

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

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

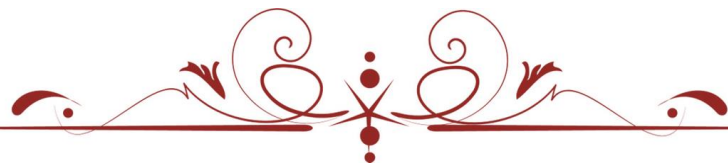
FIRDOUS AHMAD MALIK

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

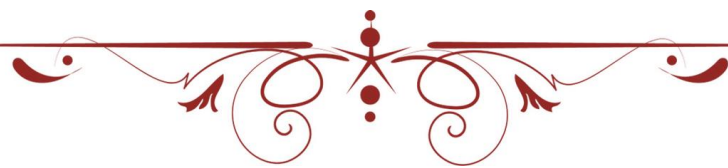
VidyaVihar, Raebareli Road Lucknow-226025(U.P.), India

Enrolment No: -1369/16

Year 2020



Dedicated To
“Political Victims of
Jammu & Kashmir”



CERTIFICATE


This is to certify that the Thesis entitled “**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**” submitted by **Mr. Firdous Ahmad Malik** is an original research work and has not been previously submitted in part or full for the award of any other degree or diploma to this or any other university.

The Thesis submitted to Babasaheb Bhimrao Ambedkar University, Lucknow satisfies all the requirements as stipulated in the *Doctor of Philosophy* Ph.D. Regulations- 1999 as amended in 2013 and it is fit for submission and evaluation for the award of the degree of Doctor of Philosophy of the University.

Date: 23/11/2020


Supervisor

Dr. D. K. Yadav
Assistant Professor
Department of Economics
Babasaheb Bhimrao Ambedkar University
Lucknow-226025


Head of the Department
अर्थशास्त्र विभाग
बी.बी.ए.ए.ए. लखनऊ

DECLARATION

I hereby, declare that this thesis entitled “**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**” submitted to Babasaheb Bhimrao Ambedkar University, Lucknow in fulfillment for the award of Doctor of Philosophy in Economics is my original work. It has not been submitted in part or full for any other diploma or degree of any other University. The indebtedness of the candidate to others has been duly acknowledged at relevant places.

This study is carried out under the supervision of Dr.D.K. Yadav, Department of Economics, Babasaheb Bhimrao Ambedkar University Lucknow, Uttar Pradesh, India. This is also to declared that the thesis is essentially free from all kinds of plagiarism.

Place: Lucknow

Date. 23/11/2020



Firdous Ahmad Malik

(Enrolment No. 1369/16)









Department of Economics

Babasaheb Bhimrao Ambedkar University,
Lucknow, Uttar Pradesh

Document Information

Analyzed document	complete thesis firdous.docx (D85649216)
Submitted	11/17/2020 9:10:00 AM
Submitted by	O. P. Saini
Submitter email	gbl.bbau@gmail.com
Similarity	1%
Analysis address	gbl.bbau.bbau@analysis.urkund.com

Sources included in the report

J	Pradhan Mantri Jandhan Yojna URL: 5325411c-024f-4a7d-b799-a0fbb2aa153f Fetched: 2/15/2019 2:32:46 AM		7
W	URL: https://www.ifo.de/DocDL/cesifo1_wp6096.pdf Fetched: 5/29/2020 8:27:19 PM		3
W	URL: https://www.researchgate.net/publication/339814671_A_STUDY_ON_FINANCIAL_INCLUSION_ ... Fetched: 4/24/2020 7:37:10 AM		2
W	URL: https://www.researchgate.net/publication/327627856_Income_and_Expenditure_Mismatch ... Fetched: 12/15/2019 7:01:56 PM		2
W	URL: https://link.springer.com/article/10.1186/s40008-020-00214-4 Fetched: 11/17/2020 9:13:00 AM		1
W	URL: http://www.osogbojournalofmanagement.com/index.php/ojm/article/download/61/51 Fetched: 11/17/2020 9:13:00 AM		2
W	URL: https://www.cgap.org/sites/default/files/CGAP-Measuring-Financial-Access-around-th ... Fetched: 11/17/2020 9:13:00 AM		3
W	URL: https://www.fsa.go.jp/frtc/20061205/07-04.pdf Fetched: 11/17/2020 9:13:00 AM		1

Acknowledgements

All praises and thanks to Almighty Allah. The Omnipresent, The Omnipotent, The Cherisher and The Sustainer of Universe. I bow in reverence to Almighty Allah who gave me the much-needed patience, strength, courage and zeal and bestowed, His Mercy Blessings in accomplishing this PhD. work. An enthusiastic guidance, dexterous work and dynamic cooperation have been provided by a number of people during the entire course of PhD. I feel contended to acknowledge those concerned.

I stand indebted for the knowledgeable supervision, excellent evaluation and embossing nature of **Dr. D.K Yadav** Assistant Professor (An Inspiring Mentor). The overall support he rendered with fruitful suggestions and unstinted guidance, keen interest, constructive criticism, comprising healthy discussions during the PhD. work is heartily appreciated. It would not have been possible to compile this report without his guidance and support.

I consider it Special privilege to thank **Dr. Tara Nair**, Professor Gujarat Institute of Development Research Gota, Ahmedabad, for her constant valuable guidance, encouragement and generous advices.

I express my sincere thanks to Head of the Department, Professor Sanatan Nayak, for providing the necessary facilities during the entire tenure of PhD. I am highly grateful for his kind and helping nature.

I feel delighted in expressing my gratitude to teachers of the department and research advisory committee members, Dr. L.C.Mallaiah, Dr. Surendra Meher, Dr. Parnav Anand for their continuous encouragement and moral support throughout the entire work.

I express my sincere thanks to Dr. Kamlesh Kumar for providing me methodological support and I am highly grateful to Sumita Bera for preparing my google map of my study areas and Master Zahoor Ahmad Rather for his cordial help at field survey.

I would also like to thank the non-teaching staff of the department Mr. Atul Sahu, Deepak Bhai, Ram Sagar, for their kind cooperation and help.

Special recognition goes to my seniors, classmates and other colleagues Arvind Kumar, Amit Singh, Rahul, Pragay Shrama, Parul Verma , Deepanjali Das, Ruchi Ballah, Alkay, Prati Nidhi Priti Jha, Altaf Choudhary, Mohmmad Abdullah, Yasir Mehmood, Nazir Paswal, Pawan Gupta, Ravindra Sah, Kanti and Dr. Sham Gond for their friendly companies, constant help and assistance throughout the entire journey of this work.

Bundle of thanks goes to my bosom near and dear ones and family members for their well wishes, supplications, timely help and encouragement especially to my elder brother Mohd Yousf Malik, Mohd Yaqoob Malik, Abdul Hameed Malik, Shabir Ahmad Malik to my sister Hassena Banu. Also, back home I am thankful to all my cousins and little angels Irfana Yousf, Rifat Yousf, Bilal Ahmad Malik, Sharik Ahmad Malik, Shazia Malik, Hurian ,Nurian Mohd Gasif Malik, Fazeela Hameed, Wamiq Ahmad Malik for their company and enjoyment.

I am gratified with the company and help provided by my friends Dr. Fayaz Ahmad Kotay, Dr. Abdul Barey Shah, Dr. Arif Malik, Naveed Ahmad, Mohd Ashraf Wani, Suhail Ahmad Bhat, and Maajid Hussain, Mudasir Quadir, Owais, Adil Hussan, Dr. Jaskaran Singh, Kamlesh kaygee, during the course of PhD

I am highly obliged and present my sincere pearls of acknowledgements to **Dr. Hebatullah Adam**, for her continuous and unending support in every aspect. Her heartfelt wishes, supplications and encouragement have been phenomenal in accomplishing this work.

I express extraordinary gratefulness and appreciation, although mere words are inadequate to express my feelings of indebtedness from the core of my heart towards my beloved Parents **Abdul Ahad Malik and Saja Begum** (who toiled and sweated throughout their lives but skilled me with a bit creativity). They are the real pivots of my life. I thank them for moulding me, with the grace of Almighty Allah, into what I am today.

Last, but not the least, I would like to thank one and all, whose best wishes kept me afloat amidst the storm.

Firdous Ahmad Malik

CONTENTS

S. No.	Title	Page No.
Chapter 1: Introduction		1-31
1.1	Introduction	1-2
1.2	Definition of Financial Inclusion	2-4
1.3	Literature Review	4-13
1.3.1	Concept of Financial inclusion and exclusion	4
1.4	Problems of supply driven financial policies and poor	10
1.5	Recent Financial Inclusion Schemes	10
1.6	Research Questions	13-14
1.7	Scope of the Study	14-15
1.8	Statement of the Research Problem	15
1.9	Objectives of the Study	15
1.10	Hypothesis	15
1.11	Methodology	15
1.11.1	Research Methods	16
1.12	Chapter Plan	25-26
1.13	References	27-31
Chapter 2: Financial Theories and Their Relevance in Financial Inclusion		32-48
2.1	Introduction	32-33
2.2	Theoretical Background	33-38
2.3	Individual-Oriented Perspectives	38-41
2.4	Sociological Perspective	41-43
2.5	Institutional Perspective	43-44
2.6	Conclusion	44-45
2.7	References	46-48
Chapter 3: Impact of Recent Financial Inclusion Schemes on Status of Financial inclusion in India: Secondary Data Analysis		49-67
3.1	Introduction	49
3.2	Recent Financial Inclusion Schemes and Their Performances from Secondary Data Analysis	51
3.2.1	Pradhan Mantri Jan-Dhan Yojana (PMJDY)	51
3.2.2	Pradhan Mantri Mudra Yojana	53

3.2.3	Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	54-55
3.2.4	Pradhan Mantri Suraksha Bima Yojana (PMSBY)	56
3.2.5	Atal Pension Yojana (APY)	57-59
3.3	Development of Financial Inclusion Index	59
3.4	Calculation of Financial Inclusion Index (FII) – Comparison of Past Attempts	60
3.5	The Financial Inclusion Index	61
3.6	Impact Assessment of Recent Financial Inclusion Schemes on Financial Inclusion Index:	63
3.6.1	Regression Model	63-64
3.7	Conclusion	64-65
3.8	References	66-67
Chapter4 Socio-Economic Conditions and Pattern of Access and Non-Access in Recent Financial Inclusion Schemes of the Poorest of Poor		68-139
4.1	Introduction	68
4.2	Socio-economic conditions of Beggars from Lucknow and Kolkata.	69
4.3	State wise Socio-economic conditions of slums from Lucknow and Kolkata.	84-99
4.4	Access and Non-access pattern of financial products and services (Slums)	99-108
4.5	Access and Non-access pattern of financial products and services (Beggars)	109
4.6	Patterns of access and non-access with reference to socio - economic factors	116-119
4.7	Determining Factors of Financial Access among Slum Dwellers and Beggars	119-124
4.7.1	Hypothesis testing	125-131
4.7.2	Binary Logistic Regression Model	132
4.8	Findings	135
4.9	Conclusion	138
4.10	References	139
Chapter 5: Financial Inclusion Schemes and Changing Socio Economic Status of Poorest of The Poor		140-164
5.1	Introduction	140

5.2	Living Status of Slums in Lucknow and Kolkata	141
5.3	Flow chart of Hypothesis: Banking access and socio-economic status of slums in Lucknow and Kolkata	146
5.4	Socio Economic Index	154
5.5	Regression Model (I)	155
5.6	Financial Inclusion and Financial Literacy Index	156
5.6.1	Financial Attitude Index	156
5.6.2	Index Construction Methodology	157
5.6.3	Financial Knowledge Index	160
5.7	Regression Model (II)	161
5.8	Findings	162
5.9	Conclusion	163
5.10	References	164
Chapter 6: Impact of Recent Financial Inclusion Schemes on Economic and Financial Behaviour of Poorest of the Poor		165-189
6.1	Introduction	165
6.2	Financial Access and Income Pattern of Slum Dwellers	166
6.3	Financial Access and Expenditure Pattern of Slums	171
6.4	Income Expenditure Mismatch Among Slums Dwellers and Beggars	172
6.5	Financial Access and Financial Behaviour of Slum Dwellers	176
6.6	Description of MANOVA Model	180
6.6.1	Multivariate Analysis of Variance (MANOVA)	181
6.7	Findings	186
6.8	Conclusions	187-188
6.9	References	189
Chapter 7 Conclusions, Findings and Recommendation		190-200
7.1	Conclusions	190-194
7.2	Findings of the Study	194-199
7.3	Recommendations of the study	199-200
7.4	Limitations of the Study	200
8	Bibliography	201-212
9	Appendixes	213-224

LIST OF TABLES

S. No.	Title	Page No.
Table 3.1	Pradhan Mantri Jan-Dhan Yojana (PMJDY) 28th August 2014	52
Table 3.2	Micro Units Development Finance Agency (MUDRA) 8th April, 2015	54
Table 3.3	Pradhan Mantri Jeevan Jyoti Yojana (PMJJBY) 9th May, 2015	55
Table 3.4	Pradhan Mantri Suraksha Bima Yojana (PMSBY) 9th May, 2015	56
Table 3.5	Atal Pension Yojana (APY) 1st June, 2015	59
Table.3.6	The values of these dimension from 2005 to 2016, are given below in Tables 1 respectively	61
Table 4.1	Gender Wise Percentage Distribution of Beggars in Lucknow And Kolkata	70
Table 4.2	State Wise Caste of Beggars in Lucknow And Kolkata	71
Table 4.3	Educational Profile of Beggars in Lucknow and Kolkata	72
Table 4.4	Annual Income of Beggars in Lucknow and Kolkata	73
Table.4.5	Frequency of Income among Beggars in Lucknow and Kolkata	74
Table.4.6	Distribution Wise Number of Working Days in a Month from Beggars	75
Table 4.7	Distribution Wise Number of Working Hours in a Day from Beggars	76
Table 4.8	Distribution Wise Amount Paid/Earned Per Day Among Beggars from Lucknow and Kolkata	77
Table 4.9	Percentage Wise Housing Condition of Beggars	78
Table 4.10	Type of Drinking Water Facility	79
Table 4.11	Percentage wise Electricity Facility Available for Beggars	80
Table 4.12	Type of Fuel used by Beggars	81
Table 4.13	Type of Toilet Facility Availed by Beggars	82
Table 4.14	Economic status of Beggars	83
Table 4.15	Assets Owned by the House Hold	84
Table.4.16	Gender Wise Percentage of Slums in Lucknow and Kolkata	85
Table.4.17	State wise caste of Slums in Lucknow and Kolkata	86
Table.4.18	Education of Slums in Lucknow and Kolkata	87
Table 4.19	Annual Income of slums in Lucknow and Kolkata	88
Table 4.20	Frequency of Income among Slum Dwellers	89
Table 4.21	Percentage of Number of working Days among slums	90
Table 4.22	Number of working Hours Attended by Slums	91
Table 4.23	Distribution wise Type of House	92
Table 4.24	Drinking water facility of Slums	93
Table 4.25	Electricity facility available for Slums in Lucknow and Kolkata	94

S. No.	Title	Page No.
Table 4.26	Type of Fuel (slums)	95
Table4. 27	Type of Toilet Facility (Slums)	96
Table 4.28	Percentage wise Number of Disable among Slums	97
Table4.29	shows economic status of Slums in Lucknow and Kolkata	98
Table4.30	Assets Owned by the House Hold.	99
Table 4.31	About Banking & Savings related Financial Products: [Slums from Lucknow & Kolkata] Awareness	100
Table 4.32	Reasons for not Opened a Bank Account	101
Table 4.33	Banking Facilities/ Services availed by [Slums from Lucknow & Kolkata]	102
Table 4.34	What are the reasons as to why you have not availed remittance facility of banks?	102
Table 4.35	What are the reasons as to why you have not availed credit or loan facility?	103
Table 4.36	Whether any Banking Correspondents (BCs) available in your area for delivery of banking services? (FI)	104
Table 4.37	If Yes, have you availed any banking services through BCs?	104
Table 4.38	If No, reasons for not availing banking services through BCs.	105
Table 4.39	Did you avail any loan from sources other than Banks?	105
Table 4.40	Access to Insurance Products	106
Table 4.41	What are the reasons why you do not have Insurance?	107
Table 4.42	Have you ever made any claim under the following policies?	107
Table 4.43	Access of Pension Products (Have you heard or availed the following pension related products?)	108
Table 4.44	What are the reasons why you do not have a pension account?	108
Table 4.45	Awareness about Banking & Savings related Financial Products: [Beggars from Lucknow & Kolkata]	109
Table 4.46	Reasons for not opened a bank Account	110
Table 4.47	Banking facilities/ Services availed by [Beggars from Lucknow & Kolkata]	111
Table 4.48	What are the reasons as to why you have not availed remittance facility of banks?	111
Table 4.49	What are the reasons as to why you have not availed credit or loan facility?	112
Table 4.50	Whether any Banking Correspondents (BCs) available in your area for delivery of banking services? (FI)	112
Table 4.51	If Yes, have you availed any banking services through BCs?	113
Table 4.52	If No, reasons for not availing banking services through BCs?	113
Table 4.53	Did you avail any loan from sources other than Banks?	113
Table 4.54	Access of Insurance Products	114

S. No.	Title	Page No.
Table 4.55	What are the reasons why you do not have Insurance?	114
Table 4.56	Have you ever made any claim under the following policies?	115
Table 4.57	Access of Pension Products (Have you heard or availed the following pension related products?)	115
Table 4.58	What are the reasons why you do not have a pension account?	116
Table 4.59	Access of Documents	116
Table 4.60	Schemes wise full details of financial access and financial inclusion	117
Table 4.61	Access of MUDRA scheme by Beggars and Slums	118
Table 4.62	Access of PMJJBY by Slums and Beggars	119
Table 4.63	Access of PMSBY and APY By Slums and Beggars	119
Table 4.64	Tabulation of Caste of The Respondent PMJDY Account Slums and Beggars	120
Table 4.65	Tabulation of Gender of Respondent and PMJDY Account	121
Table 4.66	Tabulation of Education of The Respondent PMJDY Account	122
Table 4.67	Tabulation of Occupation of The Respondent PMJDY Account	123
Table 4.68	Tabulation of Income of The Respondent PMJDY Account	124
Table 4.69	Tabulation of PMJDY Account Education of the Respondent	126
Table 4.70	Tabulation of PMJDY Account Occupation of The Respondent	127
Table 4.71	Tabulation of PMJDY Account Income of the respondent	127
Table 4.72	Tabulation of PMJDY Account Gender of respondent	128
Table 4.73	Tabulation of PMJDY Account and Age	129
Table 4.74	Tabulation of PMJDY Account Economic Status	129
Table 4.75	Tabulation of PMJDY Account PMJDY Awareness	130
Table 4.76	Tabulation of PMJDY Account and Documents	131
Table 4.77	Description of the study variables	131
Table 4.78	Results of Logistic regression	133
Table 5.1	Tabulation of PMJDY Account Type of House	141
Table 5.2	Tabulation of PMJDY Account Drinking Water Facility	142
Table 5.3	Tabulation of PMJDY Account Do You Have Electricity	142
Table 5.4	Tabulation of PMJDY Account Type of Fuel	143
Table 5.5	Tabulation of PMJDY Account Type of Toilet Facility (sanitation)	144
Table 5.6	Tabulation of PMJDY ACCOUNT Persons with Disability	144
Table 5.7	Tabulation of PMJDY Account Economic Status	145
Table 5.8	Tabulation of PMJDY Account Assets of the Household	146
Table 5.9	Tabulation of PMJDY Account Education of The Respondent	148
Table 5.10	Tabulation of PMJDY Account Occupation of The Respondent	148
Table 5.11	Tabulation of PMJDY Account Income of The Respondent	149
Table 5.12	Tabulation of PMJDY Account Type of the House	149

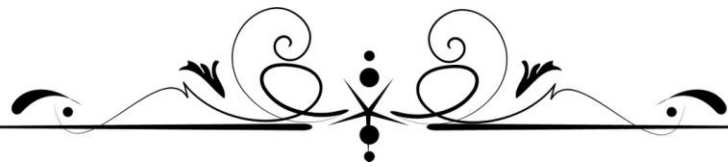
S. No.	Title	Page No.
Table 5.13	Tabulation of PMJDY Account Drinking Water Facility	150
Table 5.14	Tabulation of PMJDY Account Do You Have Electricity	151
Table 5.15	Tabulation of PMJDY Account Type of Fuel	151
Table 5.16	Tabulation of PMJDY Account Type of Toilet Facility	152
Table 5.17	Tabulation of PMJDY Account Persons with Disability	152
Table 5.18	Tabulation of PMJDY Account Economic Status	153
Table 5.19	Tabulation of PMJDY Account Assets of the House Hold	153
Table 5.20	Socio Economic Status: Variables of the study	154
Table 5.21	Regression Model	156
Table 6.1	Tabulation of Financial Access and Annual Income of The Respondent	167
Table 6.2	Tabulation of Financial Access and Nature of Remuneration Among Slums	168
Table 6.3	Tabulation of Financial Access and Number of Working Days per Month	169
Table 6.4	Tabulation of Financial Access Number of Working Hours per Day	170
Table 6.5	Tabulation of Financial Access and Annual Expenditure of Slums	171
Table 6.6	Income Expenditure Mismatch among Slum Dwellers	172
Table 6.7	Income Expenditure Mismatch among Access and Non- Access of Slum Dwellers	173
Table 6.8	Income Expenditure Mismatch among Beggars	174
Table 6.9	Income Expenditure Mismatch among Access and Non-Access Beggars	175
Table 6.10	Tabulation of Financial Access, Do You Have House Budget	177
Table 6.11	Tabulation of Financial Access, Who Is Responsible for Your House Budget	178
Table 6.12	Tabulation of Financial Access and Shortage of Income in Last 12months	178
Table 6.13	Tabulation of Financial Access and How you sought Problem	180
Table 6.14	Descriptive Statistics MANOVA	181
Table 6.15	Box's Test of Equality of Covariance Matricesa	182
Table 6.16	Bartlett's Test of Sphericity a	182
Table 6.17	Multivariate Testsa	183
Table 6.18	Levene's Test of Equality of Error Variancesa	184
Table 6.19	Tests of Between-Subjects Effects	184-185

LIST OF FIGURES

S. No.	Title	Page No.
Fig 1.1	Flow Chart of Sample Size Among Beggars in Lucknow And Kolkata	17
Fig 1.2	Map of Slum Dwellers from Lucknow	18
Fig 1.3	Flow Chart of Kolkata Beggars	19
Fig 1.4	Map of Beggars from Kolkata	20
Fig 1.5	Flow Low Chart of Slum Dwellers in Lucknow	21
Fig 1.6	Map of Slum Dwellers in Lucknow	22
Fig 1.7	Flow Chart of Slum Dwellers in Kolkata	23
Fig 1.8	Map of Slum Dwellers in Kolkata	24
Fig 4.1	Gender Wise Percentage Distribution of Beggars in Lucknow And Kolkata	70
Fig 4.2	State Wise Caste of Beggars in Lucknow And Kolkata	71
Fig 4.3	Educational Profile of Beggars in Lucknow And Kolkata	72
Fig 4.4	Annual Income of Beggars in Lucknow And Kolkata	73
Fig 4.5	Frequency Of Income Among Beggars in Lucknow And Kolkata	74
Fig 4.6	Distribution Wise Number of Working Days in A Month from Beggars	75
Fig 4.7	Distribution Wise Number of Working Hours in A Day from Beggars	76
Fig 4.8	Distribution Wise Amount Paid/Earned Per Day Among Beggars from Lucknow And Kolkata	77
Fig 4.9	Percentage Wise Housing Condition of Beggars	78
Fig 4.10	Type of Drinking Water Facility	79
Fig 4.11	Percentage Wise Electricity Facility Available for Beggars	80
Fig 4.12	Type of Fuel Used by Beggars	81
Fig 4.13	Type of Toilet Facility Aailed by Beggars	82
Fig 4.14	Economic Status of Beggars	83
Fig 4.15	Assets Owned by The House Hold	84
Fig 4.16	Gender Wise Percentage bf Slums in Lucknow And Kolkata	85
Fig 4.17	State Wise Caste of Slums in Lucknow And Kolkata	86
Fig 4.18	Education of Slums in Lucknow And Kolkata	87
Fig 4.19	Annual Income of Slums in Lucknow And Kolkata	88
Fig 4.20	Frequency of Income Among Slum Dwellers	89
Fig 4.21	Percentage of Number of Working Days Among Slums	90
Fig 4.22	Number of Working Hours Attended by Slums	91
Fig 4.23	Distribution Wise Type of House	92
Fig 4.24	Drinking Water Facility of Slums	93
Fig 4.25	Electricity Facility Available for Slums in Lucknow And Kolkata	94
Fig 4.26	Type of Fuel (Slums)	95
Fig 4.27	Type of Toilet Facility (Slums)	96
Fig 4.28	Percentage Wise Number of Disable Among Slums	97
Fig 4.29	Shows Economic Status of Slums in Lucknow And Kolkata	98
Fig 4.30	Assets Owned by The House Hold.	99
Fig 5.1	Flow Chart of Hypothesis	147
Fig 6.1	Histogram for Normality Test	186

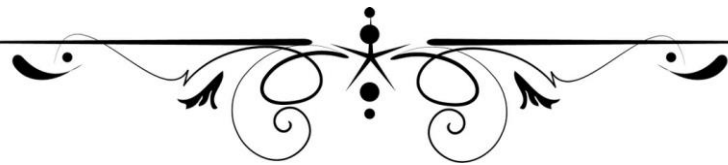
ABBREVIATIONS

S. No	Abbreviations	Full Form
1.	ANOVA	Analysis of Variance Financial Inclusion
2.	APY	Atal Pension Yojana
3.	BC	Banking Correspondent
4.	BP	Banking Products
5.	FA	Financial Access
6.	FAI	Financial Attitude Index
7.	FBI	Financial Behaviour Index
8.	FI	Financial Inclusion
9.	FII	Financial Inclusion Index
10.	FKI	Financial Knowledge Index
11.	FLI	Financial Literacy Index
12.	FS	Financial Services
13.	IMF	International Monetary Fund
14.	MANOVA	Multivariate Analysis of Variance
15.	MI	Microfinance
16.	MUDRA	Micro Units Development and Refinance Agency Ltd
17.	PMJDY	Pradhan Mantri Jan-Dhan Yojana
18.	PMSBY	Pradhan Mantri Suraksha Bhima Yojana
19.	RBI	Reserve Bank of India
20.	SBA	Saving Bank Account
21.	SEI	Socio Economic Index
22.	SES	Socio Economic Status Analysis of Variance



Chapter 1

Introduction



Chapter 1

Introduction

1.1 Introduction

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.

1.2 Definition of Financial Inclusion:

Financial inclusion is a welfare program delivery of financial services to disadvantaged sections of society. This simple definition encompasses the concept's two, primary dimensions (United Nations, 2006). Firstly, financial inclusion refers to a customer having access to a range of formal financial services, from simple credit and savings services to the more complex such as insurance and pensions. Secondly, financial inclusion implies that customers have access to more than one financial services provider, which ensures a variety of competitive options. Flowing from this definition, the financial exclusion would mean the inability of the disadvantaged to access financial services. A range of obstacles could lead to financial exclusion; barriers include geography (limiting physical access), regulations (lack of formal

identification proof or of appropriate products for poor households), psychology (fear of financial institution's staff, structures, complicated financial products, etc.), information (lack of knowledge regarding products and procedures), and low financial acumen (low income and poor financial discipline), among others. In the Indian context, financial inclusion, according to the Finance Minister's 2006-07 budget speech, was defined as "the process of ensuring access to timely and adequate credit and financial services by vulnerable groups at an affordable cost" (Union Budget, 2007-2008). In a similar vein, the Committee on Financial Inclusion defines financial inclusion as "...the process of ensuring access to financial services and timely, adequate credit where needed, to vulnerable groups such as weaker sections and low-income groups, at an affordable cost," (Report of the Committee for Financial Inclusion, 2008).

