commercial banks, co-operatives and regional rural banks, introduction of mandated priority sector lending targets, lead bank scheme, formation of self-help groups, permitting BCs/BFs to be appointed by banks to provide doorstep delivery of banking services, zero balance BSBD accounts, etc. The fundamental objective of all these initiatives is to provide the financial services to the large section of the hitherto financially excluded Indian population. The government of India and RBI have taken various steps to include a vast segment of unbanked people into mainstream banking such as Micro Finance- Self-help Group Model (1992), Kisan Credit Card (1998), No Frill Accounts (2004), Business Correspondents and Business Facilitators (2006, 2009) Swabhimaan (2011) financial inclusion model but the path of financial inclusion is continuous to be challenging. The United Nations (UN) had raised the basic question, —why so many bankable people in rural and urban areas are unbanked? NSSO data revealed that 45.9 million farmer households in the country (51.4 percent), out of a total of 89.3 million households do not access credit, either from institutional or non-institutional sources. Various financial experts argue that bank account is the most basic step of bringing such people under the financial mainstream. So, the primary objective of financial inclusion should be to open bank accounts of unbanked people. These people have remained aloof from the financial and banking mainstream and they don't possess a bank account, don't have knowledge about financial and saving instruments, and are unable to reap benefits on whatever large or small amount of money they have at their disposal. In simple language financial inclusion stands for including the people lying

on the lowest strata of our social pyramid into the financial mainstream. But financial inclusion also implies a very important point. It is felt that a majority of the unbanked people are not used to frills, now normally associated with modern banking. These people require the most basic banking facilities which are free of frills. That means financial inclusion is no-frill banking. The policymakers have already initiated some positive measures aimed at expanding financial inclusion. However, the efforts are opined by many as not commensurate with the magnitude of the issue. There is also a need on the part of the academicians and researchers to study the issue of financial inclusion with a comprehensive approach in order to highlight its need and importance. The government of India and the Reserve Bank of India have been making concerted efforts to promote financial inclusion as one of the important national objectives of the country. Some of the major efforts made in the last five decades include - nationalization of banks, building up of robust branch the network of scheduled commercial banks, co-operatives, and regional rural banks, introduction of mandated priority sector lending targets, lead bank scheme, formation of self-help groups, permitting BCs/BFs to be appointed by banks to provide doorstep delivery of banking services, zero balance BSBD accounts, etc. The fundamental objective of all these initiatives is to reach the large sections of the hitherto financially excluded Indian population.

1.6 Research Questions

1. What is financial inclusion all about?
2. How to measure FI?
3. What is the position of the country in Financial Inclusion?
4. When will we achieve 100% financial inclusion? Can we achieve it or not?
5. 5. How inclusive is financial access among Slum Dwellers and Beggars in India?
6. To check, how inclusive is recent financial inclusion schemes among slums and beggars in Lucknow and Kolkata.?
7. To check, Is there any impact of Financial Inclusion of socio-economic conditions of beggars and slums in Lucknow and Kolkata.?
8. To check, how inclusive is recent financial inclusion schemes among slums and beggars in Lucknow and Kolkata.?

9. To check, Is there any impact of Financial Inclusion of socio-economic conditions of beggars and slums in Lucknow and Kolkata.?

1.7 Scope of the Study:

Financial inclusion services are supply-driven from that of 1947 to date there are not many more benefits of these schemes in promoting the welfare meant of marginal sections of the society. This study had considered two urban marginal groups Slum Dwellers and Beggars who have been excluded by the policymakers and government to date. This study is first the hand study, investigates recent financial inclusion schemes (PMJDY, MUDRA, PMSBY, PMJJBY, and APY) and their performance in the case of these populations. This study had also investigated both supply and demand constraints of policies or schemes which are making them fail at the gross route level.

1.8 Statement of the Research Problem

It is widely recognised that both urban and rural areas have pockets of poverty and financial exclusion, especially among slum-dwellers. India had a slum population of 65.5 million according to the Census of India 2011, which accounted for 22.5 percent of lives in slums, spread across 2613 cities and urban population. In India, non-existence of bank branches in the region, physical distance of the bank from the citizens, fixed and limited timing of the banks, lack of knowledge of the advantages of getting a bank account are common reasons for financial exclusion, and, above all, low incomes that made it difficult to save. The causes are distinct in the case of the urban poor. In the urban areas, there are many banks that are not so far from the slum's dwellers and beggars.

The distance between the bank and the slums and the Beggars cannot, therefore, be a cause of financial exclusion. Against this backdrop, a report on financial inclusion in India was felt to be major clues will be given to understand the existence, causes and determinants of the financial Inclusiveness. The main objective of the study is to study the effect of recent schemes for financial inclusion on the socio-economic conditions of slum dwellers and beggars, how their socio-economic status is

determined by access, and the impact of financial access on financial and economic behaviour.

1.9 Objectives of the Study

1. To study the access and non-access pattern of recent financial inclusion schemes to the poorest of the poor.
2. To explore the changes in socio-economic conditions of the poorest of the poor due to recent financial inclusion schemes.
3. To analysis of the impact of recent financial inclusion schemes on Economic and Financial The behavior of Poorest of the Poor

1.10 Hypothesis

1. Due to lack of awareness and problems of illiteracy the population of the poorest of the poor have very limited access to recent financial inclusion schemes.
2. There is not any a significant change took place in socio-economic conditions of the poorest of the poor after implementation of recent financial inclusion schemes.
3. There is significant impact of recent financial inclusion schemes on economic and financial behaviour of the poorest of the poor

1.11 Methodology:

This study has been carried at Lucknow and Kolkata in 2019 February. The purpose of the study was to check the impact of financial inclusion schemes on socio-economic conditions of slums and beggars in Lucknow and Kolkata. Both primary and secondary data has been collected. The secondary data has been collected from Census of India, NSSO, RBI, World Bank and Financial survey of India, etc

Both qualitative and quantitative data has been collected with the help of a well-designed research schedule. Hindi and English **languages** have been used for collecting data. **Sampling technique** starfield simple random sampling have been used in case of slums dwellers in both Cities while simple random sampling in the

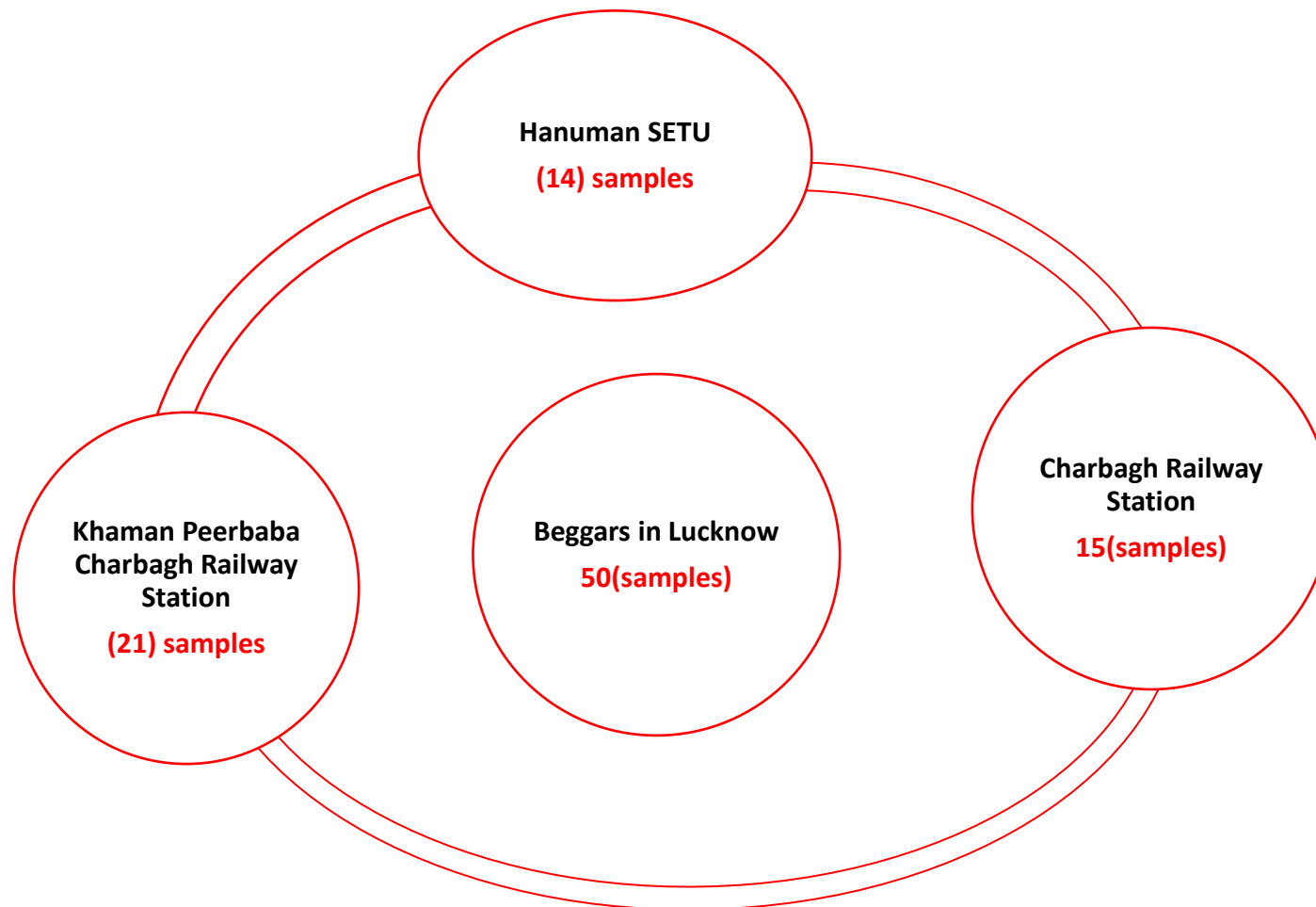
case of beggars in Lucknow and Kolkata. The sample size of the study is 300 samples from slums dwellers and 100 samples from beggars in both cities.

1.11.1 Tools of Data Analysis

The statistical packages used for the analysis are STATA 14, SPSS 21, EXCEL.

The knowledge obtained is analysed with the help of different methods and techniques. These include, Histogram, Pie Charts, and Descriptive Statistics. Research Methods used are chi-square test for Hypothesis. To, understand the financial inclusion and economic status of both slums and beggars, various Index's has been developed i.e. Index on Financial Inclusion (FII), Index for Financial Literacy (FLI), Index of Financial Attitude (FAI), Index on Financial Information (FKI)and SEI (Socio-Economic Index). The Models of regression, Dummy regression model, and Models of binary logistic regression has been used to draw the statistical inferences. Moreover, all the tool and techniques of statistics and econometrics has been explained in detail in the concern chapters.

Figure 1.1 Flow chart of sample size among beggars in Lucknow and Kolkata (A)



Sample Sites No.	Geographical coordinate	Location of sample sites in Lucknow
S1	26°49'59.13"N 80°54'6.49"E	Sharam Vihar Nagar
S2	26°47'33.45"N 80°53'0.87"E	Ambedkar Nagar
S3	26°49'57.48"N 80°54'39.24"E	Mawaiyya Vihar Nagar