Encouragingly, the RBI-led drive for financial inclusion is thus significant in that it attempts to extend savings bank accounts to 'unbanked' households. There are many metrics to measure financial inclusion including population per bank branch or using the percentage of adult population.

Firstly, it is the most popular method in common usage. Secondly, the financial inclusion drive attempts to increase access to finance by increasing the number of adults having bank accounts.

Why Is Financial Inclusion Important? One of the most important empirical relationships revealed in the last decade has been the establishment of the causal link between financial depth and growth (Honohan, 2004). Policy-makers would do well to recognize the relationships between well-developed financial systems and economic growth as well as economic growth and poverty reduction. Thus, the question becomes, does a well-developed financial system serve the poor? There are, in fact, ample theoretical justifications and empirical evidence indicating that a well-developed financial system can be an effective poverty alleviation tool. For one, there are large costs to small and poor entrepreneurs for the market imperfections in a poorly developed financial system. These burdens include informational asymmetries, transaction costs, and contract enforcement costs, compounded by a lack of collateral, credit histories, and contacts. For these entrepreneurs, broad access to financial services would smooth project financing, positively impacting growth, and poverty

alleviation (Galor&Zeira, 1993). Beck and de la Torre (2006) also refer to the Schumpeterian process of ‘creative destruction’ whereby a well-developed financial system is able to allocate resources to efficient newcomers. Empirical studies also show that small firms in countries with greater outreach and access face lower financing obstacles and grow at a higher rate (Beck et al, 2006). Access to finance is also an important incentive for new ideas and technologies (King and Levine, 1993). Additionally, a strong financial system encourages expansion in the market and competition for existing firms. It ensures that poor households and small entrepreneurs need not depend on middlemen. On the other hand, an underdeveloped financial system can be uncompetitive, conservative, and inimical to poor or small entrepreneurs (Rajan &Zingales, 2003).

The question arises is the Indian financial system well worth in providing financial inclusion if yes then why still we have a large population without access to financial services again the question arises are the policies problematic, or demand shortages. Secondly is opening a bank account financial inclusion? Etc.

The following study will concentrate on the demand-based needs of the excluded the population that of Slums dwellers and Beggars and will try to analysis reasons why these marginal groups are still outside of the formal financial institutions in the country and why the supply-based welfare programs are not much effective in promoting financial inclusion of those who are excluded.

1.3 Literature Review

1.3.1 Concept of Financial inclusion and exclusion

This study focuses on financial inclusion with respect to the poorest of the poor (Slum Dwellers and Beggars) and emphasizing a wider connotation of the term ‘financial services’ than defining it is a narrow perspective of owning a savings account with a bank. The definition of several aspects of the term propounded by several authors and committees and commissions are reviewed here to arrive at an acceptable working definition. The earliest references to “financial exclusion” seem to date from the early to mid-1990s.

Subbarao, (2009). Financial inclusion is important because it is considered as an important condition for sustaining growth. Such access is especially powerful for the poor as it provides the opportunity to build savings, make investments, and avail credit. Access to financial services also helps the poor to insure themselves against income shocks and equips them to meet emergencies such as illness, death in the family, or loss of employment. It helps them to get away from the clutches of usurious money lenders. Financial inclusion also permits governments to make payments such as social security transfers and National Rural Employment Guarantee Programme (NREGA) wages into bank accounts of beneficiaries.

RBI, (2009) Definitions of financial inclusion in literature tend to vary on dimensions such as ‘breadth’, ‘focus’, and ‘degree’ of exclusion. The breadth dimension is the broadest of all definitions which define financial inclusion as a consequence of social inclusion which prevents the poor and the disadvantaged from gaining access to the mainstream financial system.

The prominence of the term financial exclusion in the late 1990s parallels the rising prominence of the concept of social exclusion in social policy. The notion of “exclusion” is common to both (Chart Link and Associates, 2004). Some of the definitions of financial inclusion reiterating this view are as follows.

European Commission, (2008). Financial Exclusion refers to a situation in which people encounter difficulties accessing and/or using financial services and products in the mainstream market that are appropriate to their needs.

Leyshon and Thrift (1995) define financial exclusion as “those processes that serve to prevent certain social groups and individuals from gaining access to the financial system”.

Sinclair, (2001). A financial exclusion means the inability to access necessary financial services in an appropriate form. Financial exclusion can be seen as a consequence of social exclusion. Exclusion can come about as a result of problems with access, conditions, prices, marketing or self-exclusion in response to negative experiences or perceptions. Report of the Committee on Financial Inclusion defines

financial inclusion as the delivery of financial services at an affordable cost to vast sections of disadvantaged and low-income groups.

GOI, (2008) Unrestrained access to public goods and services in the sine qua non of an open and efficient society.

Kamath, (2007) “The process of ensuring access to timely and adequate credit and financial services to vulnerable groups at an affordable cost. As banking services are in the nature of public good, it is essential that the availability of banking and payment services to the entire population without discrimination is the prime objective of the public policy. In India, the focus of financial inclusion at present is confined to ensuring minimum access to a savings bank account.

Leeladhar (2005). The international definitions of financial inclusion have been viewed from a much wider perspective the ‘focus’ dimension links the other dimensions of exclusion. This dimension essentially takes care of the potential difficulties faced by some segments of the population, viz, individuals, households, or communities in accessing mainstream financial services.

Sharma, (2008) It is a process that ensures ease of access, availability and usage of the formal financial system for all members of an economy.

These definitions emphasize several dimensions of financial inclusion, viz., accessibility, suitability, availability, and usage of the financial system. These dimensions together build an inclusive financial system. Another issue that needs to be taken care of is whether to measure access or usage; because in transaction banking and insurance, we can find that people do not use it even if they are having access to it. The access dimension implies mere access to services while usage dimension is a broader term requiring examination of aspects like access, suitability, availability, and actual usage. The World Bank also distinguishes between those who are ‘formally served’ that is those who have access to financial services from a bank and / or other formal providers and those who are ‘financially served’ who also include people who use informal providers.,

World Bank, (2005). The term ‘financially excluded’ is only used to describe those who have no access at all.

The United Nations (UN, 2006) define financially included as the financial the sector that provides ‘access’ to credit for all ‘bankable’ people and firms, to insurance for all insurable people and firms and to savings and payments services for everyone. Inclusive finance does not require that everyone who is eligible use each of the services, but they should be able to choose to use them if desired. The ‘degree’ dimension is the narrowest of all and defines financial exclusion as exclusion from the usage of particular sources of credit and other financial services including insurance, bill payment services and accessible and appropriate deposit accounts.

World Bank (2005) describes exclusion as a phenomenon where access to key areas such as transaction banking, savings, credit, and insurance.”

Mor and Ananth, (2007) Financial inclusion may be interpreted as the ability of every individual to access basic financial services which include savings, loans, and insurance in a manner that is reasonably convenient and flexible in terms of access and design and reliable in the sense that savings are safe and that insurance claim will be paid with certainty.

Vallabh and Chathrath, (2006) In India, the focus of the financial inclusion at present is more or less confined to ensuring a bare minimum access to a savings bank account without frills to all. However, having a current account/savings account on its own, cannot be regarded as an accurate indicator of financial inclusion

Arunachalam R.S, (2008) Financial inclusion is characterized primarily as either general access to loans or access to savings accounts. Very few risk management and vulnerability reducing products are available to small holder producers. Financial inclusion cannot be restricted merely to opening savings accounts and/or providing credit for consumption/consumer spending but should also encompass delivering financial products tailor-made to cope with the fluctuating earning pattern of the poor.

Rogaly (1999) defines financial exclusion in the perspective of exclusion from particular sources of credit and other financial services (including insurance, bill payment services, and accessible and appropriate deposit accounts)” The review of the literature suggests that most of the definitions are context-specific, originating from country-specific problems related to financial exclusion with regard to the

respective socio economic dimensions which assume importance in the public policy perspective. On the basis of the above review, the following working definition has been accepted with regard to financial inclusion throughout the study “Financial inclusion may be interpreted as poor households’ access to basic financial services from formal and semiformal service providers which include savings, loans and insurance and other financial services in a manner that is reasonably convenient and flexible in terms of access and design.” In this perspective, the study attempts to measure financial inclusion as a composite measure that takes into consideration access to transaction banking, savings, credit and insurance.

Regan and Paxton (2003) note the experience in this sense Financial inclusion does not only deal with product entry, but also with quality the need for the growth of interaction with these items Facilities and faith in informed decision-making.

Leeladhar (2005) says multiple FI and FE levels can be created. In the first position Extreme, we have clients who are being courted actively and persistently Industry of financial services that have a broad range of services and goods at their disposal. On the other side, we are 'excluded' financially and are refused access to even the most basic financial goods. They are 'mega included.' The "under included" are in the meanwhile who only use banking facilities for deposits and cash withdrawals. They have limited access and cannot allow more affluent consumers the flexibility to access.

Basu Priya (2006) found rural families facing a variety of barriers Seek borrowing from banks. Second, banks claim guarantees that are weak People cannot provide. Second, bank transfers are also time and costly. No volatile bribes amounting to 20% of the loan. The average lending time for bank loans is many weeks. The proportion of informal credit sources has therefore jumped.

Shetty (2006) insists that FI is focused on three pillars: access to finance. Services, the affordability of such services, and the practical use of such services. FI can only be done if all three pillars produce positive results. So, FI's ABC is Advice, Banking, and Credit.

Bluebook (2006) The nature of FI is to try to ensure that there is a variety. Appropriate financial services are accessible to all individuals.

Usha Thorat (2006) Account can be used for making small-value remittances at low cost and making purchases on credit. The same bank account can also be used by the State Governments to provide social security services like health insurance and calamity insurance.

Devendraprasad Pandey (2007) The subject of FI has come to the surface essentially as a consequence of the financial sector reform process of the 1990s.

Anderloni et al. (2007) Ownership of a bank account is not enough to promote meaningful inclusion. An account may be inaccessible due to being overdrawn or may only.

World Bank (2008) reports that in the absence of an inclusive formal financial system, poor individuals and small entrepreneurs have to rely on informal sources to invest in better opportunities. Achieving FI in a country.

Vijay Kelkar (2008) asserts that FI has to be viewed as a business strategy for growth. Improved FI will mean India becoming a more equal opportunity nation.

Suryanarayana, M.H. (2008) The growth process between 1993-94 and 2004- 05, has bypassed the majority and was not inclusive. Inclusive coefficient is the lowest in rural Kerala. At the national level, the inclusion coefficient is higher for the rural sector than for the urban.

Mandira Sarma (2008) finds that the widely held view that NPAs are a result of providing credit to the low-income groups, sometimes, in compliance with 'priority sector lending' is not true. Further, a highly capitalized banking system, with a high 'CAR,' seems to be less inclusive.

Thyagarajan and Venkatesan (2008) In some districts, at least more than 85 percent of the no-frills accounts are dormant.

Mas Ignacio and Kabir Kumar (2008) A branchless banking channel using mobile phones could be far more preferable to poor people than the available options.

Drabu, H.A. (2009) In India, policymakers have for years been going around in circles with regard to the issue of inclusion.

Bhave, C.B. (2009) observes that inclusion is not about deciding things for people.

1.4 Problems of supply-driven financial policies and poor

Hickson, (2001) the very poor people either did not join microfinance programs or when they joined, they left them very soon.

Navajas, (2006) we reached the richest of the poor, not the poorest of the poor.

Hulme, (2000) MFIS virtually never work with the poorest, the mentally and physically disabled, the elderly, the street children, the destitute, and refugees.

M. Monlick, (2008) Poor people prefer to save through informal mechanisms because these mechanisms are more accessible to them.

1.5 Recent Financial Inclusion Schemes

PMJDY has been drafted on 28th August (2014) as a flagship program to include the unbanked population of the country into mainstreaming the formal banking system of the country. PMJDY is a national mission to bring comprehensive financial inclusion of all the households in the country. The scheme is to ensure access to financial services such as banking/services and deposit accounts, remittance, credit, debit cards, insurance, and pension in an affordable manner. The scheme is mostly targeted to the people belonging to below the poverty line but is beneficial to one and all.

G. Madukar, (2016) PMJDY will eradicate poverty and expected to bring financial stability, financial freedom and financial inclusion of the underprivileged sections particularly rural areas of the country.

Yonzon, B. (2016) PMJDY “is a welfare the program which aims to fill the subsidy gaps in government-sponsored schemes and to develop saving habits of the people so that they can inculcate the benefits of their savings at the times of emergencies”.

Ravi, S. and Gakhar, S. (2015) Financial services that of PMJDY is a good initiative but not the complete package for financial inclusion the scheme lacks the provision of financial literacy, most of the bank accounts are inactive and from supply-side, there is a very huge cost in maintaining the transactions of these accounts and the problem of collateral in lending loans to the poor.

Bhatt, A.P. and Pawar, G. (2015) Awareness of PMJDY is very less among people and most people are not in a position to run their accounts actively due to lack of low banking facility in rural areas.

Kaur, H. and Singh, N. K.(2015) PMJDY is facing the challenges of how to make poor people more incentive in availing the benefits of modern technology and make them financially literate.

Bedi Anjana, (2015) Financial services that of PMJDY is very tough to function in a smooth way all over the country because the banking infrastructure is very limited in rural areas.

PMSSY 22 January (2015) Secure the future of girl child Sukanya Samridhhi Yojana is an ambitious small deposit savings scheme for a girl child. Under the scheme, a savings account can be opened in the name of a girl child and deposits can be made for 14 years. After the girl reaches 18 years of age, she can withdraw 50% of the amount for marriage or higher study purposes. After the girl completes 21 years of age, the maturity amount can be withdrawn including the interest at rates decided by Government every year. The investments and returns are exempt from section 80C of Indian income tax act. The maximum investment of Rs. 1.5 Lakh per year can be made while the minimum deposit is Rs. 1000/- per year. In case of more than one girl child, parents can open another account on a different name but only for 2 girl children. The only exception is that the parents have twins and another girl child. **Beti Bachao, BetiPadhao**is also working under the same scheme to generate awareness and improving the efficiency of welfare services meant for women. The scheme is to

have as a focussed intervention and multi-section action in almost 100 districts with a low Child Sex Ratio (CSR).

PMMY 8th April (2015), had been launched for the Financial support of the micro-enterprises sector. Pradhan Mantri MUDRA (Micro Units Development and Refinance Agency) Yojana was launched with the purpose to provide funding to the non-corporate small business sector. Pradhan Mantri Mudra Yojana (PMMY) is open and is available from all Bank branches across the country. The small businesses/start-ups or entrepreneurs can avail loans from Rs. 50 thousand to 10 Lakh to start/grow their business under the three, Shishu (50,000), Kishore (50,000 5 Lakh), and Tarun (5Lakh-10Lakh) categories of the scheme. As per the official website of PMMY, 27344053 numbers of loans have been sanctioned under the scheme till 26 February 2016. The amount sanctioned has reached more than Rs. 1 Lakh Crore.

Gaurav Sinha, (2016) The maximum population of the country is dependent on micro small medium enterprises are facing the problem of access to credit.

MUDRA Bank, as a new supply based financial institution in dealing with the problems of “high-cost credit, Collateral needs Lack of access to markets, limited access to equity.

PMJJBY 9 May (2015) Provide life insurance cover to all Indian citizens Pradhan Mantri Jeevan Jyoti Bima Yojana is a government-backed life insurance scheme in India aimed at increasing the penetration of life insurance cover in India. The scheme is open and available to all Indian citizens between the ages of 18 to 50 years. Under the scheme, the policyholder can get a life insurance cover of Rs. 2 Lakh with an annual premium of just Rs. 330 excluding service tax. All the Indian citizens between 18-50 years of age with a saving bank account are eligible to avail of the scheme.

PMSBY9 May (2015) Provide accidental insurance cover to all Indian citizens Pradhan Mantri Suraksha Bima Yojana is also a government-backed accident insurance scheme in India aimed at increasing the penetration of accidental insurance cover in India. The scheme is open and available to all Indian citizens between the ages of 18 to 70 years. Under the scheme, the policyholder can get a life insurance cover of Rs. 2 Lakh with an annual premium of just Rs. 12 excluding service tax. All

the Indian citizens between 18-70 years of age with a saving bank account are eligible to avail of the scheme.

Yadav, R. K., & Mohania, S. (2017). PMSBY “should be more flexible by avoiding stage-based process in delivering funds to the beneficiaries. Need for more suitable market-based innovation to have full security of poor people who are generally working under unorganized sectors across the country.”

Atal Pension Yojana, 9 May (2015) Increases the number of people covered under any kind of pension scheme. Atal Pension Yojana is one of the three Jan Suraksha schemes launched by PM Narendra Modi. APY is aimed at increasing the number of pension scheme beneficiaries across the country. The scheme is especially targeted to the private unorganized sector and is open to all Indian citizens between the ages of 18 to 40 years. Under the scheme, the beneficiaries have to make a contribution for at least 20 years before he/she can get pension after attaining the age of 60 years. The scheme provides a monthly pension of Rs 1000 to Rs. 5000 per month based on the contribution amount.

Mitchell, O. S., & Mukherjee, A. (2016) “In under developing countries millions of the workers are being excluded from formal pension and social security systems”. Poor people are having instabilities in their lives. They need social security, economic as well as political security government of India have recently announced social security packages to cover the unorganized poor people under them. Atal pension is one of the programs whose aim is to provide benefits to the poor public. But the scheme will provide only 1000 rupees to the beneficiary's after the gap of 20 years which is a very low sum as up to 5000 rupees as per the capability of the scheme cover but again poor people will get low securities of life during their old ages. These social security schemes are mere hopes but not the reality for the poor. That is why poor people are not taking part in these schemes.

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 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-

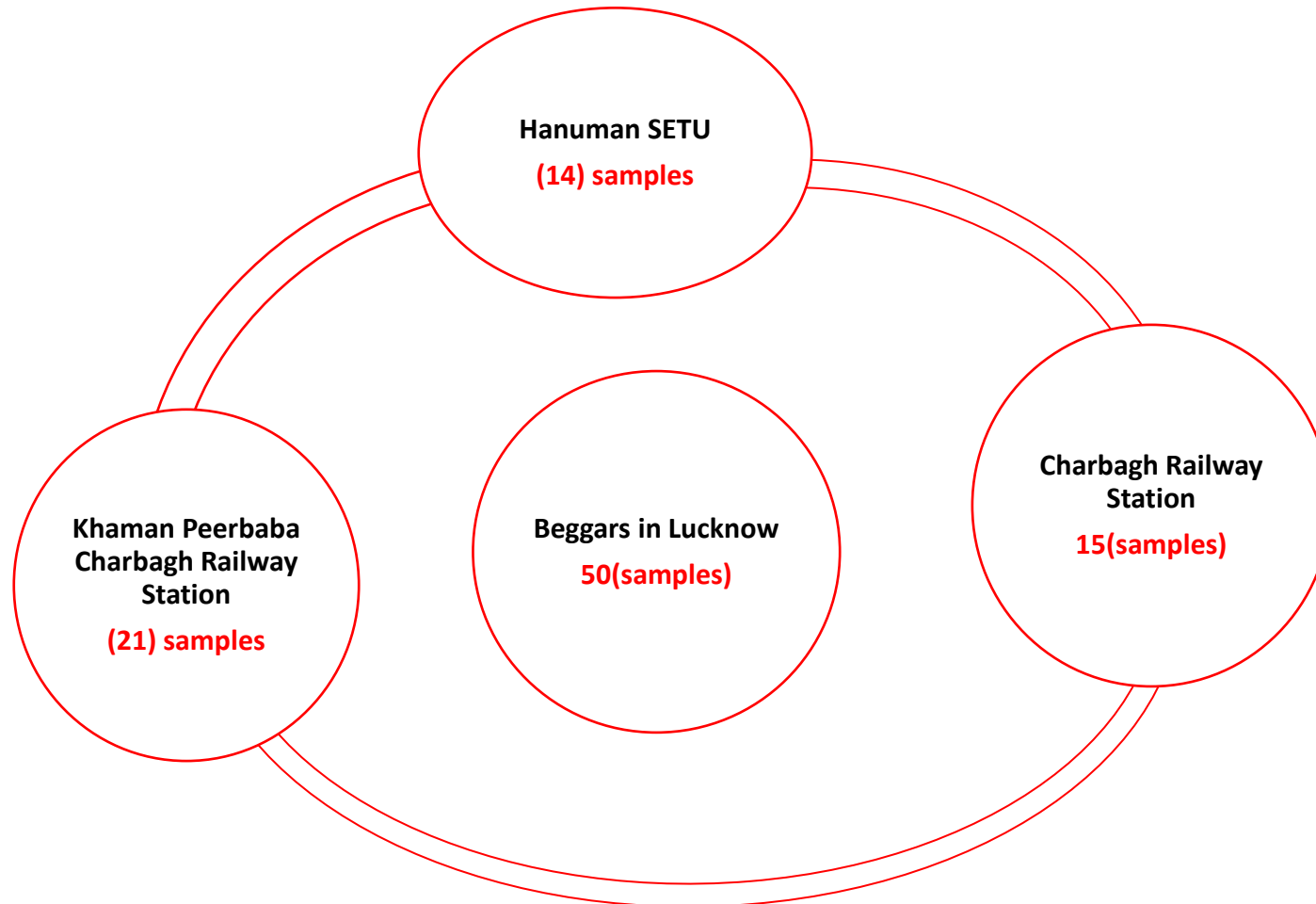
economic conditions of slums and beggars in Lucknow and Kolkata. Both primary and secondary data has been collected. The secondary data has been collected from Census of India, NSSO, RBI, World Bank and Financial survey of India, etc

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 Research Methods

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. MANOVA model has been used to explore economic and financial behaviour of slum dwellers. 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

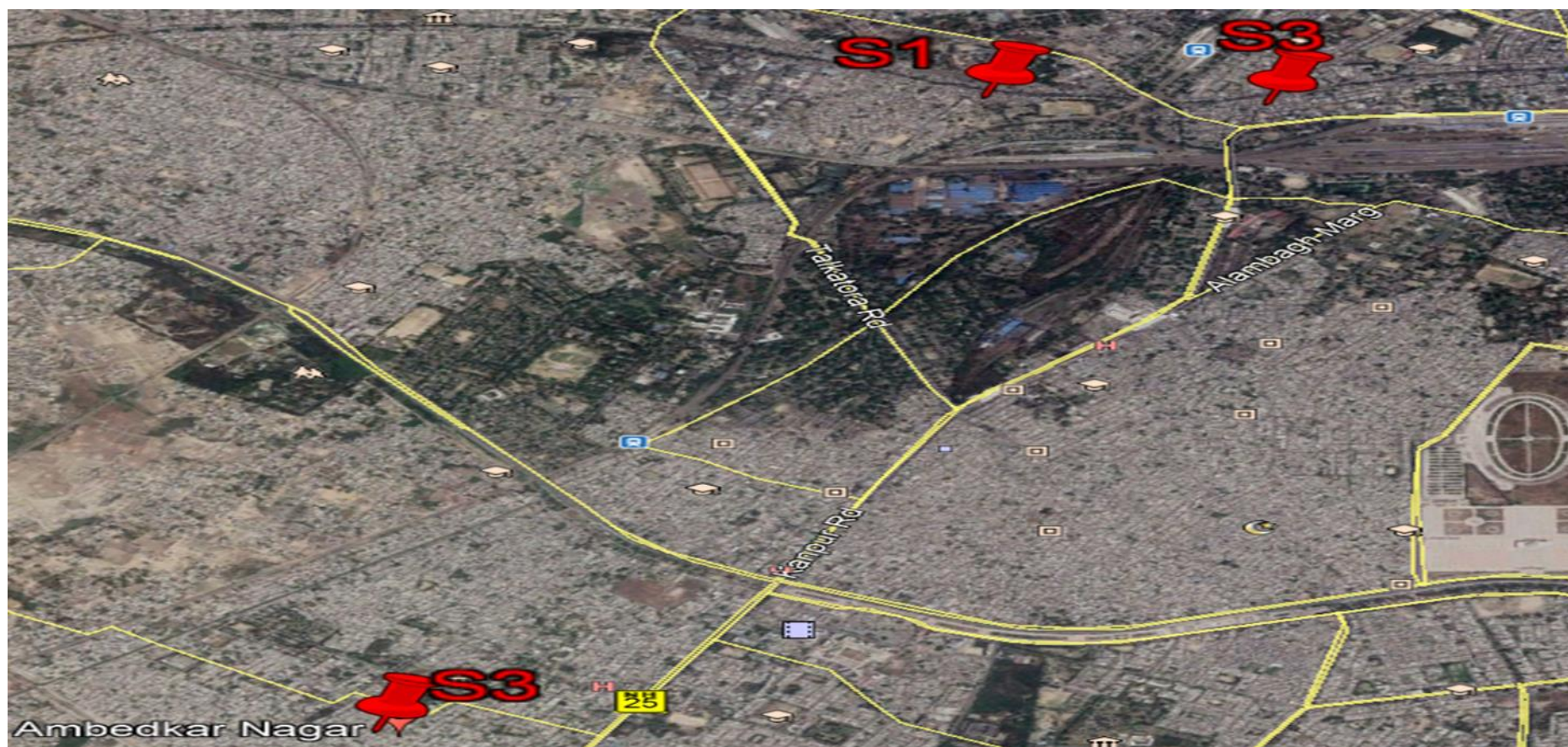
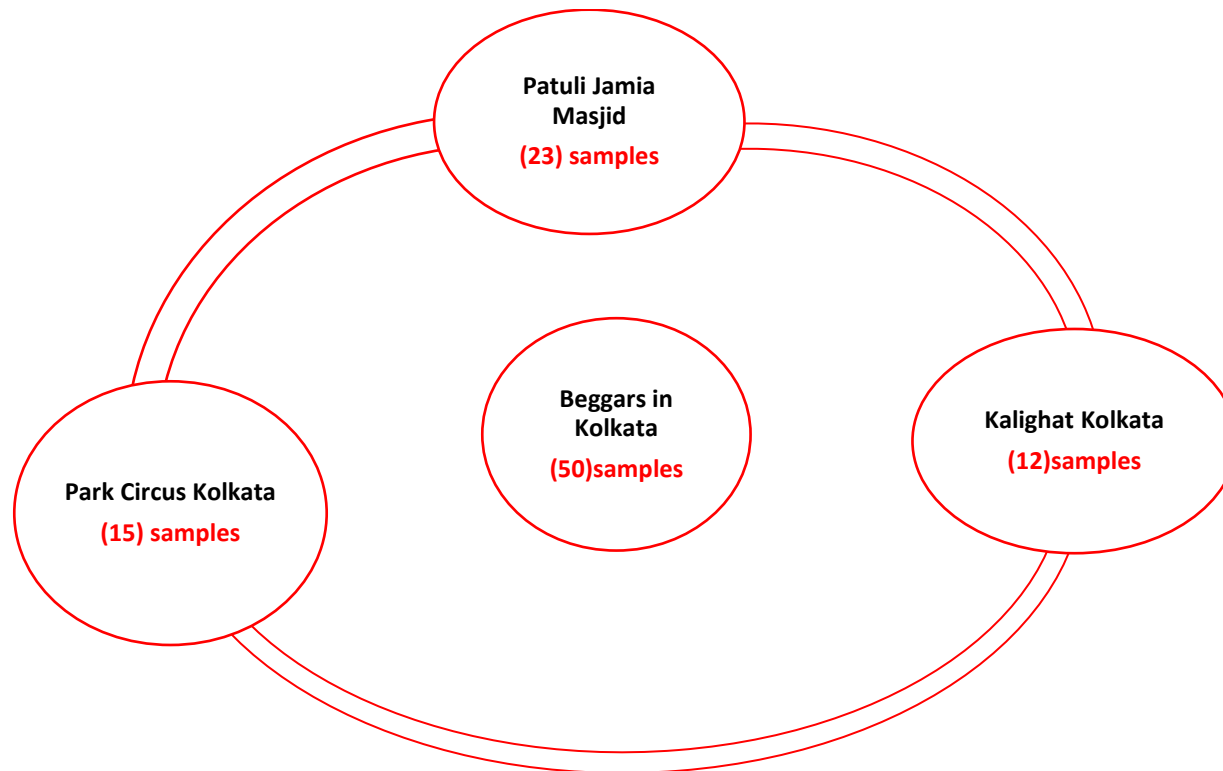


Figure 1.3 Flow chart of Kolkata Beggars (B)



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

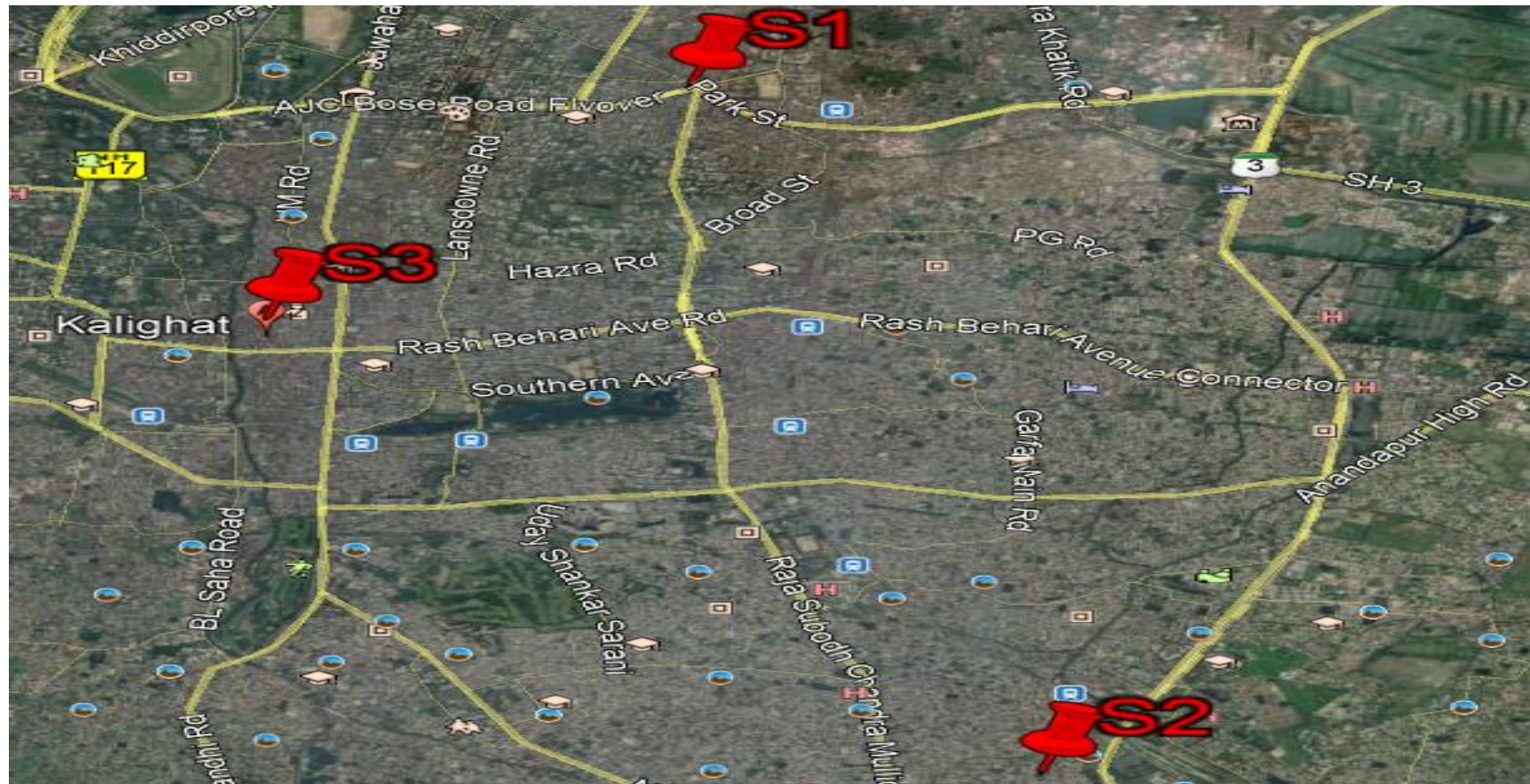
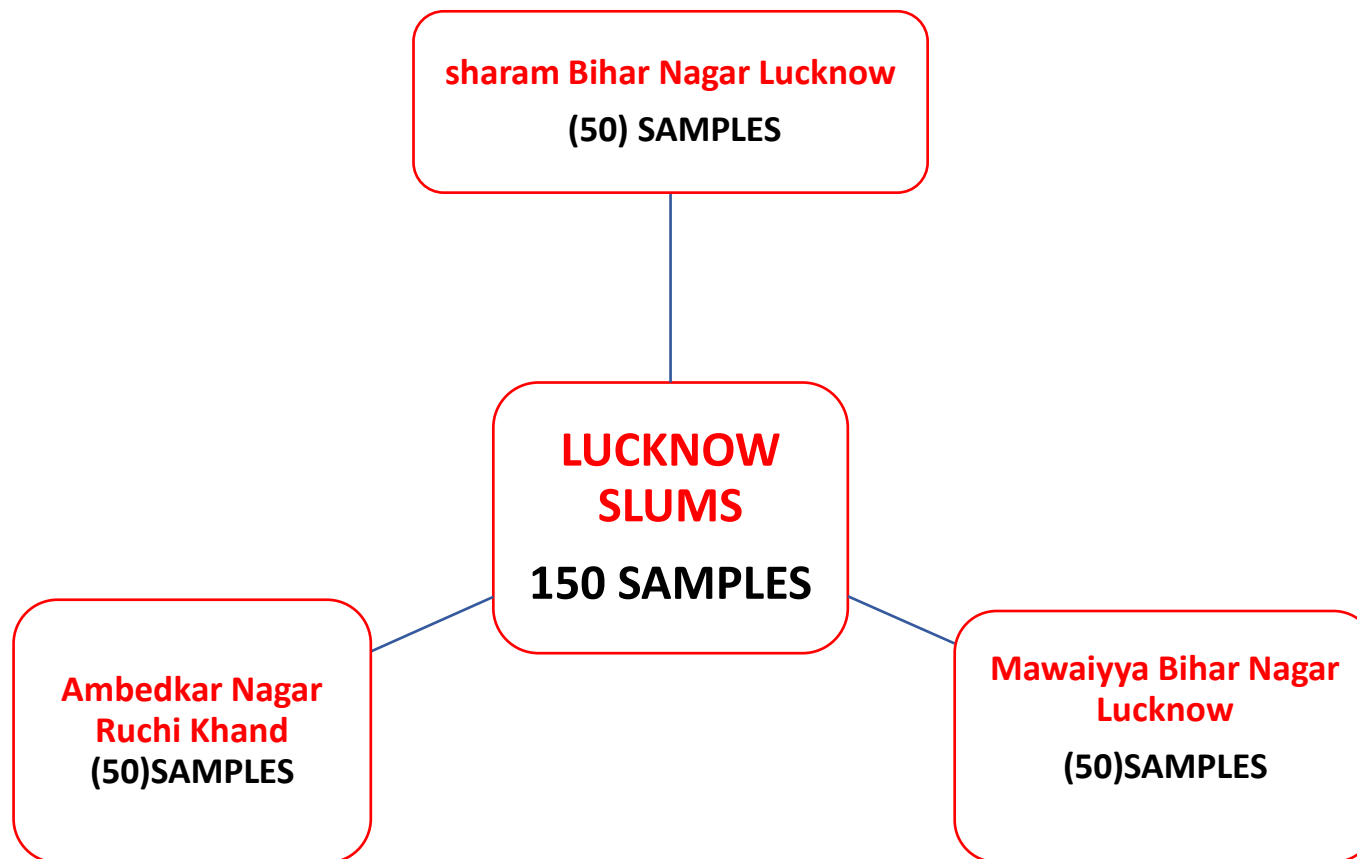


Figure 1.5 Flow low chart of sample size among Slum Dwellers in Lucknow and Kolkata (A)



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

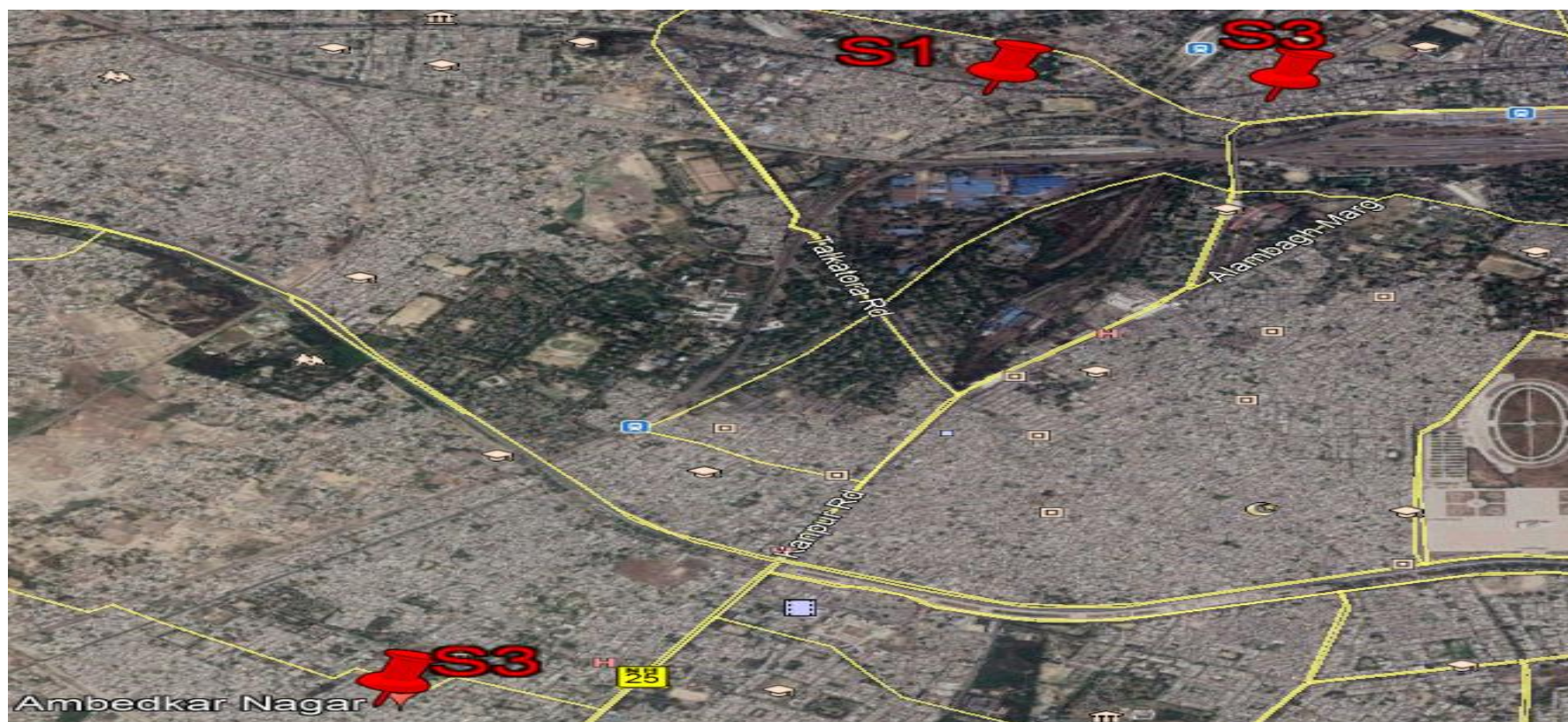
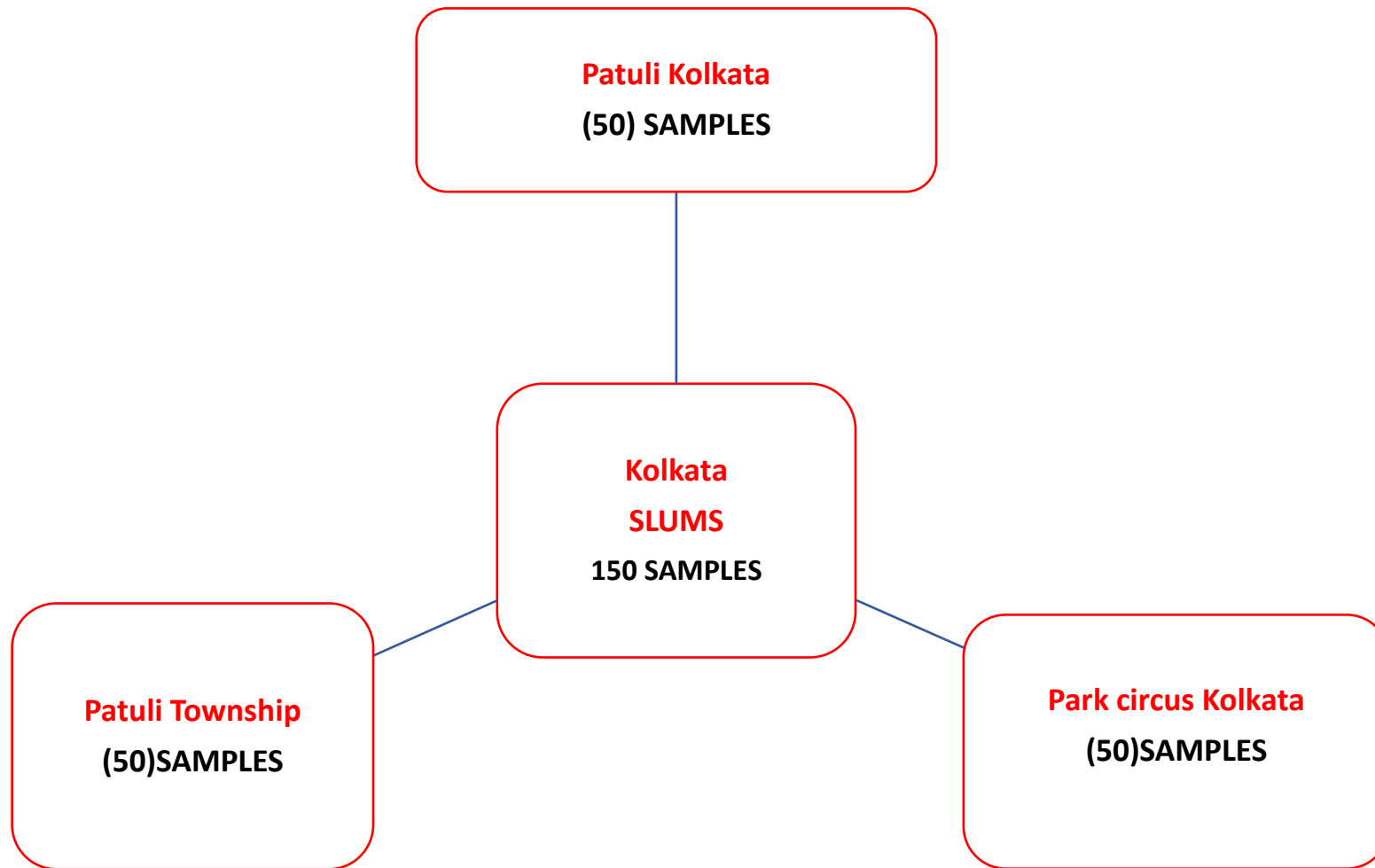


Figure 1.7 Flow chart of Slum Dwellers in Kolkata



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 Access and Non-Access 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 MANOVA 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.

1.13 References:

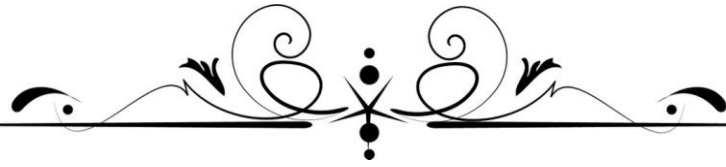
- Anderloni, L., Braga, M.D., & Carluccio, E.M. (2007). *New Frontiers in Banking Services: Emerging Needs and Tailored Products for Untapped Markets*, Berlin and Heidelberg, Springer-Verlag.
- Arora, S. S and Leach J. (2005): “Towards building an Inclusive Financial Sector: Lessons from South Africa”, *Economic and Political Weekly*, April 23, 2005, pp. 1726-1730
- Arunachalam, R. S, Katticaren, K., Swarup, V and KalpanaIyer. (2008): *Enhancing Financial Services Flow to Small Scale Marine Fisheries Sector*, A study for FAO/UNTRS, www.un.org.in
- Arunachalam, R.S. (2008): Scoping paper on financial inclusion, considerations and recommendations for UNDP, pp.52, www.data.undp.org
- Basu, P. and Srivastana, P. (2004): *India: Scaling-up Access to Finance for the Rural Poor. Case Study*, sponsored by The World Bank Group
- Beck, T., Demirguc-Kunt, A and Peria, M. S. M. 2005. *Reaching out: Access to use of banking services across countries*, www.yearofmicrocredit.org, pp. 52
- Bhave, C.B. (2009). *Is technology inclusive?* In Sameer Kochar, R.Chandrashekar, K.C.Chakraborty, Deepak.B.Phatak. (Eds.) *financial inclusion*, New Delhi, Academic Foundation.
- Bloom, D. E., & Eggleston, K. N. (2014). *The economic implications of population ageing in China and India: Introduction to the special issue. The Journal of the Economics of Ageing*, (4), 1-7.
- Bluebook (2006). *Building Inclusive Financial Sectors for Development*, the United Nations, Chapter 1- p 3.
- BMRB Social Research. (2006): *Access to Financial services for those on the Margins of Banking*, prepared for the Taskforce on Financial Inclusion, Great Britain, p. 129
- Chant and Link Associates. (2004): *A Report on Financial Inclusion in Australia*, November 2004, www.anz.com
- Chaudhari, P. C. (2007): “Total Financial Inclusion- Various Approaches”, *Indian Journal of Agricultural Economics*, Vol.62. No.3, July-Sept 2007

- Coleman, B. E. (2006): “Microfinance in Northeast Thailand: Who benefits and how much?” *World Development* 34(9): 1612-1638
- Drabu, H.A. (2009). Economics and inclusion, In Sameer Kochar, R.Chandrashekar, K.C.Chakraborty, Deepak.B.Phatak (Eds.), financial inclusion, New Delhi, Academic Foundation.
- EC (European Commission). (2008): Financial Services Provision and Prevention of Financial Exclusion, [www.ec.europa.eu/employment social/spsi](http://www.ec.europa.eu/employment_social/spsi)
- GoI. (2007): Report of Subgroup on Innovative Finance and Microfinance, Gender Issues, Panchayat Raj Institutions, Public Private Partner Innovative Finance and Micro Finance in Agriculture for the Eleventh Five Year Plan (2007-2012), Planning Commission
- GoI. (2008): Report of the Committee on Financial Inclusion, p. 178
- GouravVallabh and SourabhChathrath. (2006): “Role of Banks in Agricultural and Rural Development”, *The Chartered Accountant*, pp1120- 1130, www.icai.org
- Hermansson, C. (2015). *Understanding the relationships between bank-customer relations, financial advisory services and saving behavior* (Doctoral dissertation, KTH Royal Institute of Technology).
- Ignacio, M. & Kumar, K. (2008). Banking on Mobiles: Why, How, for Whom? Focus Note 48. Washington, D.C.: CGAP, June.
- Katona, G. (1975). *Psychological Economics*, New York: Elsevier.
- Kelkar, V. (2008). Financial Inclusion for Inclusive Growth, N P Sen Memorial Lecture at Administrative Staff College of India-Hyderabad, January 13.
- Keynes, J. M. (1936). *The General Theory of Employment, Interest and Money*. London: Macmillan.
- Leeladhar, V. (2005): Commemorative lecture at the FedbankHormis Memorial Foundation at Ernakulam on December 2, 2005
- Leyshon, Thrift. (1995): Geographies of financial exclusion: Financial abandonment in Britain and the United States. *Transactions of the Institute of British Geographers*, New Series 20:312–41.
- Mitchell, O. S., & Mukherjee, A. (2016). Assessing the demand for micropensions among India’s poor. *The Journal of the Economics of Ageing*.

- Modigliani, "The Life Cycle Hypothesis of Saving, the Demand for Wealth and the Supply of Capital," *Social Research*, Summer 1966, 33, no. 2, 160-217.
- Pandey, D.P. (2007). *Financial Inclusion: Role of Micro Finance Institutions*, Rajiv Gandhi Institute of Professional Management, Allahabad.
- Priya, B. (2005). A Financial System for India's Poor, *EPW*, September 10, pp.4008-4012.
- Rangarajan. (1996): cited in GOI, 2008, Report of the Committee on Financial Inclusion, p. 178
- RBI. (2005): Report of the Internal Group to Examine Issues Relating to Rural credit and Microfinance, chairman- H. R Khan, www.cab.org.in Review of Literature Department of Applied Economics, CUSAT 7676
- RBI. (2009): "Financial Inclusion", Report on Currency and Finance, www.rbi.org.in
- Regan, S. & Paxton, W. (2003). *Beyond Bank Accounts: Full Financial Inclusion*, London, Citizens Advice Bureau and Institute for Public Policy Research.
- Rogaly, B. (1999): Poverty and social exclusion in Britain: Where finance fits. In: *Poverty, Social Exclusion and Microfinance in Britain*. B. Rogaly, T. Fisher and E. Mayo. Oxford, Oxfam GB. Review of Literature Department of Applied Economics, CUSAT 7777
- Sarma, M. (2008). Index of Financial Inclusion, Indian Council for Research on International Economic Relations, Working Paper No. 215, June.
- SEEDA. (2004): *Financial Inclusion Services Research - Supply side*, Northern Ireland, England, pp 50
- Shetty, V.P. (2006). Challenges of Inclusive Banking, Speech at IDRBT, Hyderabad, September 2. Available at www.idrbt.ac.in/speeches_archives.html
- Sinclair SP. (2001): *Financial exclusion: An introductory survey*. Tech. rep., Centre for Research in Socially Inclusive Services, Heriot-Watt University, Edinburgh.
- Subbarao. (2009): *Financial Inclusion: Challenges and Opportunities*, Remarks at the Bankers Club, Kolkata, December 9, 2009. www.rbi.org.in

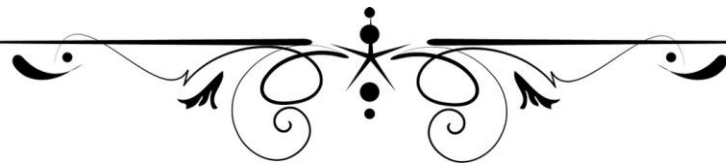
- Suryanarayana, M.H. (2008). Inclusive Growth: What is so exclusive about it? WP-2008-019 Indira Gandhi Institute of Development Research, Mumbai, October, available at <http://www.igidr.ac.in/pdf/publication/WP-2008-019.pdf>
- Thorat, U. (2006). Reading on Financial Inclusion, Indian Institute of banking and finance, New Delhi, Taxman Publications Pvt: Ltd.
- Thorat, U. (2007): Financial Inclusion – The Indian Experience, HMT-DFID Financial Inclusion Conference 2007, Whitehall Place, London, UK on June 19, 2007.
- Thyagarajan, S. & Venkatesan, J. (2009). Cost–Benefit and Usage Behaviour Analysis of No-Frills Accounts: A Study Report on Cuddalore District. Pune and Chennai: College of Agricultural Banking and IFMR Centre for Microfinance.
- Tripathi and Sharma. (2007): Impact of SHG bank linkage Programme on Financial Behaviour of Rural Poor- Evidence from Raibareli District in Uttar Pradesh, Indian Journal of Agricultural Economics, Vol.62. No.3, July-Sept 2007 Review of Literature Department of Applied Economics, CUSAT 7575
- UN. (2006): Building Inclusive Financial Sectors for Development, New York.
- Wärneryd, K.-E. (1999). *The Psychology of Saving - A Study on Economic Psychology*. Cheltenham, UK: Edward Elgar.
- World Bank (2008). Finance for All? Policies and Pitfalls in Expanding Access, World Bank Policy Research Paper, pp. 1121-1126, World Bank, Washington DC. Available at siteresources.worldbank.org.
- World Bank. (2005): Indicators of Financial Access – Household – Level Surveys, www.worldbank.org
- World Bank. (2008): Finance for all? Policies and Pitfalls in Expanding Access, World Bank Policy Research Report, www.worldbank.org
- Yadav, R. K., & Mohania, S. (2017). Claim settlement of PradhanMantriSurakshaBimaYojana under PradhanMantri Jan DhanYojana. *World Scientific News*, 65, 123-134.
- <http://niti.gov.in>
- <http://www.nsiindia.gov.in>

- <http://mhrd.gov.in>
- <http://finmin.nic.in>
- <http://amrut.gov.in>
- <http://www.pmujjwalayojana.com>
- <http://www.jansuraksha.gov.in>
- <http://www.jansuraksha.gov.in>
- <http://www.mudra.org.in>
- <http://dahd.nic.in>
- <http://www.nsiindia.gov.in>
- <http://wcd.nic.in>
- <http://mhupa.gov.in>
- <http://www.jansuraksha.gov.in>



Chapter 2

Financial Theories and Their Relevance in Financial Inclusion



Chapter 2

Financial Theories and Their Relevance in Financial Inclusion

2.1 Introduction

This chapter is a composition of various theories which are having a direct link with the financial behavior of individuals. The financial behavior is simply described by money management of a person at a point of time. There are many determinants that are playing roles in the financial management of a person who is income, credit, savings, insurance, and other related services. Besides this, an individual is faced with psychological and social determining factors. Therefore, the following chapter will analyse various income and consumption theories and their relevance with both the financial behavior of underprivileged sections of the society and the institutional working mechanism towards financial inclusion.

So, the following chapter has been divided into four parts, First theoretical background, second individual-oriented perspectives, third sociological perspectives, and fourthly institutional perspectives. All the four sections will put light on the nature of savings among poor people and their responsible reasons why they are behaving like that? And also put light on whether these theories are suitable for developing countries like India or not? The main focus of this chapter relies on individual, social, and institutional evidence from various studies to conceptualize the broad perspectives of the financial behavior of the poorest of the poor, etc.