Figure 1.2 Map of slum Dwellers in Lucknow

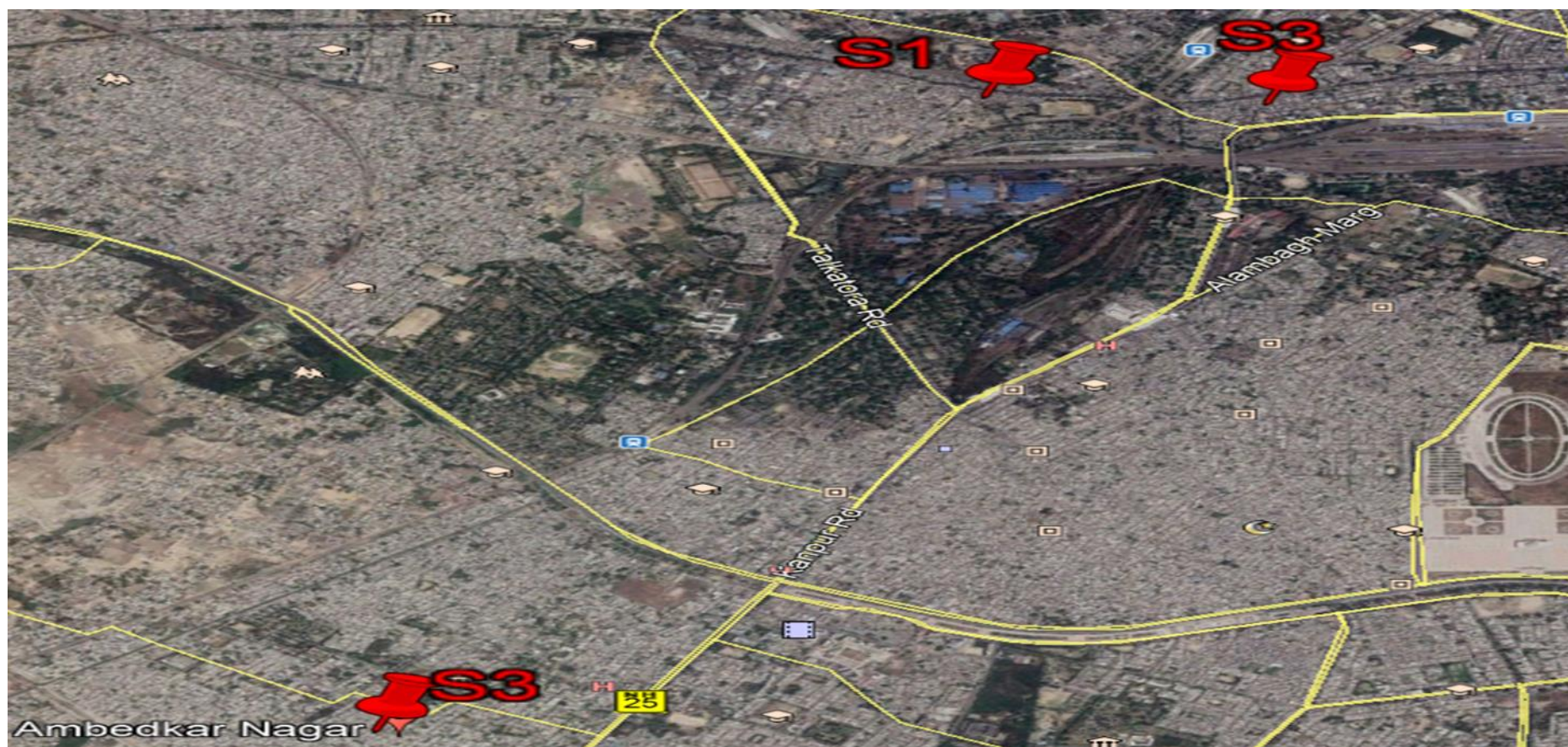
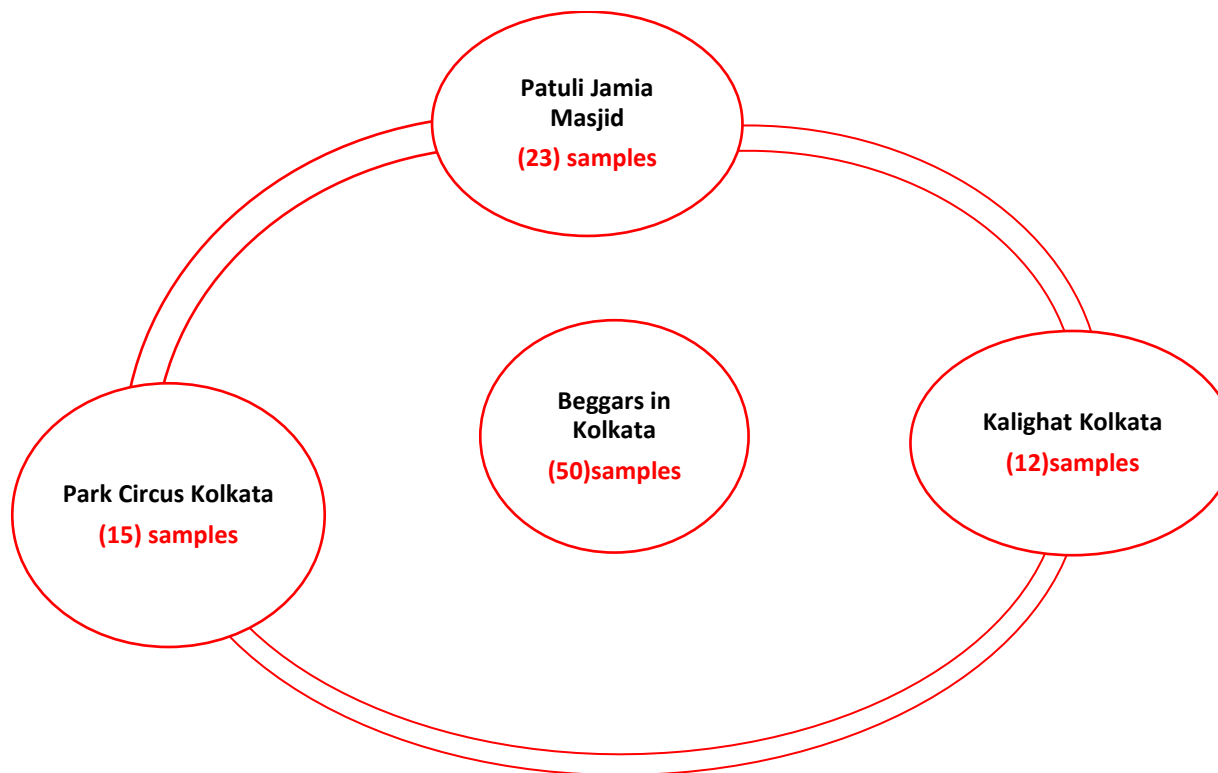


Figure 1.3 Flow chart of Kolkata Beggars (B)



Sample Sites No.	Geographical coordinate	Location of sample sites in Kolkata
S1	22°32'36.23"N 88°21'56.20"E	Park Circus
S2	22°28'29.85"N 88°23'6.19"E	Patuli Jamia Masjid
S3	22°31'12.43"N 88°20'31.51"E	Kalighat