National saving includes public and private savings. Household saving typically constitutes a major part of private saving compared to private corporations (Gersovitz, 1988; Rehman, Bashir, & Faridi, 2011). Saving is an important way to improve the wellbeing of households. It allows households to smooth consumption in case of high-income volatility and increase the opportunity to invest in physical and human capital (Ashraf et al., 2003). For households, the trade-off between current and future consumption results in saving (Sturm, 1983).

There are numerous motives leading to the decision of saving. For instance, saving for retirement aims at financing future consumption when income decreases or becomes zero (life-cycle). Also, households save when there is uncertainty about future income (precautionary saving) or when they intend to leave bequests (Sturm, 1983; Gersovitz, 1988). Additional motives include, improvement (increasing consumption) or inter-temporal substitution (enjoying interest), investing in a business, or accumulating down-payment of durables (Browning & Lusardi, 1996; Coleman, 1998; Karlan & Morduch, 2009).

2.2 Theoretical Background

Actually, Financial access is defined by various theories from time to time, the main thrust of financial services both from the demand and supply side are mainly dependent on the ability and capability of the individuals.

Katona (1975), savings are taking places by an individual's *ability* and *willingness*, but there are numerous factors which are playing a significant role in once ability and willingness. The following factors accessed by various theories are such as in (1) Life cycle phase, Education, Employment, and Financial Literacy, (2) Income, Wealth, Risk attitude, and saving motive. (3) Family structure, House type, Rural-Urban, and Mortgage.

Wärnderyd, (1999) Savings are treated as residual, savings are considered differences as net worth at both end and net worth at the beginning of the period which is excess of income over expenditure in a period. Here arises a question why, and for what individuals are saving their incomes?

Keynes, J.M. (1936) also gave three motives of the income which individuals are going with (1) Transactional Motive (2) Precautionary Motive and (3) Speculative Motive. Poor people are vested with their transactional motive which covers their daily expenditures like basic needs etc and of the two are motive are out of there box due to the problem of challenge economic environmental conditions.

Katona (1975) identified three types of saving motives: 1) contractual, 2) discretionary, and 3) residual saving, both contractual and residual savings are a

flexible type of savings like saving for buying a gift, pay fee of the children are parts of the contractual type of savings but residual type of savings are all those savings which are common in nature like expenditure on goods and services and the remaining part of income is considered as residual but the discretionary type of savings are those savings which are driven by the risk forces of a person in his life like emergencies (like accidents, illness and old-age purposes).

Warneryd, (1999) identifies four motives: 1) habit or controlling expenditures, 2) precautionary motive, 3) bequest motive, and 4) profit motive.

Modigliani, (1966) People are saving during working years and consuming them after retirement but the savings are altered by wages, wealth, and other variables. Hence is it clear that working hours are also playing role in individuals saving behavior?

On the national level, the role of financial institutions in providing financial services and social security services by the government via tax and social security systems, such as unemployment benefits, pensions, and tax levels, also have an impact on the ability and willingness to save. In addition, the way banks compete and are regulated play a role, not least for the interaction between banks and customers. On the one hand, saving ratios have started increasing in India, due to the PMJDY Scheme. On the other hand, recent developments indirect transfer scheme has started working in the country but there are still poor qualities of social security's programs like pension systems for old age people which is still very low as per NSSO 66TH ratings of Rangarajan committee,

Income is identified as a significant determinant of saving. Current income as a key the determinant of saving started by the standard Keynesian model. This model implied that saving depends on current income ceteris paribus. When income increases, part of the increase is used for consumption while the rest is saved. Therefore, as equation 1 shows, when income increases, the saving rate increases:

$$S_t = a + sY_t + \varepsilon \quad (1)$$

Such that S_t denotes savings in period t while Y_t is the income in period t and s is a constant marginal propensity to save (MPS) that ranges from zero to one. As income increases, average propensity to save (APS) increases (Mikesell & Zinser, 1973; Liu & Hu, 2012).

The tests of this equation showed that saving increases with income at a decreasing rate. A potential explanation is that a shift in household income to higher levels will introduce households to modern consumption opportunities leading to a decreasing saving rate (Mikesell & Zinser, 1973; Liu & Hu, 2012). The implication of the Keynesian theory is that low-income households save a lower ratio of their income compared to high-income families. Different theories, that attempted to explore the relationship between income and saving, were contradictory. For instance, it was found that the poor consume at their subsistence level, yet they often have little saving to smooth consumption in case of income shocks (Schmidt-Hebbel, Webb, & Corsetti, 1992; Meghir, 2004).

Income fluctuations can also affect savings. An insightful theory supporting this notion was introduced by Friedman (1965), the permanent income hypothesis. The permanent income hypothesis has the below linear form:

$$S_t = a_0 + a_1Y_{Pt} + a_2Y_{Tt} \quad (2)$$

Such that S_t is savings and Y_{Pt} is permanent income in period t while Y_{Tt} is transitory income. The common definition of permanent income is long-term expected income that does not take into consideration temporary influences like weather or rainfall gains. Transitory income denotes the difference between actual income Y_t and permanent income. The implication of the permanent income, the hypothesis is that individuals do not consume transitorily income ($MPS_T = 1$) so temporary changes in transitory income will directly affect household saving (Schmidt-Hebbel et al., 1992; Meghir, 2004). Friedman based his work on the intuition that income is more volatile than consumption.

Consumption is based on long-term expectations about income since households prefer to smooth consumption over time and avoid short-term fluctuations (Meghir, 2004). The implication of this theory on household behavior is that the household will

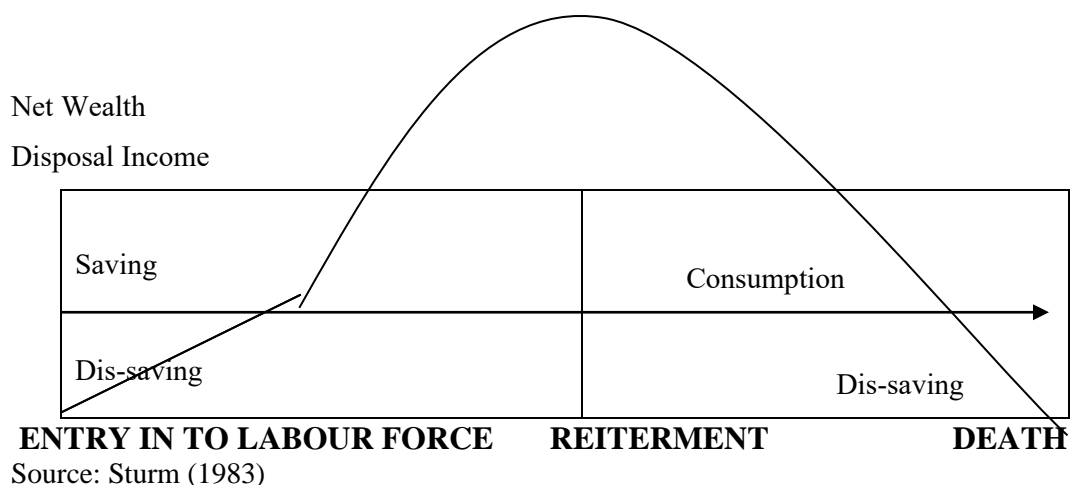
save today if their income is higher than the future and vice versa. For example, in economic crises, current income becomes lower than future income so people dis-save to cover current consumption (Berry, Williams, & Waldron, 2009).

Income uncertainty also determines saving as indicated by Leland (1968). He defined precautionary saving as additional savings due to uncertainty about future income.

When there is higher uncertainty about future income, the marginal utility of expected consumption in the future becomes higher leading to more saving at the present time (Deaton, 1997; Loayza, Schmidt-Hebbel & Servén, 2000; Jongwanich, 2010). For instance, if a household is working on a temporary basis or expects to lose the job, the current savings will increase (Berry et al., 2009). Coleman (1998) added that precautionary saving is witnessed in all stages of life. For example, students who are uncertain about earning as expected in the future can save while the elderly who wish to save for protection against shock could also have precautionary savings.

Age is another determinant of saving that was recognized by the life-cycle hypothesis developed by Modigliani and Brumberg (1954). This theory was mainly concerned with the motive of saving for retirement. It assumed that agents prefer to smooth consumption over their life span. Therefore, they save when they are young and working by consuming less than the disposable income while dissaving take place when they are old and retired (Figure 1). In this way, wealth is maximized at retirement age then decreases as consumption increases after retirement. Hence, saving is positive at a young age, negative at old age, and averaging zero if no bequests are made or received during the lifetime.

This theory assumes that there are zero population and income growth. Thus, the dissaving of the elderly offset the saving of the young population. If this assumption is relaxed, the net saving will be positive due to a larger young population earning income compared to the retired ones. Also, if per capita income is growing, the saving will increase to maintain a future level of consumption since households aim at smoothing their consumption over the lifetime (Mikesell & Zinser, 1973). This theory shows that household saving behavior is determined by the length of the income-earning period, retirement duration, market interest rate, time preference, and risk aversion (Sturm, 1983).



Based on life-cycle hypothesis, Diamond (1965) presented an Overlapping Generation Model (OLG) by extending the analysis of Samuelson (1957). The model assumed that there are three markets (labour, output, and capital) and two living generations who are overlapping. Each person lives for two periods of time. The person works during the first period so time is divided between leisure and work. During the second period, the person retires then dies by the end of the period. Since there are no transfers or bequests, the wage, earned in the first period, is divided between consumption and saving. In the second period, the consumption of the person is financed by savings plus interest rates (Romer, 2011).

Deaton (1989) argued that some of the aforementioned theories have limited application in developing countries where the demographic structure is different. The size of a household is larger in poor countries and when grandparents, children, and grandchildren live in the same household, there is a lower motive to save for retirement due to intergenerational transfers. Also, in developing countries, income is mostly coming from agriculture activities so uncertainty is higher which hinders the accurate estimation of long-term income. Due to credit constraints, households face difficulties in borrowing so a primary motive for poor households is to save for consumption smoothing. As result, saving in developing countries better fits precautionary saving instead of saving for retirement or bequest.

Theories in economics have emphasized income and age as key responsible factors of savings (Modigliani & Ando, 1957). Both Behavioural economists as well as economic psychologists have accepted the role of self-discipline motives, and other individuality characteristics on savings (Katona, 1975; Thaler & Shefrin, 1981;

Wärneryd, 1999). Sociologists analyzed class and social stratification as influencing determinants of savings and capital accumulation (D'Souza, 1981; Sorensen, 2000). On the other hand, social workers have also examined the core institutional factors which are access, incentives, expectation facilities in promoting savings (Beverly & Sherraden, 1999; Sherraden, 1991; Sherraden, Schreiner, & Beverly, 2003).

Following the review is based on three perspectives which are individual, social, and institutional.

2.3 Individual-Oriented Perspectives

Neoclassical economists were of the view that individuals being rational and have perfect knowledge of market access. Two important theories of neoclassical are the life cycle hypothesis (LCH; Modigliani & Ando, 1957); and 2) the permanent income hypothesis (PIH; Friedman, 1957). Both theories have predicted individual and household long term consumption opportunities via savings and consumption in terms of their expected future income. The LCH believes that savings could be used smoothly for consumption if incomes directly vary with age. The main idea of LCH is that economically active people are savers where children and retired people are not. Differences in consumption and savings of the people are directly represented by the age of the people (Modigliani & Ando, 1957).

The PIH said that savings are perceived due to permanent income and individuals are free to save or borrow to run their expenditures smoothly, so both the theories LCH & PIH are of the view that savings are the prime function of the income.

Now both theories are showing income as a root cause of savings but here arises the question at what level of income individuals or households could save their incomes? As the study is working in favor of poorest of the poor at what income poorest of the poor could save and is it the applicable same way for the poor people to save in a similar condition that of middle or high-income groups in the country.

Developing countries like Kenya where household income is found statistically significant performer of savings among farmers, entrepreneurs, and teachers (Kibet, Mutai, Ouma, Ouma, & Owuor, 2009). And similarly, that of Uganda it is found that

both the permanent and transitory incomes have significantly increased the level of savings in saving bank deposits among households (Kiiza & Pederson, 2002). India, Pakistan, and the Philippines also became the witness of income, as an important and superior predictor of savings (Agrawal, Sahoo, & Dash, 2007; Athukorala & Sen, 2004), Morocco (Abdelkhalek, Arestoff, de Freitas, & Mage, 2009), (ur-Rehman, Bashir, & Faridi, 2011). So from the above studies savings are directly related to higher incomes of the houses hold.

These studies showed us that only higher income households are in a position to save what about the low-income earners? Are they able to save? If yes? How can and what are the factors responsible for them which restricts or constraints which keeps them away from residual savings.

Again, in developing countries Savings has been defined with dependency ration an increase in dependence ration results in decreasing the savings and vice versa among the households in Kenya (Kibet et al., 2009), Indonesia (Johansson, 1998), India (Ang, 2009), China (Ang, 2009), Morocco (Abdelkhalek et al., 2009), and Pakistan (ur-Rehman et al., 2011).

In India, the working population is working under informal economy which is excluded on larger bases from the formal, the banking system of the country and the dependent population is not officially registered due to various reasons, most of the studies are witness to that the dependent population of the country is decreasing day by day which results in increasing savings among the households across India and the global level is prevailing as per the LCH. But some of the researchers are totally against it, that there is no significant relationship between dependency ration and saving rates particularly in developing countries (Cornia & Jerger, 1982; Deaton, 1992; Schmidt-Hebbel et al., 2002). In developing countries like India and other Asian countries and Sub Saharan African countries where most of the dependence population working as a child laborers and are economically active but are not included in the official gazette of the country therefore it also makes a point about the dependence ratio and saving rates which have been supported by numerous other studies, in which they stressed on age factor differences among dependence ratio (Mason's (1987, 1988). In the Philippines where it is found that there is negative relationship between young dependent factors and savings were in the case of adult

the dependent population showed a significant positive relationship with savings (Bersales & Mapa, 2006). The evidence of neoclassical theories that of LCH & PIH are problematic in defining them in case of developing countries (Rosenzweig, 2001). Most people in developing countries are having low incomes and less access to financial services and individuals are free to save and invest, so poor people in developing countries cannot save the same way that of high-income households in developed countries.

The permanent and temporary income theories didn't fit in case of developing countries because people are having less and irregular incomes which restrict them to save their incomes for long run purposes such as retirement and emergencies of life (accidents, floods, natural calamities, etc) because their incomes hardly allow them to fulfill their subsistence consumption level. The other reasons in developing regions where households are having a more dependent population with low incoming settings so there are differences in the life cycle of individual and households with unknown age factors of which population is affecting savings decisions (Deaton & Paxson, 2000; Rosenzweig, 2001).

Besides neoclassical economic theories, the study is also going to seek an analysis of saving behavior with respect to psychological and behavioural perspectives which are not taking the case of the rationality of people in deciding savings of the people rather believing on some other personality and attitudinal variables which affects savings of the people.

Early economists have also developed faith in psychological factors on savings such as Jevons (1965), Marshall (1961), and Fisher (1977). Although they accepted that savings depend on economic factors, mainly income and its size and regularity, they also consider that there are various psychological characteristics that manipulate the temptation to spend and forego saving. Although some psychologists have investigated psychosomatic determinants of saving behavior than economists, there are many established psychological models on savings behaviors, that of Katona (1975), Ölander and Seipel (1970), and Lindqvist (1981). For instance, Katona's theory of saving (1975) is partly determined by income and partly by some other independent prevailing factors. Two important factors are the ability to save (mostly objective data) and willingness to save (a variety of psychological variables). The

ability to save refers to those who can save, whereas willingness to save is related to the degree of optimism or pessimism of economic conditions (Katona, 1975).

Therefore, ability to save does not guarantee savings because savings is itself determined by psychological factors that of individual's choice to save. But some evidence from industrialized countries showed less psychological intervention on savings. (Furnham, 1985; Lindqvist, 1981; Lunt & Livingstone, 1991), and some evidence are determined by personal factors including optimistic and pessimistic economic conditions of the individuals (Lunt & Livingstone, 1991), so these factors are controlling individual decisions (Lunt & Livingstone, 1991), that of savings (Sherraden & McBride, 2010), and also future expected orientations(Webley & Nyhus, 2006)are connected with saving behaviours.

Behavioural economics has been in-sighted from both psychology and economics. Behavioural economics became successful in developing some of the unrealistic assumptions on standard economic models of human behavior, such as unbounded rationality, unbounded willpower, and unbounded "selfishness" (Shefrin & Thaler, 1988; Thaler, 1994). So, from this perspective common human characteristics that of self-control and ability of a person to delay in gratification, use of the mind, and uses of rules-of-thumb, default options, shape financial behaviours and economic decisions (Ainsle, 1975; Angeletos, Laibson, Repetto, Tobacman,

& Weinberg, 2001; Laibson, 1997; Mullainathan & Thaler, 2000; Shefrin & Thaler, 1988; Thaler, 1981). So, these approaches could make individuals behave incontinent ways with their individual priorities. Therefore little is known about developing countries about explanatory powers on saving behavior of low-income individuals but on the other hand numerous studies of industrial countries have shown self-control (Ameriks, Caplin, Leahy, & Tyler, 2004; Moffitt et al., 2010; Romal & Kaplan, 1995), and use of default options (Madrian & Shea, 2001; Thaler & Benartzi, 2004) are helpful for middle- and upper-income individuals and households.

2.4 Sociological Perspective

Social stratification theories refer distribution of power in societies. The divisions in society on the bases of economic conditioning of the people which forms different

groups in the societies which are classes and these classes are further divided on the bases of income, caste, religion and economic status (D'Souza, 1981; Weber, 1967). Both class and social stratification are the deciding factors which are affecting the saving behaviour among low income households. Individuals and households from low income families are also facing the problem of lack of awareness about services where they could save and use their assets to have positive returns.

Social stratification theory is of the view that inequalities in societies are due to nature of access of institutional services and resources and those institutions who are providing these services on the name of poor without benefiting the poor (Crompton, 2008). But there is hope that class and social stratification are the two powerful determinants which could shape the savings and asset accumulation patterns among the poor households. Demands of social network members have made it difficult for family members to save and accumulate their assets (Stack, 1974). Many evidences have suggested that poverty is the hindrance which interprets poor people to access financial services (Caskey, 1997; Chiteji & Hamilton, 2005; Heflin & Patillo, 2002). Possession of assets is beyond the control of an individual, because of cultural origins (Al-Awad & Elhiraika, 2003), differences of gender norms (Chowa, 2008), and financial societal roles in families, schools and other civil societies (Chiteji & Hamilton, 2005; Chiteji & Stafford, 1999; Cohen, 1994), and race (Oliver & Shapiro, 1995; Shapiro, 2004). Sub Saharan African and developing countries across world have showed that class related factors are worthy in explanation of saving behaviour of low-income countries. Likewise, education has been found one of the significant factors of savings in Kenya (Kibet et al., 2009), and similar studies from Philippines (Bersales & Mapa, 2006) but not in India (Bersales & Mapa, 2006). Besides this higher education and occupation of the individuals are the deciding factors about saving rates in rural Kenya (Kibet et al., 2009), availability of increasing credit facilities has improved savings in Uganda (Kiiza & Pederson, 2001). Households accessing credit consistently are holding higher savings than households without access but however in Kenya improvement in credit availability has decreased savings among rural people (Kibet et al., 2009). Mostly poor people are using credit for consumption purposes rather than for income generating purposes. Furthermore, class related factors, like education also defines whether the household owner possesses formal bank account (Kiiza & Pederson, 2001). Low income people in developing

countries mostly are saving in informal sources which are less secure and safe than formal saving account sources (Collins et al., 2009). In Pakistan increases in income have led higher rate of participation in both formal and informal saving sectors. However higher levels of income have led people to use formal institutions very widely than that of informal institutions (BISI an informal saving committee like rotating savings and credit association) (Carpenter & Jensen, 2002). And lastly the maximum use of formal institutions is by educated and literate people in developing countries formal institutions may face sever impede because of illiteracy and low education (Carpenter & Jensen, 2002).

2.5 Institutional Perspective

Institutional theories are of the view that individuals or households which lack to save are due to institutional factors that obstruct them. From time to time intuitional minds against the poor as they are unable to save because they don't have the same capabilities that of higher-income people (Beverly & Sherraden, 1999; Sherraden, 1991). Otherwise, if the poor people have been provided the same opportunities, they may be in a better position to save and access all other services. So, these are the institutions that are responsible for such a discriminatory approach, which have made restrictions from time to time on the use of all saving services for the poor (Beverly et al., 2008). The institutional theory posits that institutions affect worldwide and affects financial decisions and behavior of the people (Beverly & Sherraden, 1999). Almost seven institutional-level dimensions also influence savings and asset accumulation which are access, information, incentives, facilitation, expectations, restrictions, and security (Beverly & Sherraden, 1999; Beverly et al., 2008; Sherraden & Barr, 2005; Sherraden et al., 2003; Sherraden, Williams Shanks, McBride, & Ssewamala, 2004). So, these are institutional factors that are related to savings and asset building. However, it is found in Uganda that closeness of financial institution to the households are related to whether a household will open a formal saving bank account or not (Kiiza& Pederson, 2001).and the same study have given evidence that urban households have opened more deposit accounts than their rural counterparts. Higher transaction costs have also shown negative effects on the level of savings in Ugandan (Kiiza& Pederson, 2001) and rural Kenyan households (Dupas& Robinson, 2009). Dupas and Robinson (2009). Mostly individuals with small businesses have opened

savings accounts, and some evidence from Kenya, Kibet, and colleagues (2009). It is also found that higher transport costs are also having a negative impact on savings among rural poor people. Therefore, these evidences suggest that the poor could be better off if provided all the services at a cheaper rate. Institutional schemes, products, and their information to the general masses of the societies is also a major responsible factor for accessing these financial services. Evidence from Uganda that an increase in opening banking accounts we households became well aware of institutional services (Kiiza & Pederson, 2001). In the Philippines, the cheap savings product has helped low-income women save (Ashraf, Karlan, & Yin, 2006).

2.6 Conclusion

From 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 the 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 the use of various banking services. The saving behavior 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 the 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 this urban poor. Savings are concerned one of the fundamental variables which improve the 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 savings is commonly done to meet unpredictable activities like health issues, accidents, education of children, the marriage of children, etc. Savings basically depends upon the ability and capability of an individual he/she has. 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 motives. 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 the profit motive. Modigliani explained savings by working years and retirement years. Sturm (1983), argued that people normally save during earning years until 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 fulfill consumption requirements. Deaton (1989) said in developing countries poor people have large family sizes, due to which they are only saving for consumption purposes 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 the same. Every individual wants to save, for different life purposes, all this depends upon occupation, income, education, region, capability, willingness, etc. In the 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 the question arises on how to boost savings among the poor? To support the poor so that they could be able to save for the 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.

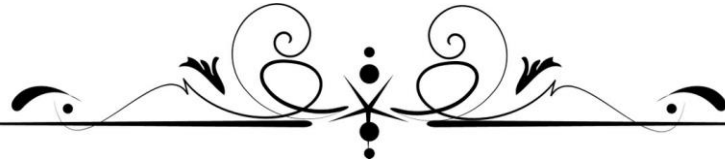
Individual savings are directly determined by age (Modigliani & Ando ,1957). Permeant income theory suggests savings are done because of permeant income at disposal. In developing countries savings are dependent income, Higher the income higher will be the savings and vice versa. Studies have shown people 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.

2.7 References

- Abdelkhalek, T., Arestoff, F., de Freitas, N. E. M., & Mage, S. (2009). A microeconomic analysis of households saving determinants in Morocco. *The 1st GDRI DREEM Conference, Istanbul, 21-23 May 2009.*
- Agrawal, P., Sahoo, P., & Dash, R. K. (2007). Savings behavior in India: Co-integration and causality evidence. *The Singapore Economic Review, 55*, 273-295. doi:10.1142/S0217590810003717
- Ashraf, N., Gons, N., Karlan, D. S., & Yin, W. (2003). *A Review of Commitment Saving Products in Developing Countries.* Asian Development Bank (ADB).
- Athukorala, P., & Sen, K. (2004). The determinants of private saving in India. *World Development, 32*, 491-503. doi:10.1016/j.worlddev.2003.07.008
- Bersales, L. G. S., & Mapa, D. S. (2006). *Patterns and determinants of household saving in the Philippines* (EMERGE Technical Report). Makati City: EMERGE.
- Beverly, S., & Sherraden, M. (1999). Institutional determinants of saving: Implications for low-income households and public policy. *Journal of Socio-Economics, 28*, 457-473. doi:10.1016/S1053-5357(99)00046-3
- Carroll, C. D., & Samwick, A. A. (1998). How Important is Precautionary Saving? *The Review of Economics and Statistics, 80*(3), 410-419.
- Chowa, G. A., Masa, R. D., & Ansong, D. (2012). Determinants of saving among low-income individuals in rural Uganda: Evidence from assets Africa. *Advances in Applied Sociology, 2*(04), 280.
- Cornia, G., & Jerger, G. (1982). Rural vs. urban saving behavior: Evidence from an ILO collection of household surveys. *Development and Change, 13*, 123-157. doi:10.1111/j.1467-7660.1982.tb00115.x
- Crown, W. H. (2002). Life cycle theories of savings and consumption. *Encyclopedia of Aging*. [Online]. Available: <http> [Accessed 9 May. 2012]
- D'Souza, V. S. (1981). *Inequality and its perpetuation: A theory of social stratification.* New Delhi: Manohar.

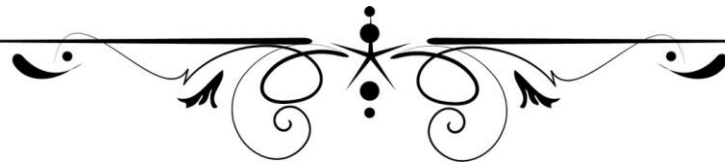
- Deaton, A. (1989). Saving in Developing Countries: Theory and Review. *Proceedings of the World Bank, Annual Conference on Development Economics*. Washington, DC: World Bank.
- Friedman, M. (1957). *A Theory of the Consumption Function*. Princeton University Press.
- Helmy, I. A. F. (2015). *Understanding the saving behavior of poor households: evidence from Egypt* (Doctoral dissertation, The American University in Cairo).
- Karlan, D., & Morduch, J. (2009). Ideas and Evidence: The Economics of Saving. In D. Karlan, & J. Morduch, *Handbook of Development Economics* (5 ed.).
- Katona, G. (1975). *Psychological economics*. New York: Elsevier.
- Keynes, J. M. (1937). The general theory of employment. *The quarterly journal of economics*, 51(2), 209-223.
- Keynes, J. M. (2016). *General theory of employment, interest and money*. Atlantic Publishers & Dist.
- Kibet, L. K., Mutai, B. K., Ouma, D. E., Ouma, S. A., & Owuor, G. (2009). Determinants of household saving: Case study of smallholder farmers, entrepreneurs and teachers in rural areas of Kenya. *Journal of Development and Agricultural Economics*, 1, 137-143.
- Kiiza, B., & Pederson, G. (2002). Household financial savings mobilization: Empirical evidence from Uganda. *Journal of African Economies*, 10, 390-409. [doi:10.1093/jae/10.4.390](https://doi.org/10.1093/jae/10.4.390)
- Lee, J.-J., & Sawada, Y. (2010). Precautionary saving under liquidity constraints: Evidence from rural Pakistan. *Journal of Development Economics*, 91(1), 77–86.
- Loayza, N., Schmidt-Hebbel, K., & Servén, L. (2000). Saving in Developing Countries: An Overview. *World Bank Economic Review*, 14(3), 393-414.
- Mason, A. (1988). Saving, economic growth, and demographic change. *Population and Development Review*, 14, 113-144. [doi:10.2307/1972502](https://doi.org/10.2307/1972502)
- Meghir, C. (2004). *A Retrospective on Friedman's Theory of Permanent Income*. University College London and Institute for Fiscal Studies.

- Mikesell, R. F., & Zinser, J. E. (1973). The Nature of The Savings Function in Developing Countries: A Survey of the Theoretical and Empirical Literature. *Journal of Economic Literature*, 11(1), 1-26.
- Modigliani, F., & Ando, A. K. (1957). Tests of the life cycle hypothesis of savings. *Bulletin of the Oxford Institute of Statistics*, 19, 99-124.
- Modigliani, F., & Brumberg, R. (1954). *Utility analysis and the consumption function: an interpretation of cross-section data*. MIT press books.
- Schmidt-Hebbel, K., Webb, S. B., & Corsetti, G. (1992). Household saving in developing countries: First cross-country evidence. *The World Bank Economic Review*, 6, 529-547. doi:10.1093/wber/6.3.529
- Sherraden, M. (1991). *Assets and the poor: A new American welfare policy*. Armonk, NY: M.E. Sharpe, Inc.
- Sherraden, M., Schreiner, M., & Beverly, S. (2003). Income, institutions, and saving performance in individual development accounts. *Economic Development Quarterly*, 17, 95-112. doi:10.1177/0891242402239200
- Sørensen, A. (2000). Toward a sounder basis for class analysis. *American Journal of Sociology*, 105, 1523-1558. doi:10.1086/210463
- Thaler, R. H., & Shefrin, H. M. (1981). An economic theory of selfcontrol. *Journal of Political Economy*, 89, 392-401. doi:10.1086/260971
- urRehman, H., Bashir, F., & Faridi, M. Z. (2011). Saving behaviour among different income groups in Pakistan: A micro study. *International Journal of Humanities and Social Science*, 1, 268-277.
- Wärneryd, K. E. (1999). *The psychology of saving: A study on economic psychology*. Northampton, MA: Edward Elgar.
- World Bank. (2008). *Finance for All? Policies and Pitfalls in Expanding Access*. Washington, DC: World Bank.



Chapter 3

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



Chapter 3

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

3.1 Introduction

In India financial inclusion concept was first time used in 2005 by then governor of reserve bank of India (Y. Venugopal Reddy)^[1]. After that, the term financial inclusion has been widely used in India. Financial inclusion is simply the distribution of the financial system of an economy to its followers. According to Leeladhar (2005)^[2], financial inclusion is nothing but a bank service and is used interchangeably with banking inclusion. Banking policies were reformed to align vast sections of the population who were out of banking to include them in financial inclusion^[3]. In 2005 (Khan Committee) presented a report on Rural credit and Microfinance. A deeper concern was shown on the exclusion of a larger population from the formal banking system^[4]. After Khan Committee Report, the RBI urged banks to provide the facility of a basic “No-Frills” bank account (2005-2006)^[5]. The financial inclusion committee has defined financial inclusion, assurance of access to financial services, and time-based adequate credit whenever needed by weaker sections and other low-income groups at a very economic cost (Rangarajan Committee, 2008^[6]). In India Financial inclusion is backed by banks largely. For example, the UK's financial inclusion is based on three major dimensions which are access to banking. Access to credit and money advice by a face is also very important in India too. The process of financial inclusion is mostly involved in granting credit to agriculture and low-income groups for different purposes. Financial inclusion is the name of a various bunch of financial services, that is why it is also called by the name of a multidimensional phenomenon.

Academician, scholars and social scientists have discussed financial development is closely related to economic growth but the question arises whether the development of financial sector leads to the development of financial inclusion or not? It has been found that well developed financial systems are still behind the success of

inclusiveness due to which many destitute sections are outside the mainstreaming. During recent years financial inclusion has been recognized as a priority in India, and has been widely accepted in the policy circles. Finance is having much importance in the economy as blood in the human body. So, access to finance can play the doorway towards financial inclusion. Inclusive finance will help in reducing all the bottlenecks and exploitations in the financial system, which are high-interest rates by money lenders and other risks of the informal economy. Thus, development in every field is a necessary condition to compete in modern life. Life these days also demand things on sustainable basis with security and peace. If we consider the increasing and changing trend of financial services, one side we demand facilities and on the other side security too, Moreover, people living in different demographic structures, where people are old, illiterate, rural-urban divide and so on, again needs attention how to cover all of the in the inclusive system and what type of facility for which group to provide? it needs more research to be done, how to compete with modernity and needs of banking facilities? So, that all the population could be included in the financial inclusion.

Concept of financial inclusion index needs attention on how to measure the accessibility of financial services and which indicators to include in it. Again, the methodological question arises whether the financial inclusion index is a complete tool to measure financial efficiency or not? Policymakers should also consider how to eradicate all the barriers to achieve the complete inclusion of the people. Research and Development have achieved a remarkable contribution in providing a huge amount of literature on financial inclusion, exclusion, and associated areas, etc.

Kempson et al (2004)^[7] has mentioned six reasons for exclusion, but these barriers may differ from country to country due to development and underdevelopment and demographical reasons, etc. Problems of exclusion, are rules and regulation of bank accounts, bank charges, psychological and behavioural inferences, Easy access to banking services. Chakarborty (2010)^[8] has classified some of the barriers which are, supply-side problems from banks, Demand-side barriers from destitute groups. Financial inclusion will improve only when these problems will be addressed in a concerted way. So, addressing Financial exclusion on the grounds of supply and

demand-oriented barriers could help policymakers to frame policies accordingly. In this chapter, we have tried to figure out the performance of financial inclusion since its inception 2006 to 2020. We will first check the financial inclusion performance from 2006-2013 and 2014-2020 because most of the programs have been implemented after 2014 by providing targeted schemes to cover the unbaked population like PMJDY^[9], MUDRA^[10], PMSBY^[11], PMJJBY^[12], APY^[13] and others, etc. Approaches towards financial inclusion are running at a good pace from 2014 onwards with new products and schemes. From access services, saving services, insurance services, credit services, and so on, with innovative concepts of digitization, online banking, and many other services. The motive of these schemes is only financial inclusion specially to include all the poor who are outside the banking system of the country.

In this chapter we will try to analysis whether financial inclusion has achieved any successes or not? This chapter has been divided in to four parts. 3.1 introduction, 3.2 Recent Financial Inclusion Schemes and Their Performances from Secondary Data Analysis. The section two investigates development of financial inclusion index. In section third, shows the financial inclusion position of the country from 2014 -2016. As per the well-developed Financial inclusion index with availability of data source from the world bank of 214 countries ^[14]. In section third, we have presented the overall performance of financial inclusion in India from recent years. Financial inclusion index and dummy regression model has been used for analysis.

3.2 Recent Financial Inclusion Schemes and Their Performances from Secondary Data Analysis

3.2.1 Pradhan Mantri Jan-Dhan Yojana (PMJDY)

"Pradhan Mantri Jan-Dhan Yojana (PMJDY)" under the National Mission for Financial Inclusion was launched initially for a period of 4 years (in two phases) on 28th August 2014. It envisages universal access to banking facilities with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension.

PMJDY has provided a platform for the three social security schemes viz. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY) and Pradhan Mantri Mudra Yojana (PMMY).

The Government has decided to extend the comprehensive PMJDY program beyond 28.8.2018 with the change in focus on opening accounts from “every household” to “every adult”, with following modification:

- i. Existing Over Draft (OD) limit of Rs. 5,000 revised to Rs. 10,000.
- ii. No conditions attached for active PMJDY accounts availing OD up to Rs. 2,000.
- iii. Age limit for availing OD facility revised from 18-60 years to 18-65 years.
- iv. The accidental insurance cover for new RuPay card holders raised from existing Rs. lakh to Rs. 2 lakhs to new PMJDY accounts opened after 28.8.2018.

PMJDY is National Mission for Financial Inclusion to ensure access to financial services, namely, a basic savings & deposit accounts, remittance, credit, insurance, pension in an affordable manner. Under the scheme, a basic savings bank deposit (BSBD) account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet, by persons not having any other account.

Table 3.1 Pradhan Mantri Jan-DhanYojana (PMJDY) 28th August 2014

Financial Year	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020
No. of PMJDY accounts (in Crore)	14.72	21.43	28.17	31.44	35.27
Deposit in PMJDY accounts (in Rs. Crore)	15,670	35,672	62,972	78,494	96,107
Average Deposit per PMJDY account (in Rs.)	1,065	1,665	2,235	1, 2497	2,725
Number of Rupay debit cards issued to PMJDY account-holders (in Crore)	13.14	17.75	21.99	23.65	27.91

Source: Government of India

Table 3.1 shows performance of PMJDY from 2015-16 to 2019-2020. Number of PMJDY accounts in crores have been increased from 14.72 cores in 2015-16 to 35.27 crore in 2019 -20. Deposit in PMJDY accounts in crores from 15,670 in 2015-16 to 96,107 crores in 2019-20. The average deposit per PMJDY accounts are 1065 rupees in 2015-16 to 2725 rupees in 2019-20. The number of Rupay card debit cards issued to PMJDY account holders are 13.14 crore in 2015-16 to 27.91 crore in 2019-20.

3.2.2 Pradhan Mantri Mudra Yojana

An important aspect of financial inclusion is enabling the flow of credit to small businesses. In pursuance of the announcement in the Union Budget 2015-16, the Micro Units Development finance Agency (MUDRA) was set-up and the Pradhan Mantri Mudra Yojana (PMMY) launched on 8th April, 2015. For achieving sustained expansion in the flow of credit to the non-corporate small business sector, loans up to Rs. 10 lakh without collateral are extended to borrowers under PMMY. These loans are extended through partner Member Lending Institutions (MLIs) – such as Scheduled Commercial Banks, Non-Banking Financial Companies (NBFCs) and Micro-Finance Institutions (MFIs). In turn, MUDRA Ltd. offers refinance to MLIs for PMMY loans extended by them.

The loans under PMMY are categorized as Shishu (up to Rs.50,000), Kishore (Rs.50,000 to Rs.5 lakh) and Tarun (Rs.5 lakh to Rs.10 lakh). Activities allied to agriculture and services supporting these (excluding crop loans, land improvement such as canals, irrigation, wells) have also been included under PMMY from April, 2016 onwards.

Table 3.2 Micro Units Development Finance Agency (MUDRA) 8th April, 2015

Financial Year	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
No. Of PMMY Loans Sanctioned crores	34880924	39701047	48130593	59870318	62237981	15187176 *
Amount Sanctioned	137449.27	180528.54	253677.1	321722.79	337465.13	96869.06 *
Amount Disbursed	132954.73	175312.13	246437.4	311811.38	329684.63	89934.72

Source: Government of India

Table 3.2 shows Micro Units Development finance Agency performance. In 2015-16 the number of PMMY loans Sanctioned in crores 34880924 and reached 15187176 crores respectively. Second the amount sanctioned in 2015-16 is 137449.27 crores and reached 96869.06 in 2020-21. Finally, the total amount disbursed in 2015-16 is 132954.73 crores and reached 89934.72 crores in 2020-21.

3.2.3 Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

The scheme is available to people in the age group of 18 to 50 years having a bank/ Post office account who give their consent to join / enable auto-debit. Aadhar would be the primary KYC for the bank account. The life cover of Rs. 2 lakh is available for a one-year period stretching from 1st June to 31st May and is renewable. Risk coverage under this scheme is for Rs. 2 Lakh in case of death of the insured, due to any reason. The premium is Rs. 330 per annum which is to be auto-debited in one instalment from the subscriber's bank / Post office account as per the option given by him on or before 31st May of each annual coverage period under the scheme. The scheme is being offered by Life Insurance Corporation and all other life insurers who are offering the product on similar terms with necessary approvals and tie up with Banks and Post Offices for this purpose.

To facilitate all those getting enrolled under PMJJBY for the first time during the middle of the policy period, payment of pro-rata premium has been allowed at a considerable low premium. Thus, if the enrolment takes place during the months of –

1. June, July & August – Annual premium of Rs. 330/- is payable.
2. September, October & November – 3 quarters of premium @ Rs.86.00 i.e. Rs. 258/- is payable.
3. December, January & February – 2 quarters of premium @ Rs.86.00 i.e. Rs. 172/- is payable.
4. March, April & May – 1 Qly premium @ Rs.86.00 is payable.

As on 31st March 2019, the gross enrolment by banks, subject to verification of eligibility criteria, is about 5.91 crore people under PMJJBY and 1,35,212 claims of Rs. 2704.24 Crore have been disbursed.

Table 3.3 Pradhan Mantri Jeevan Jyoti Yojana (PMJJBY) 9th May, 2015

Financial Year	2015-2016	2016-2017	2017-2018
Premium Received in Crore	885	824	769
No. of Enrolments (In Crore)	2.96	0.15	2.23
No. of Claim Received	22212	39954	35997

Source: Government of India

Table 3.3 shows the performance of Pradhan Mantri Jeevan Jyoti Yojana. In 2015-16 the premium received in crore are 885 and in 2017-18 it is 769 crores. The number of enrolments' in 2015-16 are 2.96 crores and 2017-18 it has reached to 2.23. The number of claims received from 2015-16 are 22212 crores and reached 35997 crores in 2017-18.

3.2.4 Pradhan Mantri Suraksha Bima Yojana (PMSBY)

The Scheme is available to people in the age group 18 to 70 years with a bank / Post office account who give their consent to join / enable auto-debit on or before 31st

May for the coverage period 1st June to 31st May on an annual renewal basis. Aadhar would be the primary KYC for the bank account. The risk coverage under the scheme is Rs. 2 lakh for accidental death and full disability and Rs. 1 lakh for partial disability. The premium of Rs. 12 per annum is to be deducted from the account holder's bank / Post office account through 'auto-debit' facility in one instalment. The scheme is being offered by Public Sector General Insurance Companies or any other General Insurance Company who are offering the product on similar terms with necessary approvals and tie up with Banks and Post Offices for this purpose.

As on 31st March 2019, the gross enrolment by banks, subject to verification of eligibility criteria, is about 15.47 crore under PMSBY and 32,176 claims of Rs. 643.52 Crore have been disbursed.

Table 3.4 Pradhan Mantri Suraksha Bima Yojana (PMSBY) 9th May, 2015

Financial Year	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020**
Premium Received in Crore	106	107	106	129	125
No. of Enrolments (In Crore)	9.41	0.54	3.53	1.99	-
No. of Claim Received	4566	7968	8603	19612	-
No. of Claims Disbursed	2757	6646	7027	15746	-

Source: Government of India

Table 3.4 shows Pradhan Mantri Suraksha Bima Yojana performance. In 2015-16 the Premium Received are 106 crores reached 129 crores in 2018-19. The number of enrolments in crores in 2015-16 are 9.41 reached to 1.99 in 2018-19. The number of claims received in 2015-16 are 4566 crores reached to 19612 crores in 2018-19. The number of claims disbursed from 2015-16 are 2757 crores reached the mark of 15746 crores respectively.

3.2.5 Atal Pension Yojana (APY)

APY is being implemented with effect from 1st June, 2015. The Scheme aims to provide monthly pension to eligible subscribers not covered under any organized pension scheme. APY is open to all bank and post office account holders in the age group of 18 to 40 years. Under APY, any subscriber can opt a guaranteed pension of Rs 1000 to Rs 5000 (in multiples of Rs. 1,000) receivable at the age of 60 years. The contributions to be made vary based on pension amount chosen. The key features of APY are as under:

1. The APY is primarily focused on all citizens in the unorganised sector, who join the NPS. However, all citizens of the country in the eligible category may join the scheme.
2. Any Indian Citizen between 18-40 years of age can join through their savings bank account or post office savings bank account.
3. Minimum pension of Rs. 1000 or Rs. 2000 or Rs. 3000 or Rs. 4000 or Rs. 5000 is guaranteed by the Government of India to the subscriber at the age of 60 years, with a minimum monthly contribution (for those joining at age 18) of Rs. 42 or Rs. 84 or Rs. 126 or Rs. 168 and Rs. 210, respectively.
4. After the subscriber's demise, the spouse of the subscriber shall be entitled to receive the same pension amount as that of the subscriber until the death of the spouse.
5. After the demise of both the subscriber and the spouse, the nominee of the subscriber shall be entitled to receive the pension wealth, as accumulated till age 60 of the subscriber.
6. The subscribers in the eligible age, who are not income-tax payers and who are not covered under any statutory social security scheme, are entitled to receive the co-contribution by Central Government of 50% of the total prescribed contribution, up to Rs. 1000 per annum, and this will be available

for those eligible subscribers, who join APY before 31st March, 2016. The Central Government co-contribution shall be available for a period of 5 years, i.e., from Financial Year 2015-16 to 2019-20.

7. If the actual returns during the accumulation phase are higher than the assumed returns for minimum guaranteed pension, such excess will be passed on to the subscriber.
8. The contributions can be made at monthly / quarterly / half yearly intervals through auto debit facility from savings bank account/ post office savings bank account of the subscriber. The monthly / quarterly / half yearly contribution depends upon the intended / desired monthly pension and the age of subscriber at entry. Major steps have been initiated by the Government to popularize create awareness about APY:
9. Simplification of default penal charges
10. The mode of payment has been changed from monthly to monthly, quarterly and half yearly keeping in consideration the seasonal income earners.
11. Removal of closure of account clause after 24 months and continuation of the account till the time corpus is available in the account.
12. Periodic advertisements in print and electronic media.
13. Capacity building of bank branch officials through various training programs.
14. Participating in town hall meetings, SLBC meetings.
15. Conducting meetings with State Governments of Telangana, Kerala, Gujarat, Maharashtra, and Orissa.
16. Meeting with Secretaries of Union Ministries of Agriculture, Rural Development, WCD, Panchayati Raj, Health etc with a view to get their unorganized workforce like MNREGA workers, SHG, Asha workers, Aganwadi workers etc under APY.

As on 31st March 2019, the number of subscribers is 149.53 lakh with Asset under Management (AUM) of Rs. 6860.30 crore.

Table 3.5 Atal Pension Yojana (APY) 1st June, 2015

Financial Year	2016	2017	2018	2019	2020	2020*
Number of Subscribers	24.85	48.64	96.06	149.53	211.42	228.61
Contribution (Rs. in Crore)	491	1751	3602	6335	9747	11226
Assets under Management (Rs. in Crore)	506	1885	3818	6860	10526	12696

Source: Government of India

Table 3.5 shows Atal Pension Yojana performance. In 2016 the number of subscribers is 24.85 crores reached to 228.61 crores in 2020. The contribution of 491 crores in 2016 has reached to 11226 crores in 2020. The assets under management 506 crores in 2016 are reached to 12696 crores in 2020.

3.3 Development of Financial Inclusion Index

Patrick Honohan (2007)^[15] estimated financial inclusion, accessing household on the following grounds such as access towards formal financial institutions, use of the Gini coefficient, use of microfinance and bank accounts for the total population, average deposit size per-capita GDP. This was also, the first insight to check financial inclusion. Mandira Sarma, (2008)^[16] has added three more dimensions to measure the financial inclusion index, Depth (penetration) that is the number of bank accounts per 1000 population, Access, Number of bank branches, and ATMs per 1000 population. Usage, (number of customers). She adopted HDI calculations and also UNDP (HDI) informing Index financial inclusion (IFI). Similarly, several other researchers have also calculated the (IFI) for different states (Chandan Kumar and Srijit Mishra, (2009), Nitin Kumar, (2011)^[17] relationship between financial inclusion and development has been examined by several socio-economic variables like, income, inequality, literacy, urbanization, and infrastructure (Mandira Sarma and Jesim Pais, 2008)^[18]. Mehrotra *et al.* (2009)^[18] has also measured the financial inclusion index for similar variables like a number of rural offices, a number of rural deposit accounts, a volume of rural deposit, and credit from banks at the district level. Chakravarty and Pal (2010)^[19] have used the axiomatic approach for financial inclusion. It is an improvement upon Sarma (2008)^[20] IFI, so many factors could be presented on a percentage basis. Similarly, R.U. Arora (2010)^[21] has included more variables to IFI, that of geographical penetration and ease, cost of transactions. But we have accepted Samra's paper as a base paper for our analysis.

3.4 Calculation of Financial Inclusion Index (FII) – Comparison of Past Attempts

Researchers have used different methods to compute the Index of Financial Inclusion. Sarma (2008) in her study indicates that the dimensions included by her (detailed in Section 1 above) are dictated by the availability of consistent data sets. Thus, her study looks at only ‘penetration (2 variables)’, ‘availability’ and ‘usage’ (1 variable) for data pertaining to 2004. After giving equal weights to the dimensions, the index of financial inclusion (IFI) is computed as follows:

$$IFI = 1 - \sqrt{\frac{(1-p_i)^2 + (1-a_i)^2 + (1-u_i)^2}{3}} \quad (1)$$

where

p_i = the dimension indices for penetration (or accessibility),

a_i = availability and

u_i = usage respectively (Sarma,2008).

The IFI thus constructed incorporates information on these dimensions in one single number lying between 0 and 1, where 0 denotes complete financial exclusion and 1 indicates the ideal – complete financial inclusion in an economy (Sarma and Pais, 2008). Arora (2010) added the dimensions of Outreach (2 variables), Ease of Transactions (12 indicators) and Cost (6 indicators) and computed the Financial Access Index (FAI) for data pertaining to 2007. She calculated the FAI as follows:

Each dimension Di_i is defined as,

$$Di_i = \frac{(di_1 + di_2 + di_3 \dots dn)}{n} \quad (2)$$

and

$$di = \frac{(Ai - mi)}{(Mi - mi)} \quad (3)$$

Where: A_i = Actual value of dimension i ;

m_i = minimum value of dimension i ;

M_i = maximum value of dimension i .

Table 3.6 The values of these dimension from 2005 to 2016, are given below in
Tables 1 respectively:

Year	Geographic number of bank accounts per 1000 adults (1)	Geographic ATM Penetration per 100000 adults (2) Demographic Branch Penetration per 100000 adults (3) (2+3)	Volume of Deposits (4) + loans (5) as % of GDP (4) + (5)
2006	0.081377816	0.021888439	0.040688908
2007	0.088680273	0.022192378	0.044340136
2008	0.098545269	0.024342276	0.049272634
2009	0.110353263	0.026849313	0.055176631
2010	0.120275723	0.030231755	0.060137862
2011	0.129374271	0.0343981	0.064687136
2012	0.139643476	0.039300258	0.069821738
2013	0.157953574	0.043563933	0.078976787
2014	0.182580438	0.05586168	0.091290219
2015	0.211700592	0.062496698	0.105850296
2016	0.238424975	0.052925148	0.300819602
2017	0.788481149	0.066724778	0.028977969
2018	0.077797446	0.104295816	0.929508197
2019	0.220981031	0.17348019	2.725491803

(Source: World Bank and RBI)

The Usage Dimension:

D2 is the Dimension index for *Usage* and includes the Volume of Deposits and loans as a percentage of GDP.

3.5 The Financial Inclusion Index

Using the values of all the Three Dimension indices derived above, we compute the Financial Inclusion Index for India 2005 to 2016

$$FII = (1 - d1, 1 - d2, 1 - d3) \quad (4)$$

	1-d1	1-d2	1-d3
2006	0.918622184	0.978111561	0.959311092
2007	0.911319727	0.977807622	0.955659864
2008	0.901454731	0.975657724	0.950727366
2009	0.889646737	0.973150687	0.944823369
2010	0.879724277	0.969768245	0.939862138
2011	0.870625729	0.9656019	0.935312864
2012	0.860356524	0.960699742	0.930178262
2013	0.842046426	0.956436067	0.921023213
2014	0.817419562	0.94413832	0.908709781
2015	0.788299408	0.937503302	0.894149704
2016	0.238424975	0.052925148	0.300819602
2017	0.788481149	0.066724778	0.084508197
2018	0.077797446	0.104295816	0.929508197
2019	0.220981031	0.17348019	2.725491803

Similarly, we have subtracted $(1-d1)^2$, $(1-d2)^2$ and $(1-d3)^2$ to all the three dimensions

	$(1-d1)^2$	$(1-d2)^2$	$(1-d3)^2$	ADD $(1-d1)^2(1-d2)^2 + (1-d3)^2$	ADD/3	$\sqrt{ADD/3}$	$1 - \sqrt{ADD/3}$
2006	0.843867	0.956702	0.920278	2.720847	0.906949	0.952339	0.047661
2007	0.830504	0.956108	0.913286	2.699897	0.899966	0.948665	0.051335
2008	0.812621	0.951908	0.903883	2.668411	0.88947	0.943117	0.056883
2009	0.791471	0.947022	0.892691	2.631185	0.877062	0.936516	0.063484
2010	0.773915	0.94045	0.883341	2.597706	0.865902	0.930539	0.069461
2011	0.757989	0.932387	0.87481	2.565186	0.855062	0.924696	0.075304
2012	0.740213	0.922944	0.865232	2.528389	0.842796	0.918039	0.081961
2013	0.709042	0.91477	0.848284	2.472096	0.824032	0.907762	0.092238
2014	0.668175	0.891397	0.825753	2.385325	0.795108	0.891689	0.108311
2015	0.621416	0.878912	0.799504	2.299832	0.766611	0.875563	0.124437
2016	0.579997	0.896951	0.488853	1.965801	0.655267	0.809486	0.190514
2017	0.04474	0.871003	0.838125	1.753868	0.584623	0.764606	0.235394
2018	0.850458	0.802286	0.004969	1.657713	0.552571	0.743351	0.256649
2019	0.606871	0.683135	2.977322	4.267328	1.422443	1.192662	0.19266

By incorporating more variables to evaluate each Dimension, the FII in this study is more robust. The additional variables in our model, like geographic Branch and ATM penetration, play a significant role. Besides, adding ‘ease’ and ‘cost of transactions’ helps to view the financial inclusion more holistically as compared to earlier studies. The scaling of financial inclusion is as follows. So, it shows India’s financial inclusion has achieved medium financial inclusion performance is touching

1. $0 \leq FII \leq 0.4$; indicates low financial inclusion, LFI;
2. $0.4 < FII \leq 0.6$; indicates medium financial inclusion, MFI
3. $0.6 < FII \leq 1$; indicates high financial inclusion, HFI

3.6 Impact Assessment of Recent Financial Inclusion Schemes on Financial Inclusion Index

This section highlights, Is there any significant change in financial inclusion after 2014 via various financial inclusion schemes like PMJDY, MUDRA, PMSBY, PMJJBY, and APY. To check the impact of these schemes we have used Dummy model. The dependent variable used in the model is the Index of financial inclusion which has been calculated (from 2006 to 2019) from world bank data sources), and the independent variable is the year.

3.6.1 Regression Model

The descriptive statistics of the model is from 2006 to 2013 the number of years are eight represented by dummy variable as zero and the number of years after 2014 to 2019 are six years represented by one in dummy.