Figure 1.4 Map of Beggars from Kolkata

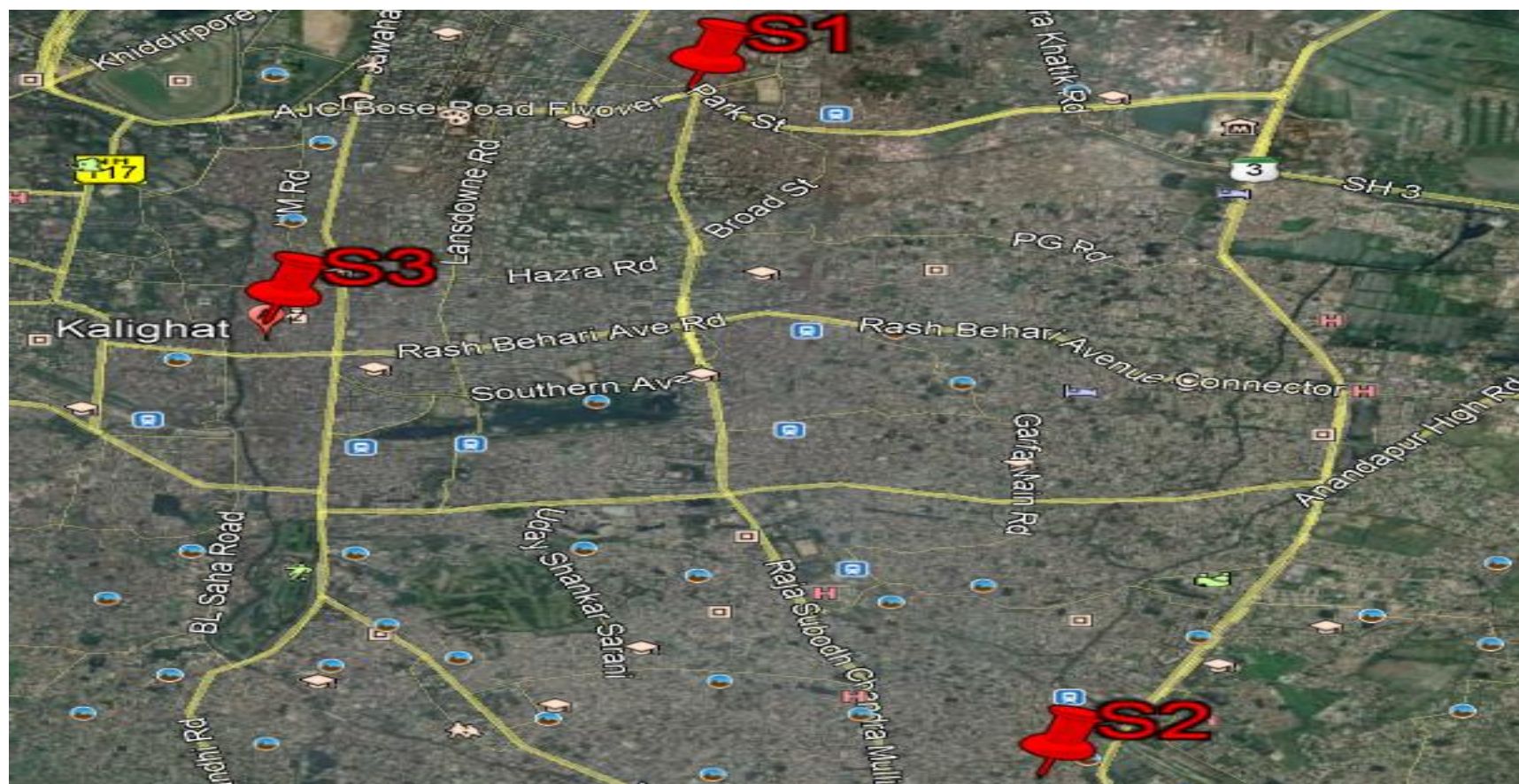
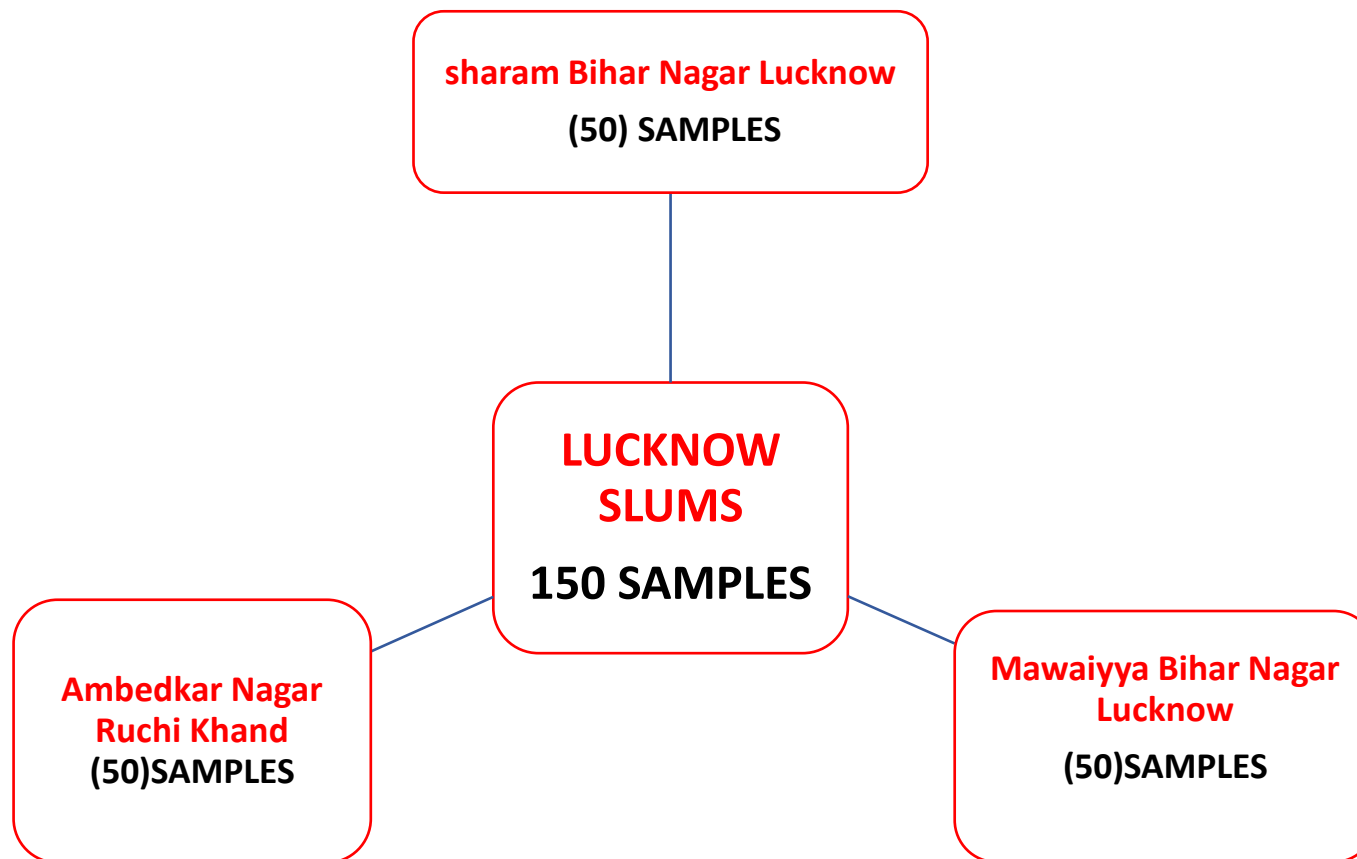


Figure 1.5 Flow low chart of sample size among Slum Dwellers in Lucknow and Kolkata (A)



Sample Sites No.	Geographical coordinate	Location of sample sites in Lucknow
S1	26°49'59.13"N 80°54'6.49"E	Sharam Vihar Nagar
S2	26°47'33.45"N 80°53'0.87"E	Ambedkar Nagar
S3	26°49'57.48"N 80°54'39.24"E	Mawaiyya Vihar Nagar