The Mathematical equation of the model is as follows

$$\text{Index of Financial inclusion} = f(\text{Year}) \dots \dots \dots (5)$$

$$IFI = \beta_0 + \beta_1 Di + Ui \dots \dots \dots (6)$$

Where

IFI= Financial Inclusion Index

β_0 =slope

$\beta_1 D_i$ =Year {0=before 2014 i.e. (2006 to 2013), 1=after 2014 to 2019} and

U_i = error term

VARIABLES	(1) FII
Dummy	0.117*** (0.0215)
Constant	0.0673*** (0.0141)
Observations	14
R-squared	0.713

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

The output results of the regression model show that the financial inclusion index has shown 0.117 units of improvement after 2014, due to the implementation of recent financial inclusion schemes by the government which is PMJDY, MUDRA, PMSBY, PMJBY, and APY. Now the question arises is it really possible to have such a big improvement in FII due to all these schemes? will be further discussed and investigated by analysing primary data sources.

3.7 Conclusion

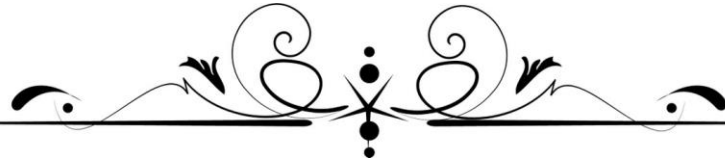
The Financial inclusion index represents here mainly three broad variables i.e. accessibility, availability and usage. This study has analysed financial inclusion from 2006 to 2020. The main parameters are number of bank accounts per 1000 adults, Number of ATM's and bank branches per 100000 adults, Volume of deposits plus loans percentage of GDP. Number of bank accounts from 2006 to 2020 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. $0 \leq \text{FII} \leq 0.4$; indicates low financial inclusion, LFI; 2. $0.4 < \text{FII} \leq 0.6$; indicates medium financial inclusion, MFI and 3. $0.6 < \text{FII} \leq 1$; 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.

3.8 References:

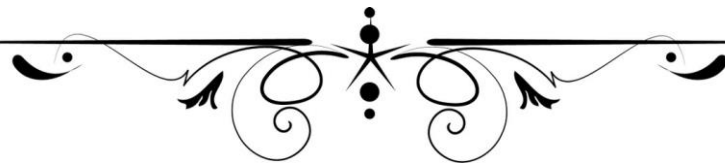
- Reserve Bank of India - Annual Policy Statement for the Year 2005-06", Reserve Bank of India.
- Sarma, M. (2008). Index of financial inclusion (No. 215). Working paper.
- Report of the Internal Group to Examine Issues relating to Rural Credit and Microfinance "Archived June 10,2012, at the Wayback Machine, Reserve Bank of India, July 2005.
- "Statement by Dr. Y. Venugopal Reddy, Governor, Reserve Bank of India on the Mid-term Review of Annual Policy for the year 2005-06", Reserve Bank of India, October 25, 2005.
- Rangarajan Committee (2008) "Report of the committee on financial inclusion" Government of India.
- Kempson E, A. Atkinson and O. Pilley, 2004. "Policy level response to financial exclusion in developed economies: lessons for developing countries", Report of Personal Finance Research Centre, University of Bristol.
- Charkravarty, S.R. & Pal, R. (2010). Measuring financial inclusion: an axiomatic approach. IGIDR, WP 2010(3).
- <https://pmjdy.gov.in/>
- <http://www.mudra.org.in/>
- <http://pmjandhanyojana.co.in/suraksha-bima-yojana/>
- <http://www.dif.mp.gov.in/pmjjy.htm>
- <https://www.npscra.nsdl.co.in/scheme-details.php>
- <http://databank.worldbank.org/data/source/global-financial-inclusion>
- Honohan, P., & Beck, T. (2007). Making finance work for Africa. The World Bank.
- Ibid2
- Gupte, R., Venkataramani, B., & Gupta, D. (2012). Computation of financial inclusion index for India. *Procedia-Social and Behavioral Sciences*, 37, 133-149.
- Arora, R. U. (2010). Measuring financial access. *Griffith Business School Discussion Papers Economics*.

- Beck, T., Demirguc-Kunt.,A. & Honahan, P. (2009). *Access to Financial Services: Measurement, Impact, and Policies*. The World Bank Research Observer Advance Access, Oxford University Press.
- Chakrabarty, K.C. (2010). Deputy Governor, Reserve Bank of India at the National Finance Conclave 2010, organised by KIIT University, Bhubaneswar.
- Chakravarty, S. R., & Pal, R. (2012). Measuring financial inclusion: an axiomatic approach.
- Charkravarty, S.R. & Pal, R. (2010). Measuring financial inclusion: an axiomatic approach. *IGIDR,WP* 2010(3).
- Goel, S., & Sharma, R. (2017). Developing a Financial Inclusion Index for India. *Procedia Computer Science*, 122, 949-956.
- Kempson, E., Atkinson, A. & Pilley, O. (2004). *Policy level response to financial exclusion in developed economies: Lessons for developing countries*, Report of Personal Finance Research Centre, University of Bristol.
- Kempson, E., Atkinson, A. & Pilley, O. (2004). *Policy level response to financial exclusion in developed economies: Lessons for developing countries*, Report of Personal Finance Research Centre, University of Bristol.
- Kumar, N. (2011). Indira Gandhi Institute of Development Research, Mumbai, Money and Finance Conference February 25-26.
- Mehrotra, N., Puhazhendhi, V., Nair G. & Sahoo, B.B. (2009). Financial inclusion - an Overview. Department of Economic Analysis and Research, *National Bank for Agriculture and Rural Development (NABARD)*, *Occasional Paper* 48, Mumbai.
- Rangarajan Committee (2008) “Report of the committee on financial inclusion” Government of India.
- *Sarma, M. & Pais, J. (2008). Financial inclusion and development: A cross country analysis. Annual Conference of the Human Development and Capability Association, New Delhi.*
- Sarma, M. (2008). Index of financial inclusion. Working paper 215, *Indian Council for Research on International Economic Relations*.



Chapter 4

*Socio-Economic Conditions and
Pattern of Access and Non-
Access in Recent Financial
Inclusion Schemes of the Poorest
of Poor*



Chapter 4

Socio-Economic Conditions and Pattern of Access and Non-Access in Recent Financial Inclusion Schemes of the Poorest of Poor

4.1 Introduction

Finance matters for economic wellbeing and development of an individual. Finance can support individuals smooth their income, protect against risks and increase investment opportunities. Finance can be mainly important for the poor. Recent evidence is witness that a more developed financial system can decrease poverty and income inequality, (Claessens, S, 2006). Financial services have received increased attention in India to decline the problem of financial Exclusion.

The lack of financial access by the common people of the population in developing countries is a noteworthy concern. Because it may not be possible to observe the obscured demand for financial products, and supply-side constraints among them. So, we need to explore both demand and supply based products to understand their needs, (Beck & Demirguc-Kunt, 2008).

Till date financial access has been focused on the supply side. there is plenty of evidence of what supply-side conditions are based. They mainly focus on market conditions, product design, and regulations to offer financial access (Beck, Demirguc-Kunt & Honohan, 2009); (Claessens, 2006). The unspoken statement of existing actual demand for financial services has recently been questioned (Anand & Rosenberg, (2008). Now recently, financial inclusion studies have started to devote attention to the demand-side factors (Bauer, Chytilova, & Morduch, 2012); Cole, Sampson, & Zia, 2011). Literature showed financial access is determined by social and psychological factors, which govern economic factors in totality, like capital affects men and women differently (Fafchamps et al. (2011)). Financial literacy is one of the fundamental factors which determines financial access, which defined by Age, Education, Gender, and ability of the person (Lusardi and Mitchell (2013)). Financial literacy is also affected by social interaction and social networks (Bönte & Filipiak,

2012). Awareness about different products precludes their choice (Bönte & Filipiak, 2012). Economic variables are the determinants of financial access like self-employment, income, gender, age, etc (Bauer and Chytilová,2009). From the above literature, we find that financial access depends on to socio economic variables, financial awareness of people, and nature of financial services and financial products.

This chapter has been divided broadly in to four sections. Section 4.2 explains the socio-economic conditions of Beggars from Lucknow and Kolkata. Section 4.3 consists of Socio-economic conditions of slums from Lucknow and Kolkata. Access and Non-access pattern of financial products and services of Slums is explained in section 4.4. Access and Non-access pattern of financial products and services of Beggars is explained in 4.5. Analysis of access and non-access with reference to socio-economic factors is explained in section 4.6. In section 4.7, determining Factors of Financial Access among Slum Dwellers and Beggars is explained with help of Hypothesis testing and Binary Logistic Regression Model. Section 4.8 presents the Findings and Conclusion.

4.2 State Wise Socio-Economic Conditions of Slums and Beggars from Lucknow and Kolkata.

Table 4.1 shows the percentage-wise distribution of beggars in Lucknow and Kolkata. From our collected Data of 50 samples of beggars in Lucknow and Kolkata. The male percentages of beggars from Lucknow are 90 percent and 56 percent are from Kolkata. The female percentages are 10 percent from Lucknow and 44 percent are from Kolkata. In absolute terms we find that more male participants are engaged in begging from Lucknow, and in case of females more of the female participants are from Kolkata.

Tale 4.1 Gender Wise Percentage Distribution of Beggars in Lucknow And Kolkata

Name of Gender	Male	Female	Total
Lucknow	45	5	50
	90%	10%	100%
Kolkata	28	22	50
	56%	44%	100%

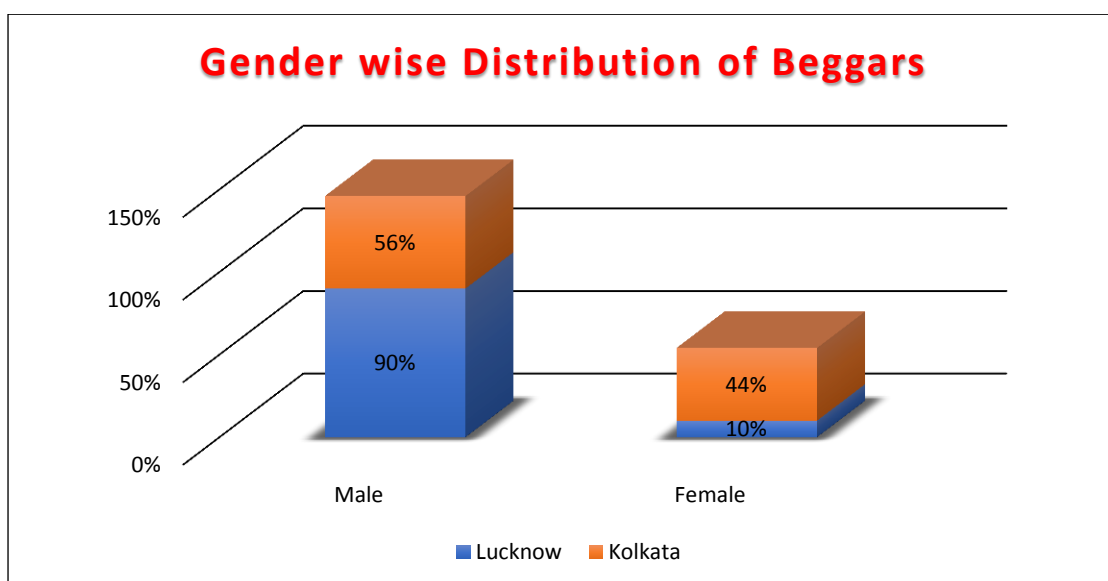
Fig 4.1 Gender Wise Percentage Distribution of Beggars in Lucknow and Kolkata

Table 4.2. The social status of beggars in Lucknow and Kolkata is as follows. The caste base distribution of general category 24 percent belongs to Lucknow and 8 percent from Kolkata. From the SC category 58 percent are from Lucknow and 44 percent are from Kolkata. Similarly, the participatory distribution from ST category no one from Lucknow and 8 percent are from Kolkata.

Lastly, the OBC category represents 18 percent from Lucknow and 40 percent from Kolkata respectively. In totality the maximum participation of begging is from SC category in both cities. The second highest category participation in Begging from Lucknow is general category and OBC from Kolkata. The overall distribution of table shows that the Lucknow beggars are distributed almost equally with low difference of

participation from all the categories except ST. In case of Kolkata there is a huge gap of participation between categories like ST and General, huge number of participants are from SC and OBC populations.

Table 4.2 State Wise Caste of Beggars in Lucknow And Kolkata

Name of Caste	Lucknow	Kolkata
General	12 24%	4 8%
SC	29 58%	22 44%
ST	0 0%	4 8%
OBC	9 18%	20 40%
Total	50 100%	50 100%

Figure 4.2 State wise caste of beggars in Lucknow and Kolkata

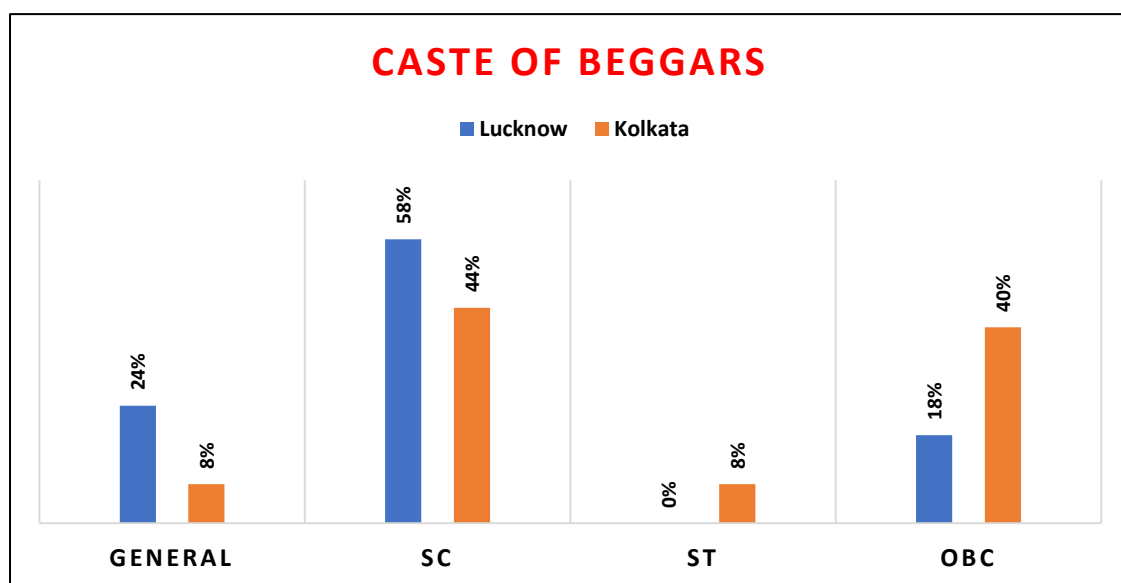


Table 4.3 shows level of education, the maximum people who are begging are illiterate in both cities in Lucknow 58 percent and in Kolkata 96 percent. Beggars who have achieved primary up to fifth are 32 percent from Lucknow and 4 percent from Kolkata. Lastly, 10 percent of people from Lucknow have achieved Upper

Primary up to (VI-VIII) levels of Education. So, from this table, we find beggars are more illiterate in Kolkata.

Table 4.3 Educational Profile of Beggars in Lucknow and Kolkata.

Education	Lucknow	Kolkata
Illiterate	29 58%	48 96%
Primary up to V	16 32%	2 4%
Upper Primary up to (VI-VIII)	5 10%	0 0%
Total	50 100%	50 100%

Figure 4.3 Distribution of Education among Beggars in Lucknow and Kolkata.

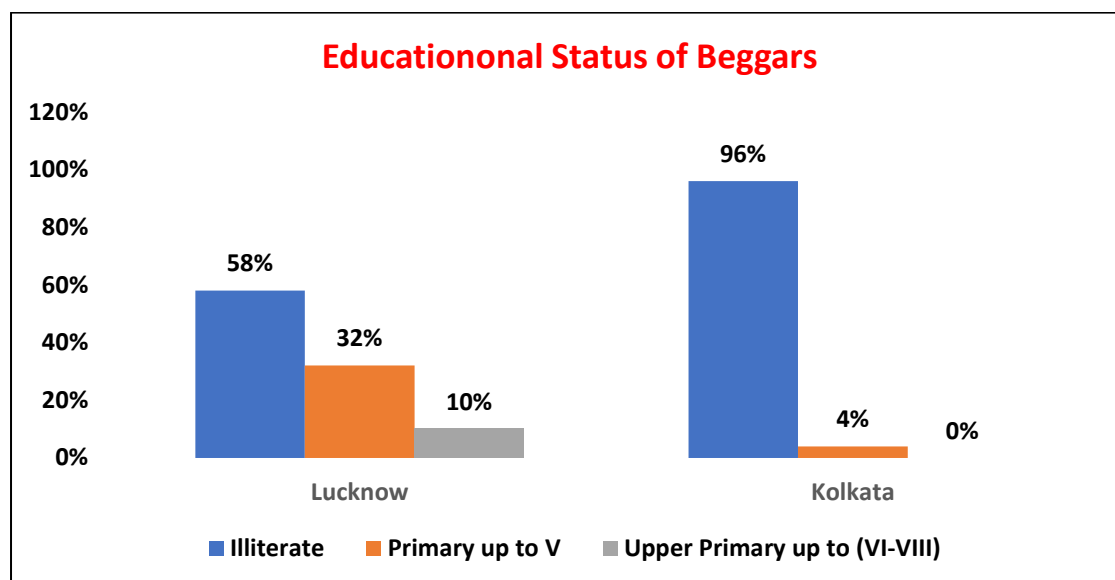


Table 4.4 shows the annual income of beggars. The level of income is as follows from (10000-20000) in Lucknow 92 percent and 44 percent in Kolkata. The second category of income is (21000-40000) rupees only 14 percent of beggars from Kolkata belong to this level. The third category of income (41000-60000) Rupees covers 40 percent of beggars from Kolkata and no one from Lucknow. The last category of annual income (100001 and above) rupees covers 8 percent from Lucknow and 2 percent from Kolkata. Income status of beggars from Kolkata is better than beggars from Lucknow. So, from this table we found that the income inequality is larger

among beggars in Lucknow in comparison to Kolkata. This difference may be due higher number of working days and hours of beggars of Kolkata in comparison to beggars of Lucknow.

Table 4.4 Annual Income of Beggars in Lucknow and Kolkata

Income	Lucknow	Kolkata
10000-20000	46 92%	22 44%
21000-40000	0 0%	7 14%
41000-60000	0 0%	20 40%
100001 above	4 8%	1 2%
Total	50 100%	50 100%

Figure 4.4 Percentage wise Annual Income of Beggars in Lucknow and Kolkata.

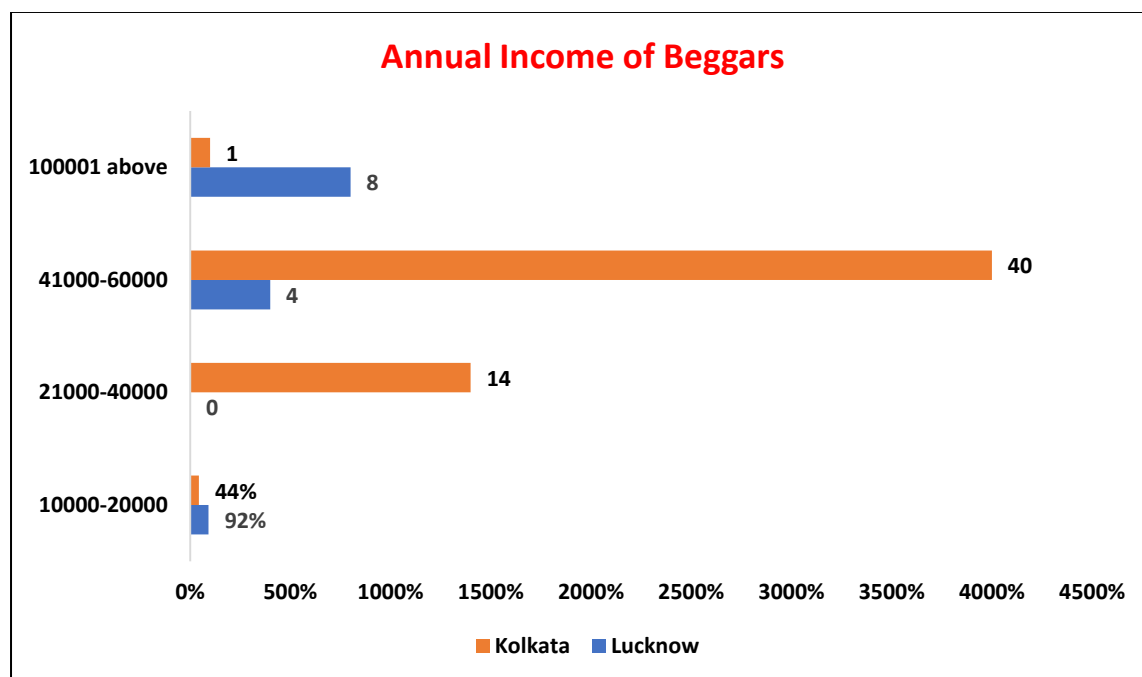


Table 4.5 shows Type of Beggars, in Lucknow 100 percent of beggars are getting begging daily while in Kolkata only 40 percent of the beggars are earning begging daily bases.

Table 4.5 Type of Beggars in Lucknow and Kolkata

Income	Lucknow	Kolkata
Full Time Beggars	50 100%	20 40%
Irregular Beggars	0 0%	30 60%
Total	50 100%	50 100%

Figure 4.5 Frequency of Income among Beggars in Lucknow and Kolkata

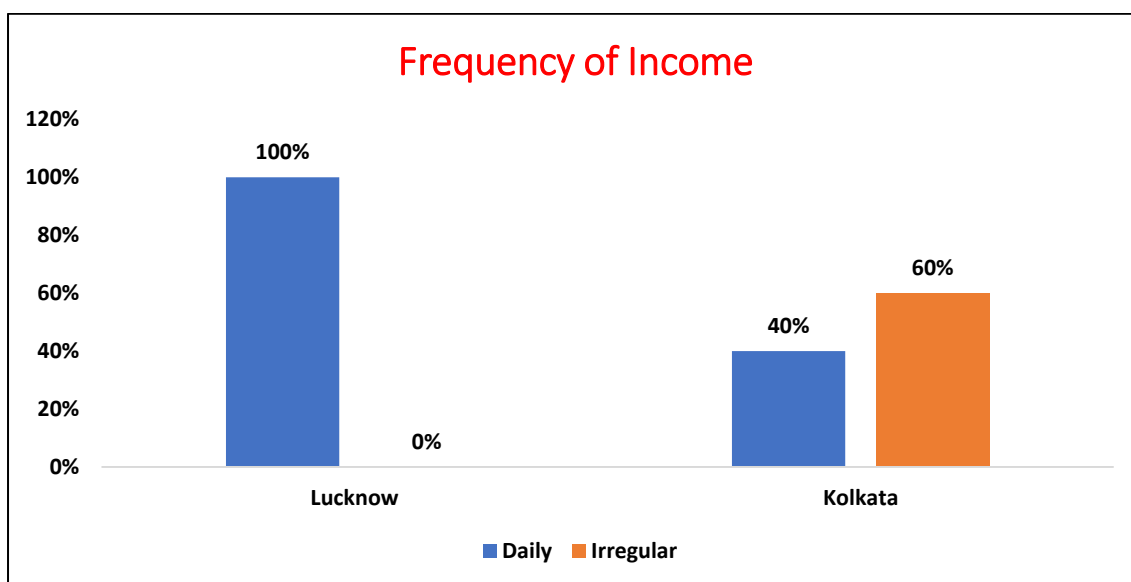


Table 4.6 shows the number of working days attended by beggars from Lucknow and Kolkata. 62 percent Beggars are attending (11-20 working days) in a month from Lucknow and 24 percent in Kolkata. Beggars who are working (21-30 working days) are 38 percent from Lucknow and 76 percent from Kolkata. So, from this table, we came to know that Kolkata beggars are working almost full month while Lucknow beggars are maximum working only 20 days a month. Which again shows Kolkata beggars are rich than Lucknow beggars because of a greater number of working days per month.

Table 4.6 Distribution of Number of Working Days in a Month from Beggars

Number of working days	Lucknow	Kolkata
11-20 Days	31 62%	12 24%
21-30 Days	19 38%	38 76%
Total	50 100%	50 100%

Figure 4.6 Distribution of Number of working days in a Month from Beggars

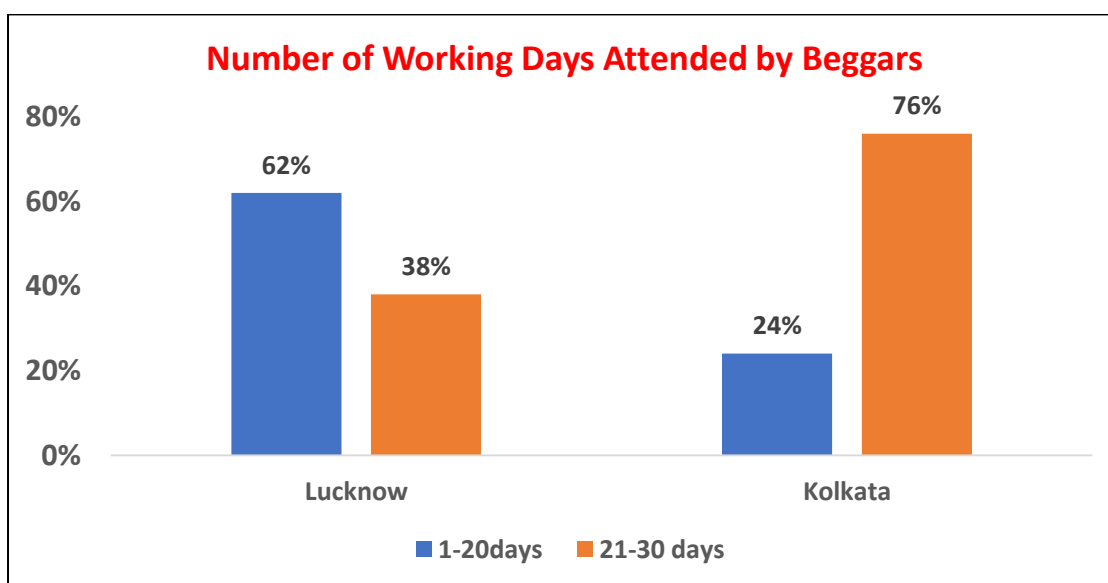


Table 4.7 shows the number of working hours attended by beggars in Lucknow and Kolkata. Beggars who are attending (1-5 Hours) daily are 16 percent from Lucknow and 6 percent from Kolkata. Those who are working for (6-10 Hours) are 84 percent from Lucknow and 88 percent from Kolkata. Beggars who are working more than (11-15 Hours) are only found in Kolkata. Therefore, from this table, we find that 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, therefore Kolkata beggars are in better position to Lucknow beggars.

Table 4.7 Distribution Wise Number of Working Hours in a Day from Beggars

Number of working Hours	Lucknow	Kolkata
1-5	8 16%	3 6%
6-10	42 84%	44 88%
11-15	0 0%	3 6%
Total	50 100%	50 100%

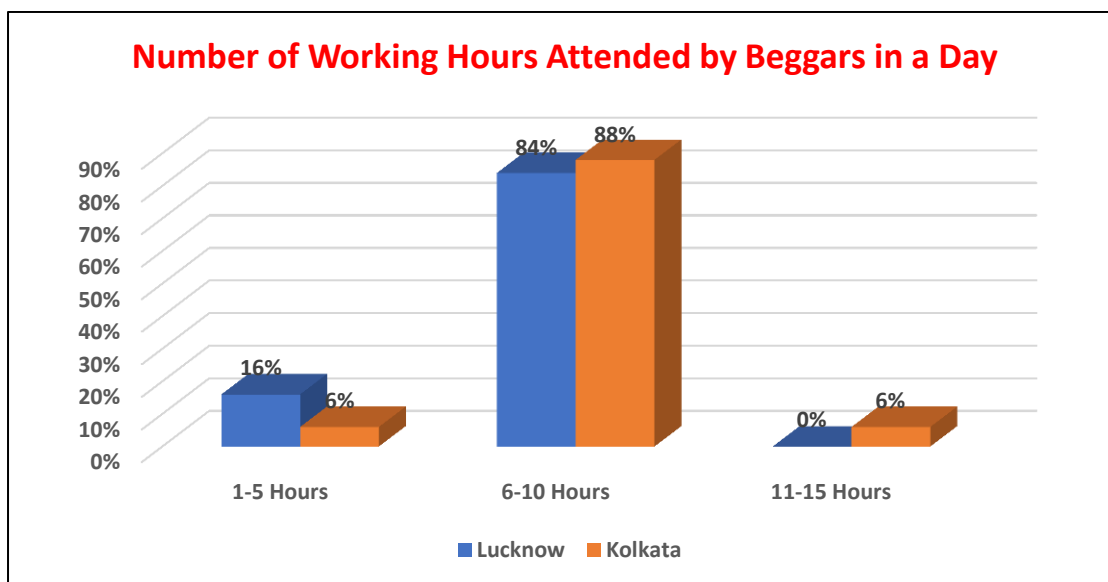
Figure 4.7 Distribution Wise Number of working Hours in a Day from Beggars

Table 4.8 shows the amount earned by beggars during a day from Lucknow and Kolkata. In Lucknow 58 percent beggars and in Kolkata 52 percent of beggars are earning 10 to 100 rupees per day. Similarly, beggars who are earning from 101 to 200 rupees per day are 24 percent from Lucknow and 42 percent from Kolkata. Beggars who are earning 201 to 300 rupees are 18 percent from Lucknow and 6 percent from Kolkata. Therefore, we find that beggars from Kolkata are earning more in comparison to Lucknow beggars.

Table 4.8 Distribution Wise Amount Paid/Earned Per Day Among Beggars from Lucknow and Kolkata

How much Paid/Earned	Lucknow	Kolkata	Total
10-100	29 58%	26 52%	55 55%
101-200	12 24%	21 42%	33 33%
201-300	9 18%	3 6%	12 12%
Total	50 100%	50 100%	100 100%

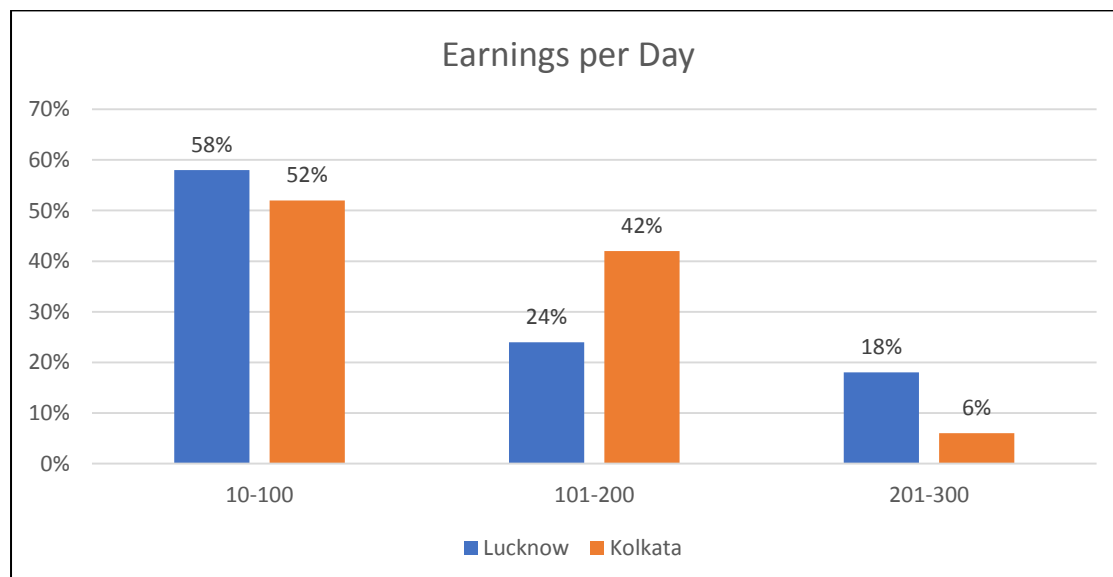
Figure 4.8 Distribution wise amount paid/earned per day among Beggars from Lucknow and Kolkata

Table 4.9 shows distribution wise type of Housing beggars living. Beggars are living in three categories of Housing like Hut, semi Pucca and Open Sky. Beggars from Lucknow are living as 54 percent in Hut, 4 percent in semi Pucca, and 42 percent are living in the open sky. Similarly, in Kolkata 48 percent in Hut, 2 percent in Semi Pucca, and 50 percent are living in open Sky. This table shows the harsh reality of

beggars in both cities they are almost equally living with the worst housing conditions.

Table 4.9 Percentage Wise Housing Condition of Beggars

Type of House	Lucknow	Kolkata
Hut	27 54%	24 48%
Semi pucca	2 4%	1 2%
Open sky	21 42%	25 50%
Total	50 100%	50 100%

Figure 4.9 Percentage wise Housing condition of Beggars

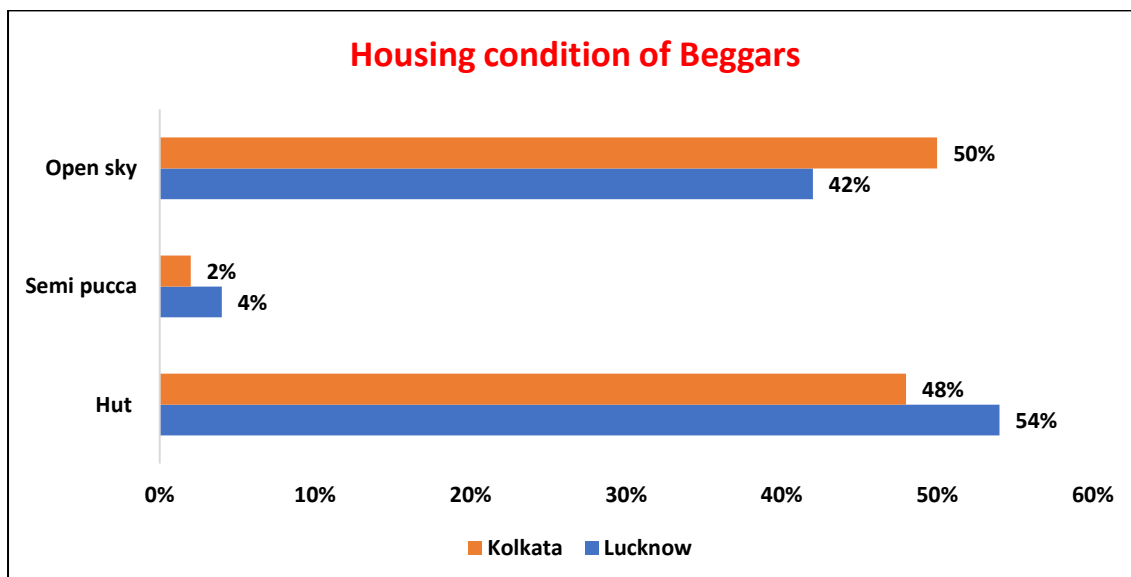


Table 4.10 shows the drinking water facility available for beggars. Two types of drinking water facilities are utilized by beggars, one common tap, and Hand Pump/Bore Well. From Lucknow, all (100 percent) beggars are depended on common tap available at public places while in Kolkata 92 percent are drinking from the common tap and 8 percent from Hand Pump/Bore Well.

Table 4.10 Type of Drinking Water Facility

Drinking water Facility	Lucknow	Kolkata
Common tap	50 100%	46 92%
Hand pump/Bore well	0 0%	4 8%
Total	50 100%	50 100%

Figure 4.10 Type of Drinking water Facility

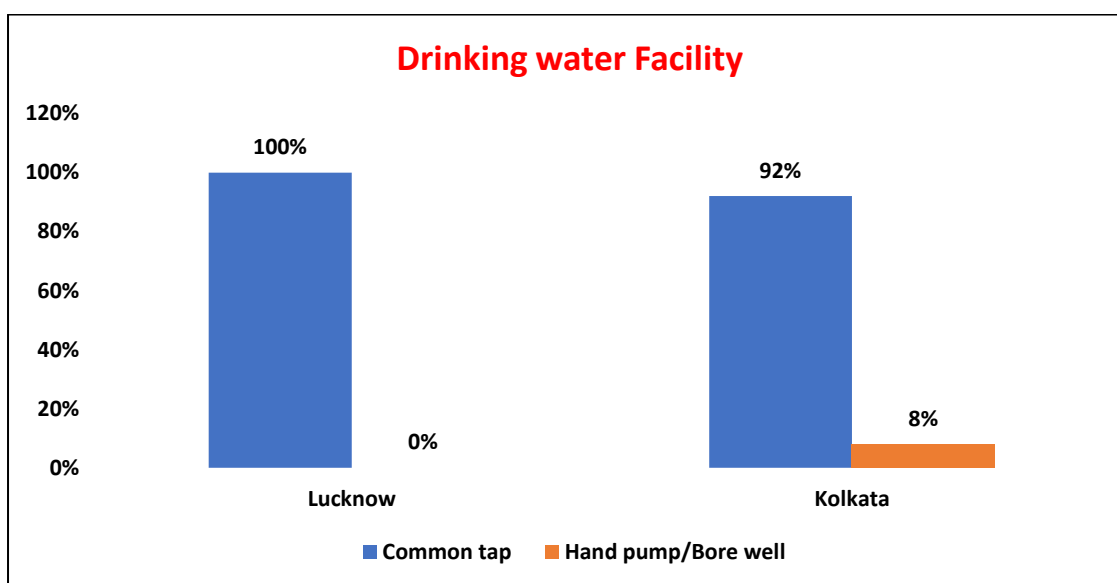


Table 4.11 shows the electricity facility available for beggars in Lucknow and Kolkata. In Lucknow none of the beggar's avail electricity facility while in Kolkata 2 percent of Beggars are using electricity and 98 percent don't have an electricity facility.

Table 4.11 Percentage wise Electricity Facility Available for Beggars

Electricity	Lucknow	Kolkata
Yes	0 0%	1 2%
No	50 100%	49 98%
Total	50 100%	50 100%

Figure 4.11 Percentage wise Electricity Facility Available for Beggars

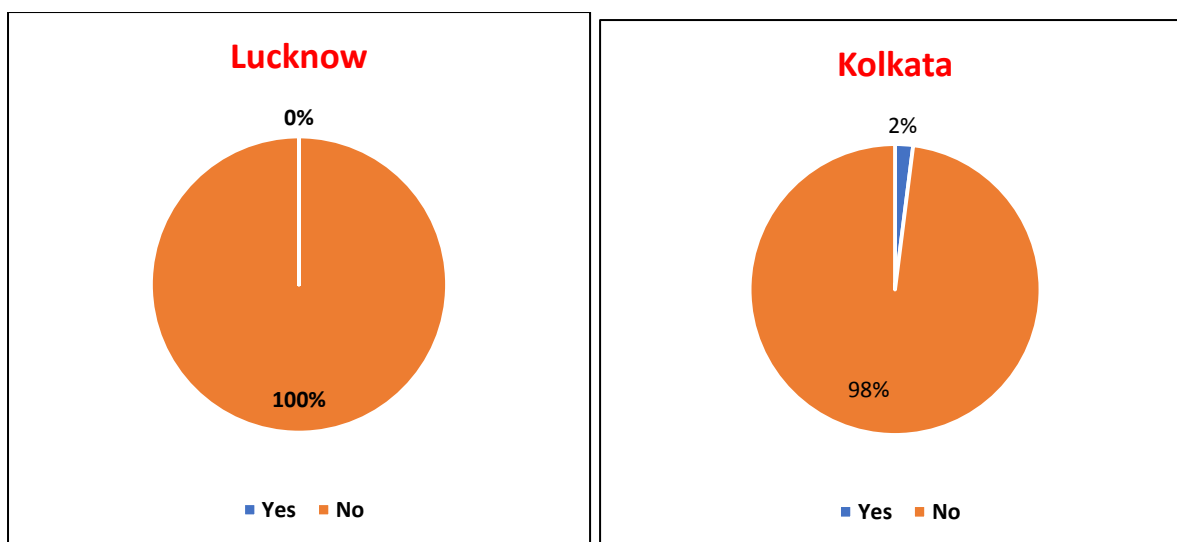


Table 4.12 shows the type of Fuel used by beggars. None of the beggars from Lucknow is using LPG and 2 percent of the beggars from Kolkata are using LPG fuel for cooking. Kerosene is used by 22 percent in Lucknow and 16 percent in Kolkata, Firewood 54 percent in Lucknow and 20 percent in Kolkata. Other means of fuels 24 percent from Lucknow and 62 percent in Kolkata.

Table 4.12 Type of Fuel used by Beggars

Type of Fuel	Lucknow	Kolkata
LPG/Gas	0 0%	1 2%
Kerosene	11 22%	8 16%
Firewood	27 54%	10 20%
Others (Eating outside)	12 24%	31 62%
Total	50 100%	50 100%

Figure 4.12 Type of Fuel used by Beggars

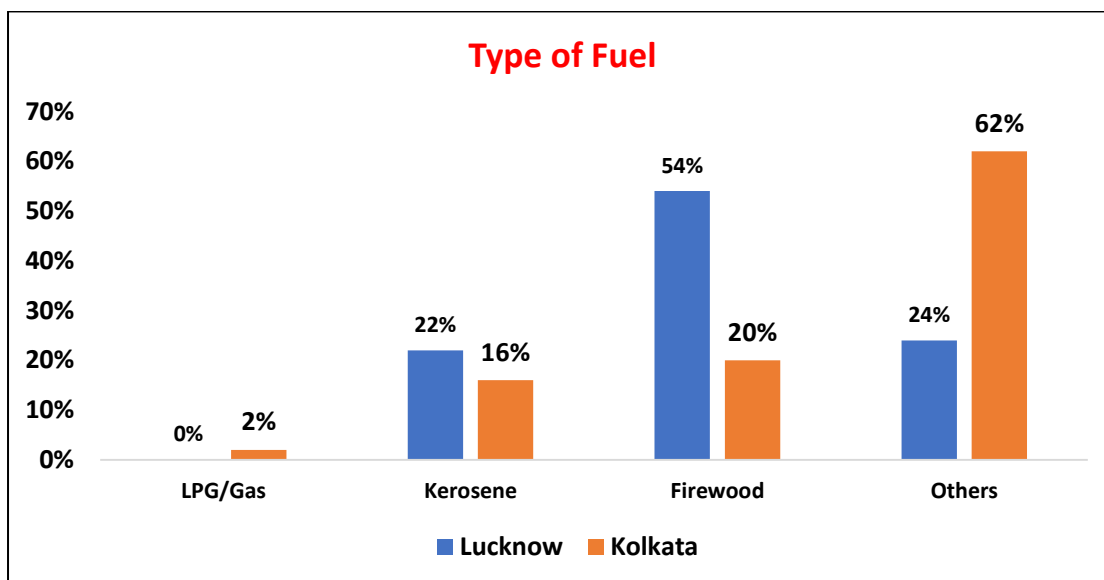


Table 4.13 shows type of toilet facility available for beggars is as private in-House 2 percent in Kolkata and none in Lucknow Commonly shared 44 percent from Lucknow and 40 percent from Kolkata and open field 56 percent from Lucknow and 58 percent from Kolkata. It shows the sanitation facility is better in Kolkata as compared to Lucknow because more people from Lucknow are going open fields than Kolkata. Second more people are participants of commonly shared public toilets in Lucknow than Kolkata.

Table 4.13 Type of Toilet Facility Availed by Beggars

Type of Toilet Facility	Lucknow	Kolkata
Private in house	0 0%	1 2%
Commonly shared	22 44%	20 40%
Open fields	28 56%	29 58%
Total	50 100%	50 100%

Figure 4.13 Type of Toilet Facility Availed by Beggars

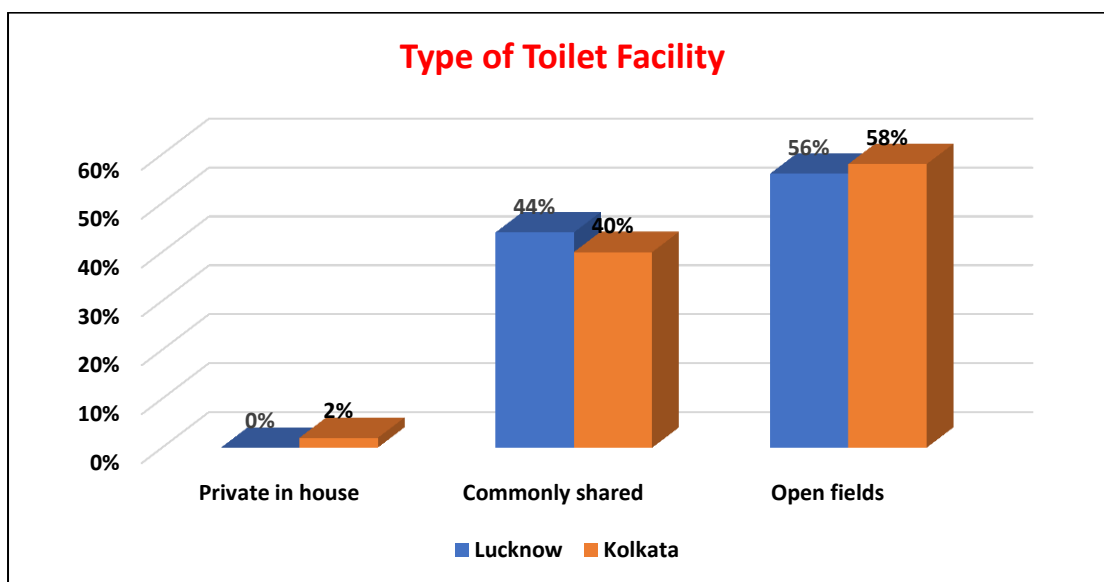


Table 4.14 shows the economic status of beggars in Lucknow and Kolkata. Beggars who are under the BPL category is 48 percent from Lucknow and 3 percent from Kolkata, RED Card 4 percent from Lucknow, and 2 percent from Kolkata. Beggars who don't have Ration Card 48 percent from Lucknow and 68 percent from Kolkata respectively. Therefore, this table shows that these people are forced to beg to feed their families.

Table 4.14 Economic status of Beggars

Economic Status	Lucknow	Kolkata
BPL	24 48%	15 3%
RED CARD	2 4%	1 2%
NO RATION CARD	24 48%	34 68%
Total	50 100%	50 100%

Figure 4.14 Economic status of beggars

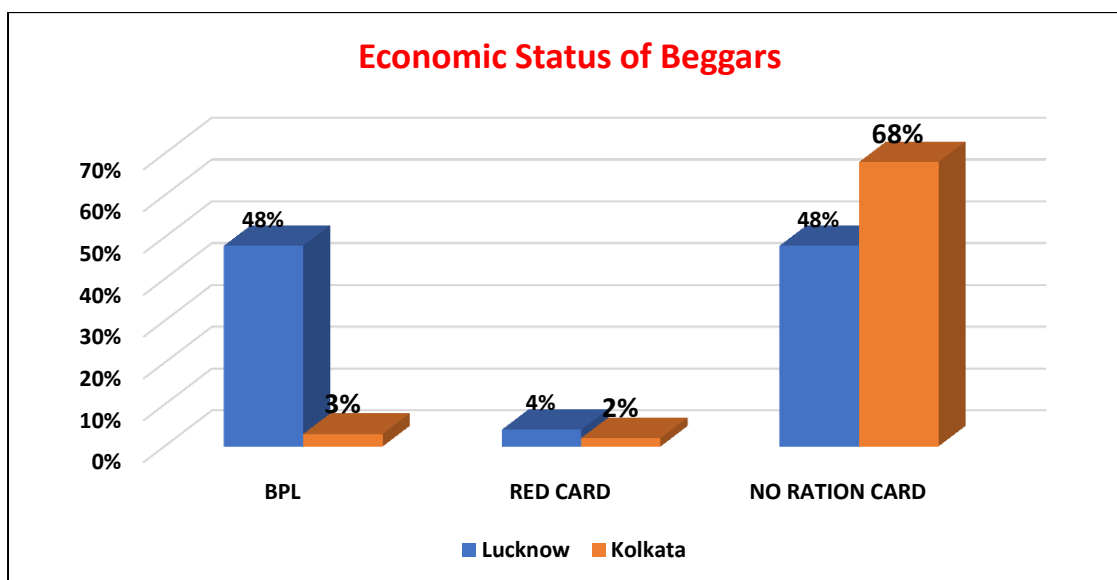
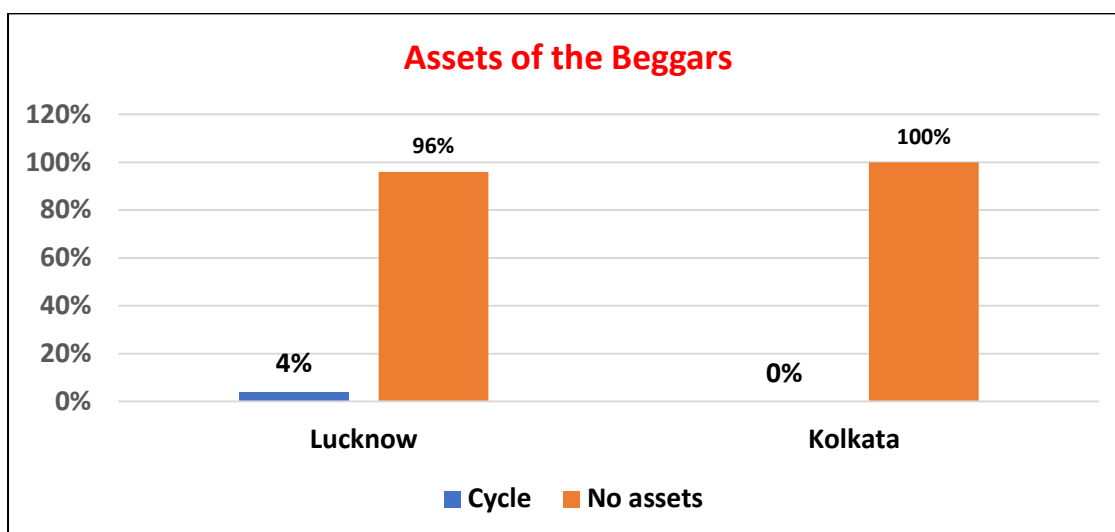


Table 4.15 shows assets owned by Beggars in Lucknow and Kolkata. The assets owned by beggars are cycle 4 percent from Lucknow beggars and none from Kolkata and 96 percent didn't possess any asset in Lucknow and Kolkata beggars don't have an asset.

Table 4.15 Assets Owned by the House Hold.

Assets of the House Hold	Lucknow	Kolkata
Cycle	2 4%	0 0%
No assets	48 96%	50 100%
Total	50 100%	50 100%

Figure 4.15 Assets Owned by the House Hold.



4.3 State wise Socio-Economic Conditions of Slum Dwellers from Lucknow and Kolkata.

Table 4.16 shows the percentage-wise distribution of Slums in Lucknow and Kolkata. From our collected Data of 300 samples of slum dwellers in Lucknow and Kolkata. The male percentages of Lucknow 54.67 percent and the female 45.33 percent. In case of Lucknow 80.67 percent are male while 19.33 percent are females. So, in both cities male respondents are larger than female, but if we look with in females in both cities, we find more females from Lucknow in comparison to Kolkata. Similarly, in case of male's reverse is the case.

Table 4.16 Gender Wise Percentage of Slums in Lucknow and Kolkata

Name of Gender	Lucknow	Kolkata	Total
Male	82 54.67	121 80.67	203 67.67
Female	68 45.33	29 19.33	97 32.33
Total	150 100.0	150 100.0	300 100

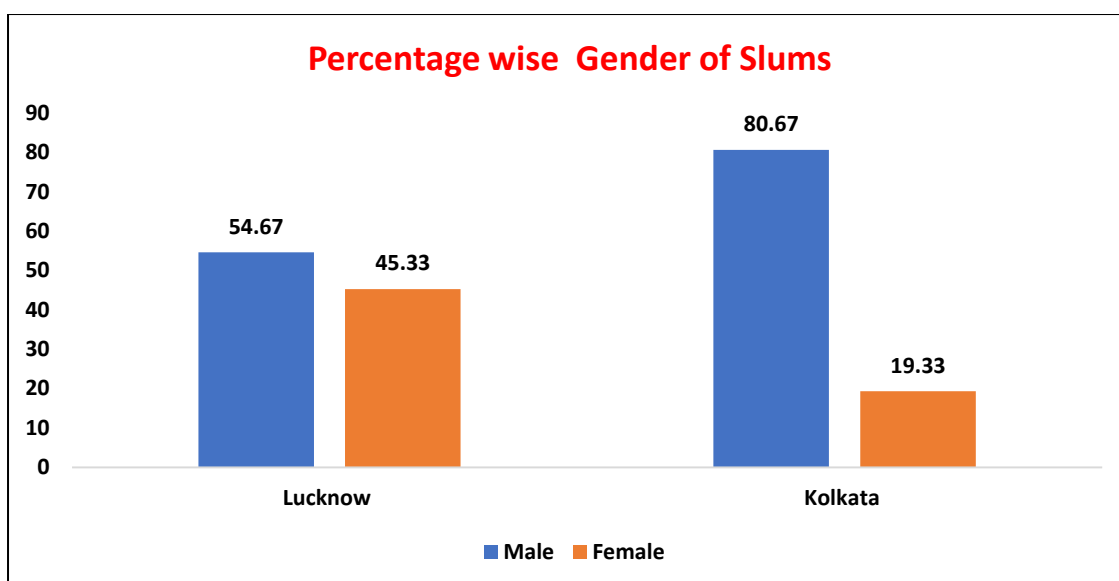
Figure 4.16 Gender Wise Percentage of Slums in Lucknow and Kolkata

Table 4.17 The social status of Slums in Lucknow and Kolkata is as follows. The general caste distribution is 15.33 percent from Lucknow and 42 percent Kolkata. from SC 62.67 percent are from Lucknow and 17.33 percent belongs to Kolkata. Equal participation from ST category from both the cities with 0.67 percent. In Case of OBC category 21.33 percent from Lucknow and 40 percent are from Kolkata. In conclusion, we find lower caste groups has more participation from Lucknow while in Kolkata general caste people are living in slums with bigger numbers than other lower caste groups.