Figure 1.6 Map of slum Dwellers in Lucknow

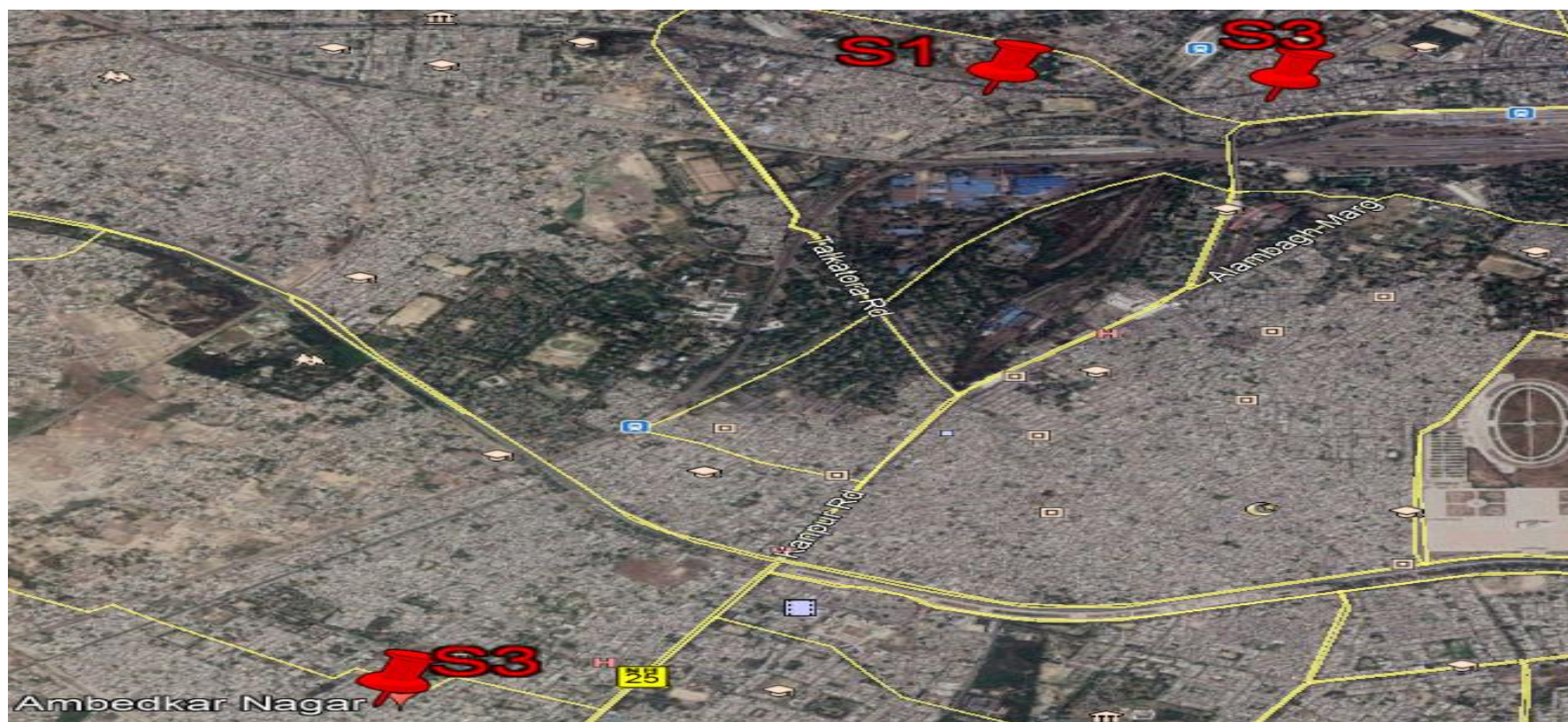
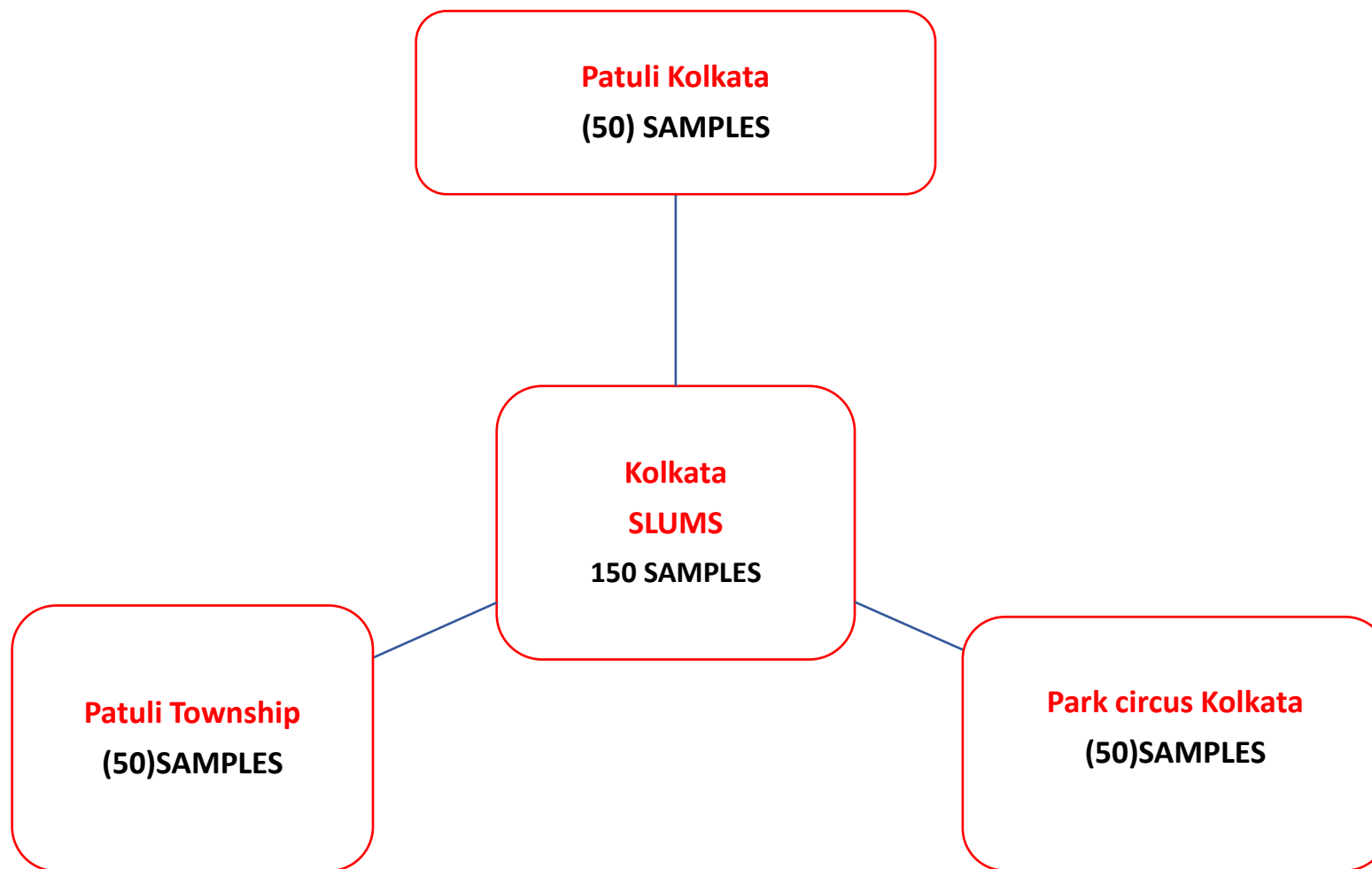


Figure 1.7 Flow chart of Slum Dwellers in Kolkata



Sample Sites	Geographical coordinate	Location of sample sites in Kolkata
S1	22°28'6.08"N 88°23'22.84"E	Patuli Township
S2	22°32'16.60"N 88°22'3.77"E	Park circus
S3	22°28'31.09"N 88°23'6.65"E	Patuli

Fig: 1.8 Map of slum Dwellers in Kolkata



1.12-chapter plan

Chapter 1. Introduction

The first chapter explains the essence and need for financial inclusion in the Inclusive Development Mechanism and describes the importance of India's financial exclusion. This chapter also includes an in-depth analysis of the latest literature related to the Study field. The studies were presented as per the sequence of the objectives of the study. Research gap in the form of research questions has been discussed. It describes the statement of the problem and the research goals of the present analysis. The research methodology used is also outlined in this chapter, the way the data for the study and the statistical instruments used for data analysis were collected.

Chapter 2 Financial Theories and Their Relevance in Financial Inclusion.

The Second chapter is focused theories relevant to financial inclusion. This chapter is divided in to four section. The first section talks about theories which gives us a deep understanding about income, savings and other determining factors. Further, sections two talks about individual perspectives and their relevance to financial inclusion. Section third, Talks about sociological perspective and section fourth draws light on institutional factors.

Chapter 3 Impact of Recent Financial Inclusion Schemes on Status of Financial inclusion in India: Secondary Data Analysis

The third chapter analysis the impact of recent financial inclusion schemes with secondary data analysis, collected from world bank and RBI to understand India's financial inclusion position. This chapter is investigated between two periods of time frame (2005 to 2006) before 2014 and after two 2014 to check the impact of recent financial inclusion schemes.

Chapter 4 Socio-Economic Conditions and Pattern of Recent Financial Inclusion Schemes to The Poorest of Poor

The four chapter illustrates the socio-economic conditions of both beggars and slums dwellers. Further, it also explains access and non-access patterns of financial products

and services, and Patterns of access and non-access with reference to socio-economic factors.

Chapter 5 Financial Inclusion Schemes and Changing Socio-Economic Status of The Poorest of The Poor.

The fifth chapter shows how the access and non-access affecting the socio-economic status of slums dwellers and beggars. Use of financial inclusion index, socio economic index, financial behaviour index, financial attitude index and financial knowledge index. Further we have used twin regression model to check statistical inferences.

Chapter 6 Impact of Recent Financial Inclusion Schemes on Economic and Financial Behaviour of Poorest of the Poor

The chapter six discusses in details income and financial behaviour patterns. In section two we have discussed income expenditure mismatch in general and among access and non-access holders, and finally the MONCOVA model has been used to check how fundamental variables are explain financial access.

Chapter 7 Conclusions, Findings and Recommendation

Finally, the Seventh Chapter draws the conclusion and recommendations resulting from the current study.

This study was focussed to examine impact of recent financial inclusion schemes on poorest of the poor people in Lucknow and Kolkata. The schemes have been implemented after 2014 to address the issues of financial exclusion among these unbanked population across the country. The schemes are PMJDY, MUDRA, PMJJBY, PMSBY and APY. Government is claiming that they have opened 35.27 crore PMJDY account till 2019-20 in every household across the country but these accounts are mostly dormant accounts people are not using them. The other benefits of the scheme such as overdraft facility, direct bank transfers have not achieved significant growth since its inception. Similarly, the MUDRA scheme which was drafted to provide loans to small business the total amount disbursed in 2015-16 is 132954.73 crores and reached 89934.72 crores in 2020-21. But in case of poorest of

the poor these schemes, again didn't show any inclusion of ultra-poor. The social security Schemes like PMJJBY the number of claims received from 2015-16 are 22212 crores and reached 35997 crores in 2017-18. Under PMSBY the number of claims disbursed from 2015-16 are 2757 crores reached the mark of 15746 crores respectively and the assets under management 506 crores in 2016 are reached to 12696 crores in 2020. All these bigger claims from government didn't show any performance at ground level. So, this study was incorporated to check the impact of financial inclusion schemes on ultra-poor in Lucknow and Kolkata. The understand financial inclusion and exclusion we have followed in depth literature review and theoretical bases to understand the aspects of financial inclusion.

The theoretical and the other empirical evidence of studies has shown that poor people are saving less as compared to middle- and higher-income families because of social, economic, psychological, and the institutional factors. Financial education and financial incentives can help poor to save more. Institutions are also excluding people from taking part in financial activities by tight rules and regulations. Poor people are always in traps due to which it becomes tough for them to save or think about use of various banking services. The saving behaviour of poor people is collectively determined by socio economic conditions and as well as by institutional barriers etc.

In this study we try to understand theoretical bases of financial inclusion. Financial inclusion is a spectrum of various dimensions like savings, credit, and use of various banking products by poor people and what is the status of financial inclusion among these urban poor. Savings is concerned one of the fundamental variables which improves overall wellbeing of the people to fight life crisis. Further, savings itself is decided by various other parameters like income, Human capital, assets and other properties available to the people etc. Besides, this the savings is commonly done to meet the unpredictable activities like health issues, accidents, education of children, marriage of children etc. Savings basically depends up on the ability and capability of an individual he/she have. As Katona (1975), said it is decided by the ability plus willingness. On similar grounds Keynes J.M(1975) discussed three motives of the savings like transactional, precautionary and speculative motive. Katona again in (1975) explains savings on three grounds contractual savings, residual savings, and discretionary savings. Similarly, warheryd (1999) identified four motives, habit or

controlling expenditure, precautionary motive, bequest motive and profit motive. Modigliani explained savings by working years and retirement years. Sturm (1983), argued that people normally save during earning years till retirement age. After retirement they are dissaving. Romer (2011) said the earnings in initial years are distressed into two parts consumption and savings. People ones reaching to the retirement age savings are financed plus interest rate to fulfil consumption requirements. Deaton (1989) said in developing countries poor people have large family size, due to which they are only saving for consumption purpose and are unable to save for retirement or bequest.

Keeping all these studies in view, I understand that all people are behaving rationally while keeping other things same. Every individual wants to save, for different life purposes, all this depends upon occupation, income, education, region, capability, willingness etc. In case of poor people almost all these things are missing to save on. Therefore, the nature of savings among the poor is quite different. Now question arises how to boost savings among the poor? To support the poor so that they could be able to save for future and they can live a better life, we need to look at them from several perspectives like basic amenities of life, education, education, housing facility, occupation, earnings/income etc.so it demands a spectrum of services with proper rehabilitation as well as adaptation.

Individual savings are directly determined by age (Modigliani & Ando ,1957). Permeant income theory suggest savings are done because of permeant income at disposal. In developing countries savings are dependent income, Higher the income higher will be the savings and vice versa. Studies have shown people in developing countries are working in informal sectors like Indian, other south Asian countries and Sub-Sahara Africana countries. they are lacking formal institutional support to save. Savings are also determined by psychological factors. Behavioural economists also stress on individual approach, optimistic and pessimistic behaviour etc.

For capturing the concept of financial inclusion and access of financial institutions, academicians and policy makers are now using the concept of financial inclusion index. The Financial inclusion index represents here mainly three broad variables i.e. accessibility, availability and usage. This study has analysed financial inclusion from 2006 to 2019. The main parameters are number of bank accounts per 1000 adults,

Number of ATM's and bank branches per 100000 adults, Volume of deposits plus loans percentage of GDP. Number of bank accounts from 2006 to 2019 has improved a lot and almost every house hold has a bank account. But the other two variables availability and usage didn't improve too much as per the demand. We have used financial inclusion index to measure financial inclusion of India. The estimated results lie between 0 and 1, where 0 represents complete financial exclusion and 1 represents complete inclusion. Further the scale has been divided in to three broad categories which are. 1. $0 \leq FII \leq 0.4$; indicates low financial inclusion, LFI; 2. $0.4 < FII \leq 0.6$; indicates medium financial inclusion, MFI and 3. $0.6 < FII \leq 1$; indicates high financial inclusion, HFI. As per the scale of financial inclusion we find India captures the place of medium financial inclusion position. We also investigated impact of recent financial inclusion schemes on financial inclusion index with the help of the Dummy regression models. The results of the model show positive change in financial inclusion index after 2014.

After analyses of financial inclusion index calculated from secondary data sources collected from world bank, IMF and RBI. We have directly focussed on our primary survey study to get more insights from the ground about two urban poor groups from Lucknow and Kolkata.

We have focused on identifying the access and non-access pattern of Slum Dwellers and Beggars in Lucknow and Kolkata. Previous studies have identified responsible factors which are determining Financial Access of the people. These factors are varied from region to region but are unanimously same everywhere. Therefore, in this study, we have analysed demographic as well as other important associated variables which are playing important role in financial access. Our study has been divided into major four parts. The First Part discusses socio economic conditions of slums and Beggars. The second part puts lights on access and non-access pattern of Financial products and services. Part third explores, pattern of access and non-access with reference to socio economic factors. From all the four sections, we find Lucknow slums as well as beggars are in worst condition in comparison to Kolkata. The core objective was to study the access and non-access pattern of recent financial inclusion schemes to the poorest of the poor. From the statistical analysis, it is found the null hypothesis have

been accepted that Due to lack of awareness and problems of illiteracy the population of poorest of the poor have very limited access to recent financial inclusion schemes.

After awareness of recent financial inclusion schemes, we were also interest to understand the socio-economic status of the people and their participation in these schemes. The socio-economic Status and financial inclusion status of the poorest of the poor in India. First, we have analysed demographic variables and their relationship with financial inclusion schemes. Secondly, we have used the chi-square test to check the hypothesis to know the statistical significance. We have also developed indexes on social-economic status, financial inclusion index, and financial literacy, to draw the representative statistical inferences. We have also used twin regression models to check how representative are financial inclusion schemes in the development of socio-economic conditions. The objective of our study was to explore the changes in socio-economic conditions of the poorest of the poor due to recent financial inclusion schemes. Our hypothesis was that there is not any significant change taken place in the socio-economic conditions of the poorest of the poor after the implementation of recent financial inclusion schemes. Finally, accept our null hypothesis There is not any a significant change took place in socio-economic conditions of the poorest of the poor after implementation of recent financial inclusion schemes.

Further, we also want to know how financial access represents the socio-economic conditions of slums and beggars in Lucknow and Kolkata. Financial access one of the parameters used to describe the economic and financial conditions of the people. the key determinants of financial access are income and expenditure pattern of the people. Again, income is determined by level of education, type of occupation etc. Income expenditure mismatch has been calculated for slums and beggars in general. Later on, we have divided the access and non-access pattern of slums and beggars to measure the differences of income and expenditure gaps. The results show slums are better than beggars and within access and non-access the access holders are better than non-access people in both the cases.

We have also used MANOVA model to understand economic and financial behaviour of people and to check is there any significant difference in them after the implementation of recent financial inclusion schemes. In conclusion we understand all these schemes fail to improve the economic and financial behaviour of slums and

beggars in both the cities. The objective of the chapter was to check the aggregate impact of recent financial inclusion schemes on their economic and financial behaviour. The hypothesis was that there is significant impact of recent financial inclusion schemes on economic and financial behaviour of the poorest of the poor. But we reject our null hypothesis, that there is insignificant impact of recent financial inclusion schemes on economic and financial behaviour of the poorest of the poor

7.2 Findings of the Study

Savings are determined unanimously by various factors, like Age, Income, Occupation, Willingness to Pay, Capability, and other psychological factors. Savings mostly relies on transactional, precautionary, and speculative motives, their exists huge differences between developed and developing countries. Financial inclusion index stands at medium stage of $(0.4 < FII < 0.6)$, which indicates medium financial inclusion.

Socio-Economic Conditions and Pattern of Recent Financial Inclusion Schemes to the Poorest of Poor” More male participants are engaged in begging from Lucknow, and females from Kolkata. The Lucknow beggars are distributed almost equally among all social categories. But, in Kolkata there is a huge gap of participation between categories like ST and General, huge number of participants are from SC and OBC populations. Beggars are more illiterate in Kolkata. There is a heavy income difference in Lucknow among low-level income beggars and high-income beggars but In Kolkata, the income difference is less, Beggars from Kolkata are engaged in other economic activities too.

The Kolkata beggars are rich than Lucknow beggars because of a greater number of working days per month. Beggars from Kolkata are working hard by utilizing more time on begging than Lucknow. Working hours is also positively related to income of the respondents, a greater number of working hours can generate more income, we find Kolkata beggars are in better position to Lucknow beggars. Moreover, we find that beggars from Kolkata are earning more in comparison to Lucknow beggars. Beggars are facing the harsh living conditions in both cities they are almost equally living with the worst housing conditions. In Lucknow none of the beggar’s avail electricity facility while in Kolkata 2 percent of Beggars are using electricity. The

sanitation facility is better in Kolkata as compared to Lucknow because more people from Lucknow are going open fields for toilet purposes. Second more people are participants of commonly shared public toilets in Lucknow than Kolkata. All beggars are doing begging because they are forced to beg to feed their families.

Kolkata slums have good housing conditions in comparison to Lucknow slums. we find Lucknow slums are more dependent on public taps to get water were Kolkata slums are enjoying these facilities at home. The availability of electricity for Kolkata slums are better than Lucknow slums.

Slums in Lucknow are more dependent on firewood for cooking. Lucknow slums are also lacking toilet facility available to them that is why they are going open fields but the condition of slums in Kolkata is much better because 99 percent people have toilets available in their homes. The problem of disability is more found among slums in Kolkata than Lucknow.

The access of banking services availed by Slum Dwellers are below 4 percent. The important digital services (Internet Banking, Remittances, Mobile Banking, Direct Benefit Transfer, etc) provided by banks. None of these services has been availed by Slums Dwellers in both of the regions. The reasons for not availing remittance are people don't have enough money, lack of knowledge to use remittance facility and high cost, and other reasons.

In case of saving account, people are not willing to open bank account due to lack of money or income. The BC model is not feasible for these sections. The bigger reason for not availing BCs services because they are not aware, nor they have knowledge of BCs. Slums have been excluded from formal banking system. They are fulfilling their credit needs informally. The reasons are poor people don't have income and essential documents to use these services. For the rest of the insurance products, people are not aware of it. Holdings and transactions are faraway questions because these people neither hold any insurance products. So, the factors responsible are supply oriented like people are unaware about banking products, unsuitable and costly products, bigger problem is they are financially illiterate. From demand side they lack money and documents to avail such services. Therefore, it seems financial services are not demand oriented. Employees provident fund is not demand oriented as people in

slums are mostly unemployed and their informal jobs are not encouraged by supply base products, 97 percent don't have the necessary documents to open a bank account.

None of the beggars has availed of any banking service from the formal banking system in Lucknow and Kolkata. Reasons for not Availing any Remittance facility from the bank is because people don't have enough money and people don't have knowledge about banking remittance. The reasons for not availing credit from banks is due to the following reasons, don't need credit, doesn't have knowledge how to get it, claimed banking procedures are difficult to understand, don't have essential documents and, beggars have other reasons etc.

Beggars have not access to the essential documents. Both slums are beggars didn't access the following services under PMJDY Overdraft Facility, Access to Insurance, Personal Accidental Insurance. Slums and beggars are largely excluded from the MUDRA scheme. They are unaware, they are lacking essential documents and the products are not suitable for them Both the populations don't access this scheme because of numerous reasons like, they don't have money, they are not aware and lack of documents are the reasons for not having access to PMJJBY access to PMSBY and APY. In the case of beggars both the schemes are insignificant, they are unaware and don't have any access while in case of slums less people are aware of the scheme and more than 99 percent don't have access. Females have more access than males, it is because poor women are working and the main target of PMJDY was to provide access to at least one woman per household.

The hypothetical results show that Education has a significant relation in opening a bank account occupation is not having any significant role in the case of slums and beggars. Income is a reason for opening a bank account especially for poor people like slums and beggars There is no relationship between Opening Bank account and Education of the people. There is not a positive relation between opening a bank account and occupation of the slums. Opening bank account and income of a person among slums are not independent. Income plays positive role in determining bank account. There is significant relationship between Opening Bank account and Gender of the people. There is no relationship in opening Bank account and Age of the people. Opening bank account and Economic Status of a person among slums are not independent. Economic status is playing vital role in opening a bank account.

Opening bank account and PMJDY Awareness of a person among slums are not independent. PMJDY Awareness is playing vital role in opening a bank account. Opening bank account and Documents of a person among slums are not independent. Documents are playing vital role in opening a bank account.

The PMJDY account has better access among women. Approximately more than 70 percent of urban poor are still out of the banking access. The old age people are having less access as compared to the adult and young age. Low differences among caste in banking access in the case of the poorest of the poor. Access is directly related to education which means higher the education higher are the chances of banking access. Banking access plays significant role in Income, which means more the access better will be the income.

Non-access has a negative role on housing conditions of the people living in slums, because most of them are living in huts and semi pucca houses. Those who have access to PMJDY account are better than non-access people. Moreover, few people have access to PMJDY and electricity. Most of the slums are lacking the benefits of LPG subsidy which is provided only who have bank access. People are lacking financial access as well as access to home-based toilets. The disable people are also lacking access to get disable pension benefits. In case of slums, the non-access is also visible by the reasons of low economic status. The most non-access people belong to BPL and RED CARD categories. People with low quality of assets are largely found among non-access holders.

From hypothesis results we find Education is playing insignificant role in opening a bank account in case of slums in Lucknow and Kolkata. Occupation plays significant role in determining the banking access in case of slums in both Lucknow and Kolkata. Income plays an insignificant role in opening Bank account among slums. Type of House is insignificant in determining to open a bank account. Banking access and availability of drinking water facility are indifferent to each other. Banking access and Availability of Electricity facility are indifferent to each other. Banking access and Type of Fuel are indifferent each other. Banking access and Type of Toilet Facility are indifferent to each other. Banking access and Persons with Disability are associated with each other. Banking access and Economic Status are indifferent each other. Banking access and Assets of the House Hold are associated with each other.

While opening a PMJDY Account in every household there will be chances of 0.0612 units of change in their socio-economic index. Further, we constructed an index on socio-economic conditions of slums namely socio-economic index to check the impact of recent financial inclusion schemes on SES of slums, for this we run a regression model to check how PMJDY Account influences SEI, the results of the model are significant at a 0.1% level of significance, which claims that there is a positive impact of recent financial inclusion schemes on socioeconomic status of slums in Lucknow and Kolkata. Lastly, we have again constructed an index on financial inclusion to check the awareness, attitude and knowledge among slums. And again, we cross-checked with another regression model to check How SEI is influenced by FI, where we find results which are totally opposite to our first regression model. So, we conclude that banking access is not a complete tool to impact on the socio-economic status of people.

Financial access has shown a positive relationship with income, those who have financial access are found among better income groups. Financial access holders are better than non-financial access but financial access is not sufficient and significant contributor to the income. Financial access reflects that better financial access people are attending a greater number of working days in compare to non-access holders. Financial access holders are in better position in compared to non-access holders with respect to number of working hours. Moreover, we find people who have financial access are doing more expenditures. The hypothetical findings are there is not existing any relationship between financial access and income of Slum Dwellers. Financial Access and type of remuneration are indifferent. Financial access and number of working days is indifferent. Financial access is totally indifferent in explaining the number of working hours

Income expenditure mismatch of slums shows there exists a gap of 25.20 percent of income among slums to fulfil their daily based expenditures. Those people who have access are lacking

-24.03 percent of income to fulfil their daily based expenditures. The non-access holders have a net income mismatch of -25.81 percent. Beggars income and expenditure mismatch gap is -38.77 percent. Beggars who have access falls short of

20 percent income to meet their expenditures. The non-access beggars have income expenditure mismatch of -38.9287 percent.

which means most of the people didn't follow household budget. Access and non-access play significant role in expenditure.

Financial access is playing significant role in having a house hold budget. Financial access is determined by person who is running the household budget. Financial access and non-access play a significant role in determining the income shortages. Financial access plays a significant role on how you have sought the problem?

The findings of MANOVA model shows Most of the family are managing their budget themselves. People are taking financial help from informal sources and are far away from formal banking Institutions. The Financial Access has an insignificant effect on the financial behaviour, annual income and annual expenditure.

7.3 Recommendations of the study

- Financial inclusion among poor could be developed by emphasizing the three key dimensions, penetration, Availability and Usage. Moreover, the gap aroused due to digitalization in banking demands to develop skills, among poor people so that they can use financial inclusion services easily.
- Access of recent financial inclusion schemes among poor people in India, demonstrates to redevelop all the related schemes to guarantee access plus usage as per their necessities.
- Financial inclusion spectrum should be made in line to develop socio economic conditions of urban poor in India. Besides this financial inclusion should be made compulsory to address and develop all developmental indicators together, Like HDI, FII, Multiply poverty Index, Health Index etc.
- To ensure the access of financial inclusion services at the door step to the poor. There is also need of home base awareness on financial literacy, provisions and benefits of the financial inclusion schemes.

- Financial Institutions should also made to target as well as develop sustainable financial behaviour among the poor.

7.4 Limitations of the Study

1. The study has been restricted only to the Lucknow and Kolkata cities.
2. The population of the study is very much volatile and inconsistent in their response. Mostly they are illiterate and unaware about the issues and problems they are facing.
3. Sample size is too small to generalise the overall results.
4. Some of the results may be spurious due to in appropriate information given by the respondents.
5. Another major limitation of the study is that we do not have any official report or data on these populations regarding financial access and non-access.