Table 4.17 State wise caste of Slums in Lucknow and Kolkata

Name of Caste	Lucknow	Kolkata	Total
General	23 15.33	63 42.0	86 28.67
SC	94 62.67	26 17.33	120 40.0
ST	1 0.67	1 0.67	2 0.67
OBC	32 21.33	60 40.0	92 30.67
Total	150 100.0	150 100.0	300 100.0

Figure 4.17 State wise caste of Slums in Lucknow and Kolkata

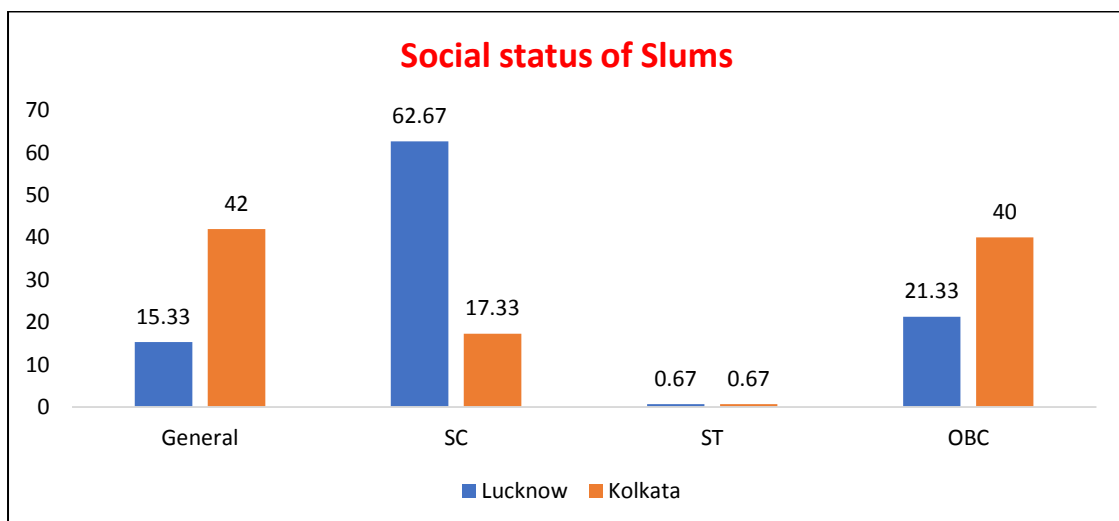


Table 4.18 shows the level of education, the people from illiterate category are 63 percent from Lucknow and 28 percent from Kolkata. The (Primary up to V) category 12 percent from Lucknow and 28.67 percent are from Kolkata. From (Upper Primary up to VI-VIII) 12 percent are from Lucknow and 20 percent from Kolkata. The (Secondary IX-X) comprises 8 percent from Lucknow and 4.67 percent from Kolkata. The (Senior secondary) achievers are 0.67 percent from Lucknow and 7.33 percent from Kolkata. The Diploma holders are 3.33 percent from Lucknow and no one from Kolkata. Moreover, the Graduate and Above from Lucknow are 2.67 percent Lucknow and 11.33 percent from Kolkata. So, highest number of illiterates are from Lucknow, second highest number of educated people are from Kolkata.

Table 4.18 Education of Slums in Lucknow and Kolkata

Education	Lucknow	Kolkata	Total
Illiterate	92	42	134
	63.33	28.00	44.67
Primary up to V	18	43	61
	12.0	28.67	20.33
Upper Primary up to (VI-VIII)	18	30	48
	12.0	20.0	16.00
Secondary (IX to X)	12	7	19
	8.0	4.67	6.33
Senior Secondary	1	11	12
	0.67	7.33	4.0
Diploma	5	0	5
	3.33	0.0	1.67
Graduate and Above	4	17	21
	2.67	11.33	7.00
Total	150	150	300
	100.0	100.0	100

Figure 4.18 Education of Slums in Lucknow and Kolkata

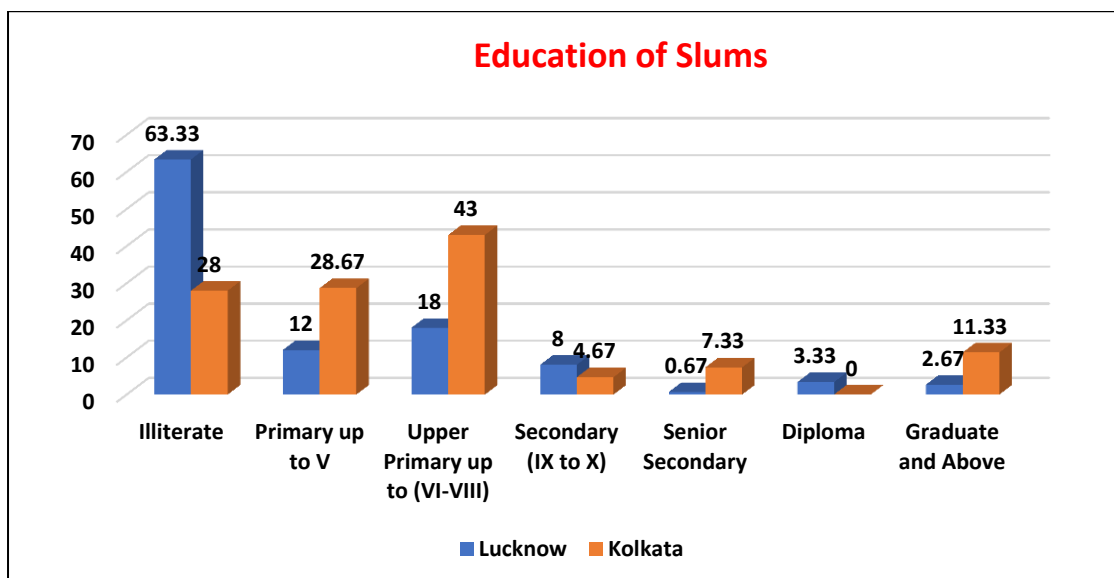


Table 4.19 shows the annual income of Slums. The level of income is as follows, the income category from (10000-20000) rupees represents 12 percent from Lucknow and 2 percent from Kolkata. The second category of income is (20001-40000) rupees only

0.67 percent of slums from Kolkata 3.33 percent belong to this level. The third category of income (40001-60000) Rupees covers 12 percent of slums from Lucknow 32 percent from Kolkata. From (60001-100000) 38 percent and 16 percent from Lucknow and Kolkata. The last category of annual income (100001 and above) rupees covers 37.33 percent from Lucknow and 46.67 percent from Kolkata. In conclusion Kolkata slums are better than Lucknow.

Table 4.19 Annual Income of slums in Lucknow and Kolkata

Income	Lucknow	Kolkata	Total
10000-20000	18 12.0	3 2.0	21 7.0
20001-40000	1 0.67	5 3.33	6 2.0
40001-60000	18 12.0	48 32.00	66 22.00
60001-100000	57 38.0	24 16.0	81 27.0
100001 above	56 37.33	70 46.67	126 42.0
Total	150 100.0	150 100.0	300 100.0

Figure 4.19 Annual Income of slums in Lucknow and Kolkata

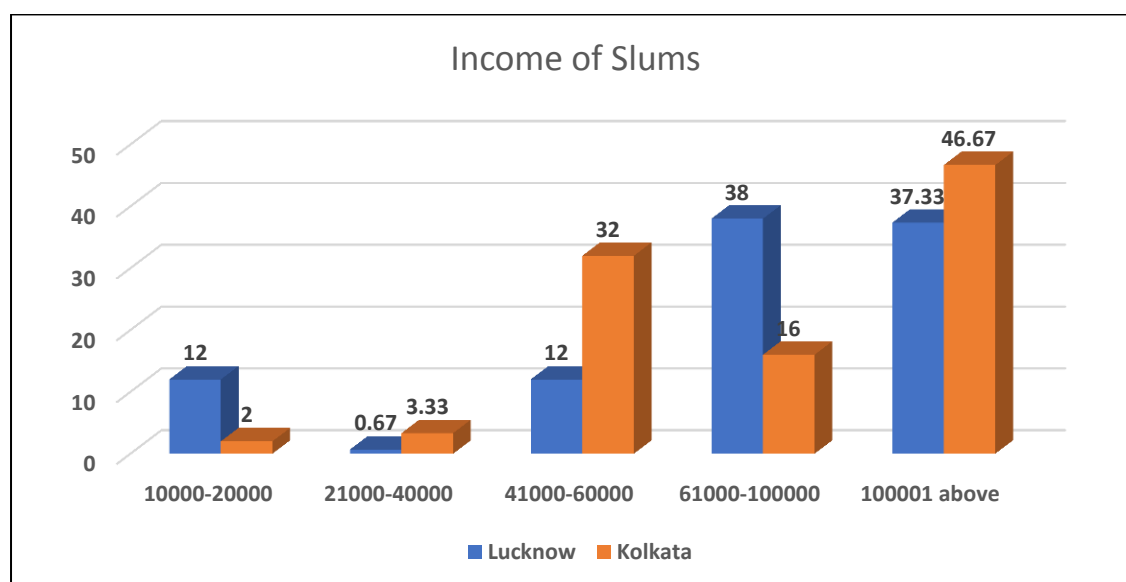


Table 4.20 shows frequency of Income among slums, Daily wages 48 percent in Lucknow, 19.33 percent in Kolkata. Weekly income 2% and 23.33 percent, Monthly income 5.33 percent and 1.33 percent, Irregular income 44.67 percent and 55.33 percent and others 0 percent and 0.33 percent from Lucknow and Kolkata slums.

Table 4.20 Frequency of Income among Slum Dwellers

Income	Lucknow	Kolkata	Total
Daily	72 48.0	29 19.33	101 33.67
Weekly	3 2.0	35 23.33	38 16.67
Monthly	8 5.33	2 1.33	10 3.33
Irregular	67 44.67	83 55.33	150 50.00
others	0 0.0	1 0.67	1 0.33
Total	150 100.0	150 100.0	300 100.0

Figure 4.20 Frequency of Income among Slum Dwellers

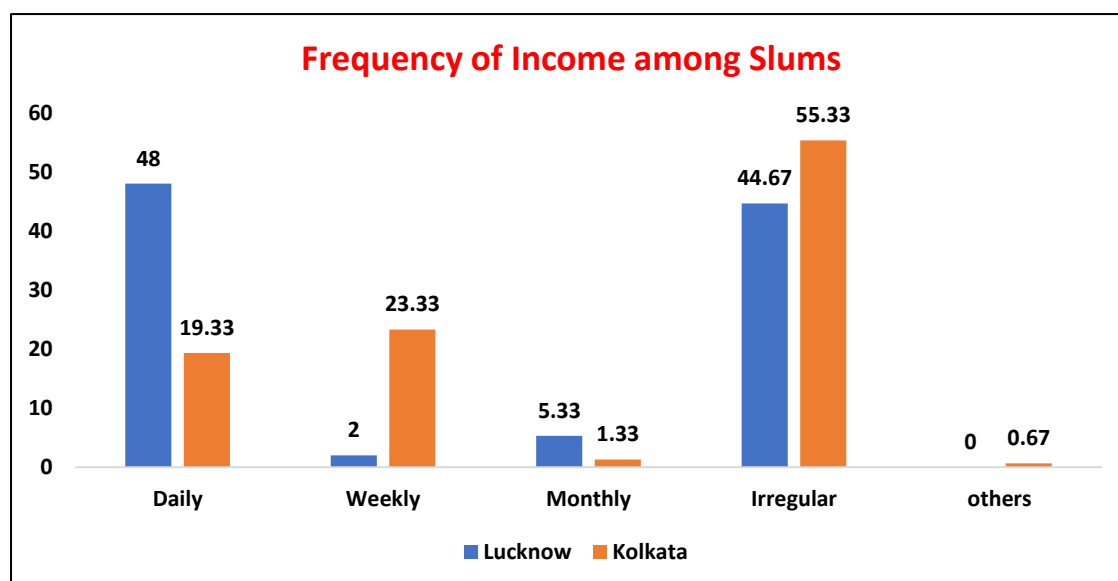


Table 4.21 shows the number of working days attend by Slums dwellers from Lucknow and Kolkata. The first working category from (1-10 days) represents 0.67

percent from Lucknow and 10 percent from Kolkata. The second working category from (11-20 working days) in a month are 3.33 percent from Lucknow and 39.33 percent from Kolkata. The third working category from (21-30 working days) per month, 96 percent from Lucknow and 50.67 percent from Kolkata. To sum up we find Lucknow slums are mostly working in between 21 to 30 days per month, but in case of Kolkata the slums are taking part more or less in all the three workings days.

Table 4.21 Percentage of Number of working Days among slums

Number of working days	Lucknow	Kolkata	Total
1-10 Days	1 0.67	15 10.0	16 5.33
11-20 Days	5 3.33	59 39.33	64 21.33
21-30 Days	144 96.00	76 50.67	220 73.33
Total	150 100.0	150 100.0	300 100.0

Figure 4.21 percentage of Number of working Days among slums

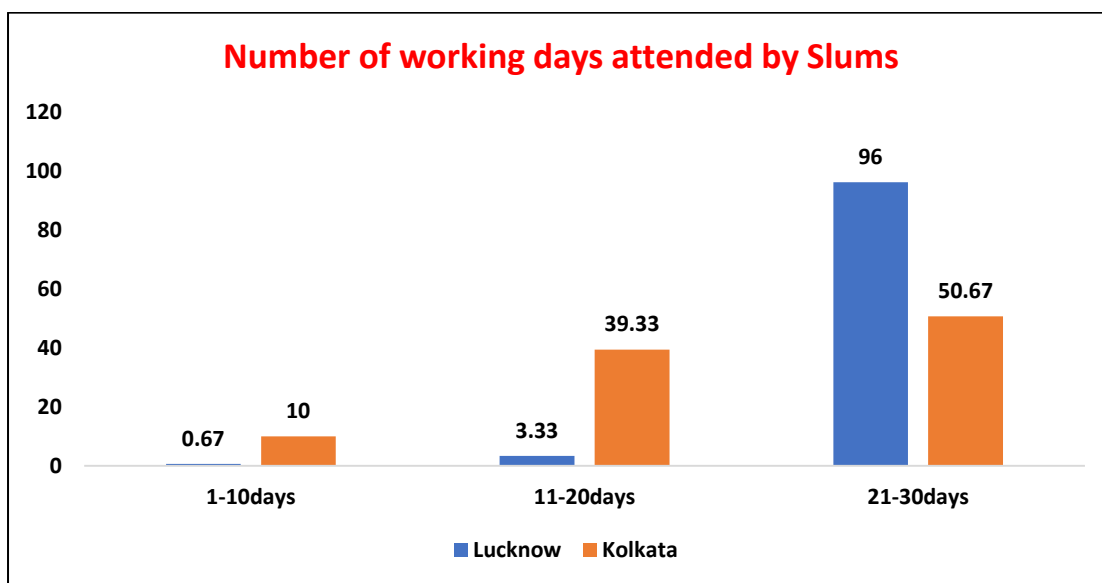


Table 4.22 shows the number of working hours attended by Slum in Lucknow and Kolkata. Slums who are attending (1-5 Hours) daily are 0 percent from Lucknow and 7.33 percent from Kolkata. Those who are working for (6-10 Hours) are 96 percent from Lucknow and 80.67 percent from Kolkata. Slums who are working more than

(11-15 Hours) are 4 percent from Lucknow and 12 percent found in Kolkata. Therefore, it shows Lucknow slums are in majority working in between 6 to 10 hours per day. In Kolkata more than 10 percent slums are working equally from (1 to 5) hours and (11 to 15) hours daily. Those who are working from (1 to 5 hours) per day may be earning more with in short duration of timing, either they may be working in different occupations in a day, and the people who are working more than eleven hours may be extreme poor.

Table 4.22 Number of working Hours attended by Slums

Number of working Hours	Lucknow	Kolkata	Total
1-5	0	11	11
	0.0	7.33	3.67
6-10	144	121	265
	96.00	80.67	88.33
11-15	6	18	24
	4.0	12.0	8.0
Total	150	150	300
	100.0	100.0	100.0

Figure 4.22 Number of working Hours attended by Slums

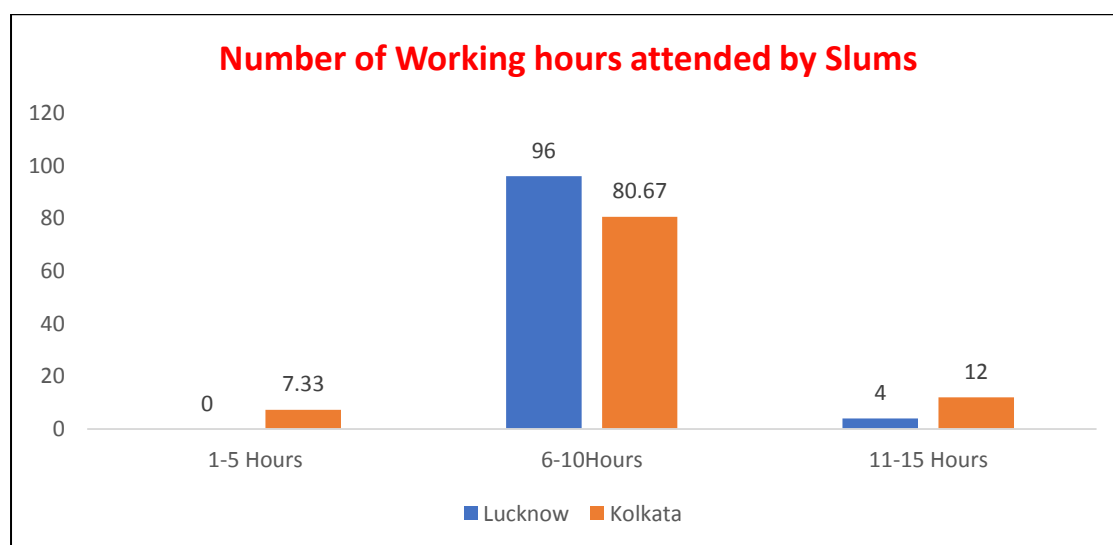


Table 4.23 shows the distribution wise type of House. Slums are living in three categories of Housing like Hut, semi Pucca and Pucca. People who are living in Hut are 74 percent from Lucknow and 22.67 percent from Kolkata. Slums living in Semi

pucca are 24 percent from Lucknow and 64.67 percent from Kolkata. Similarly, people who have Pucca houses 2 percent are from Lucknow and 12.67 percent from Kolkata. So, in conclusion we find Kolkata slums have good housing in comparison to Lucknow slums

Table 4.23 Distribution wise Type of House

Type of House	Lucknow	Kolkata	Total
Hut	111 74.0	34 22.67	145 48.33
Semi pucca	36 24.0	97 64.67	133 44.33
Pucca	3 2.0	19 12.67	22 7.33
Open sky	0 0.0	0 0.0	0 0.0
Total	150 100.0	150 100.0	300 100.0

Figure 4.23 Distribution wise type of House

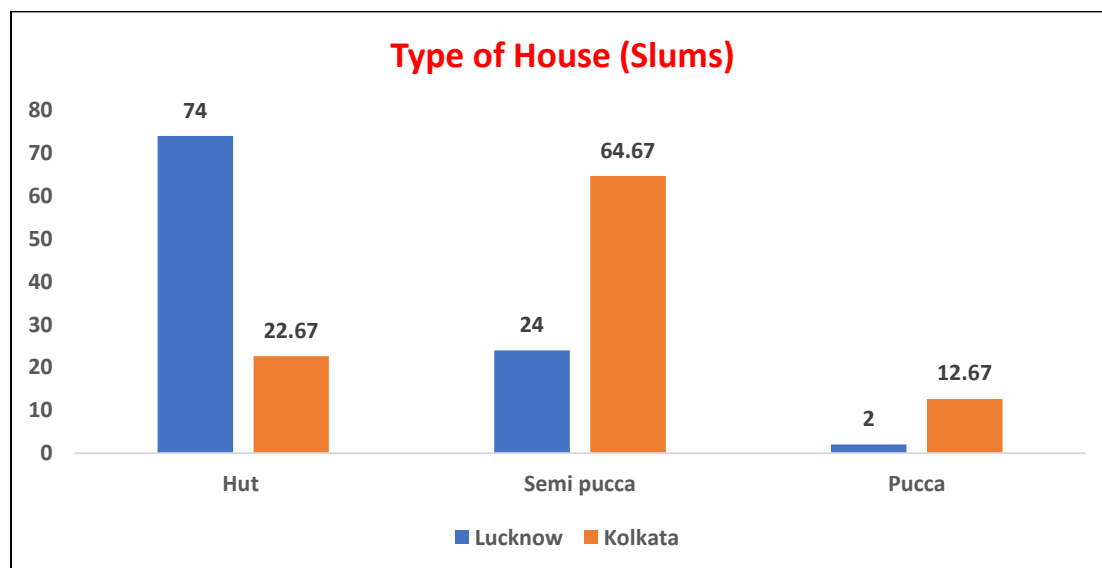


Table 4.24 shows the drinking water facility available for Slums. Two types of drinking water facilities are utilized by Slums, one common tap, and a Hand Pump/Bore Well. From Lucknow 36 percent and Kolkata 10.67 percent depend on common tap. People who are taking water from Hand Pump/Bore Well 64 percent are

from Lucknow and 89.33 percent are from Kolkata. To sum-up we find Lucknow slums are more dependent on public taps to get water were Kolkata people are enjoying these facilities at home.

Table 4.24 Drinking water facility of Slums

Drinking water Facility	Lucknow	Kolkata	Total
Common tap	54	16	70
	36.0	10.67	23.33
Hand pump/Bore well	96	134	230
	64.0	89.33	76.67
Total	150	150	300
	100.0	100.0	100.0

Figure 4.24 Drinking water facility of Slums

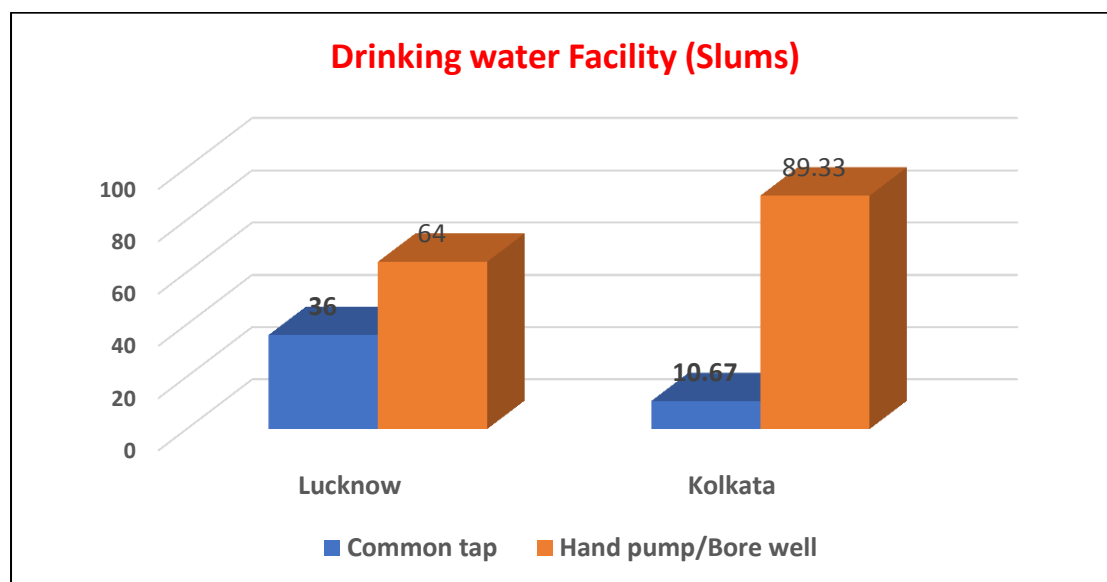


Table 4.25 shows the electricity facility available for Slums in Lucknow and Kolkata. In Lucknow 28 percent avail electricity facility while in Kolkata 82.67 percent Slums who are not using electricity is 71.33 percent and 17.33 percent from Lucknow and Kolkata. Therefore, we can conclude that the availability of electricity for Kolkata slums are better off than Lucknow slums. The reasons could be that uttrapradesh state is a bigger state to provide easy access of electricity to every household looks difficult and these populations are mostly treated non-residents of the state.

Table 4.25 Electricity facility available for Slums in Lucknow and Kolkata

Electricity	Lucknow	Kolkata	Total
Yes	43 28.67	124 82.67	167 55.67
No	107 71.33	26 17.33	133 44.33
Total	150 100.0	150 100.0	300 100.0

Figure 4.25 Electricity facility available for Slums in Lucknow and Kolkata

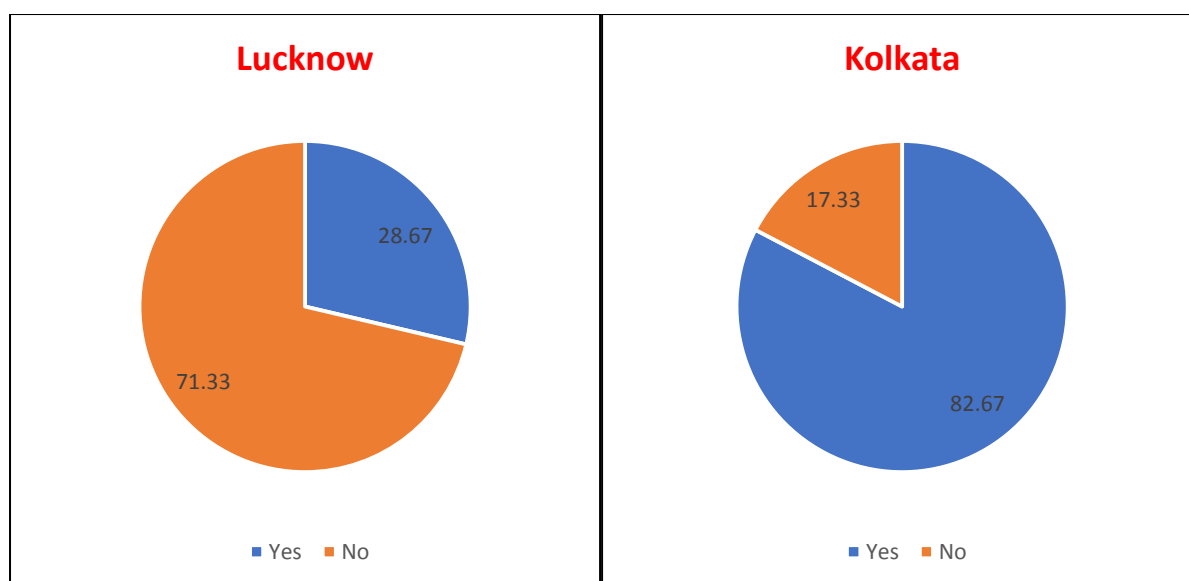


Table 4.26 shows the type of Fuel used by Slums, from Lucknow the LPG/Gas consumption is done by 28.67 percent of the Slums and from Kolkata 46.67 percent for cooking. Kerosene is used by 1.33 percent in Lucknow and 28.67 percent in Kolkata, Firewood 70 percent in Lucknow and 24.67 % in Kolkata. We find people in Lucknow are more dependent on firewood than Kolkata for cooking.

Table 4.26 Type of Fuel (slums)

Type of Fuel	Lucknow	Kolkata	Total
LPG/Gas	43 28.67	70 46.67	113 37.67
Kerosene	2 1.33	43 28.67	45 15.00
Firewood	105 70.0	37 24.67	142 47.33
Total	150 100.0	150 100.0	300 100.0

Figure 4.26 Type of Fuel (slums)

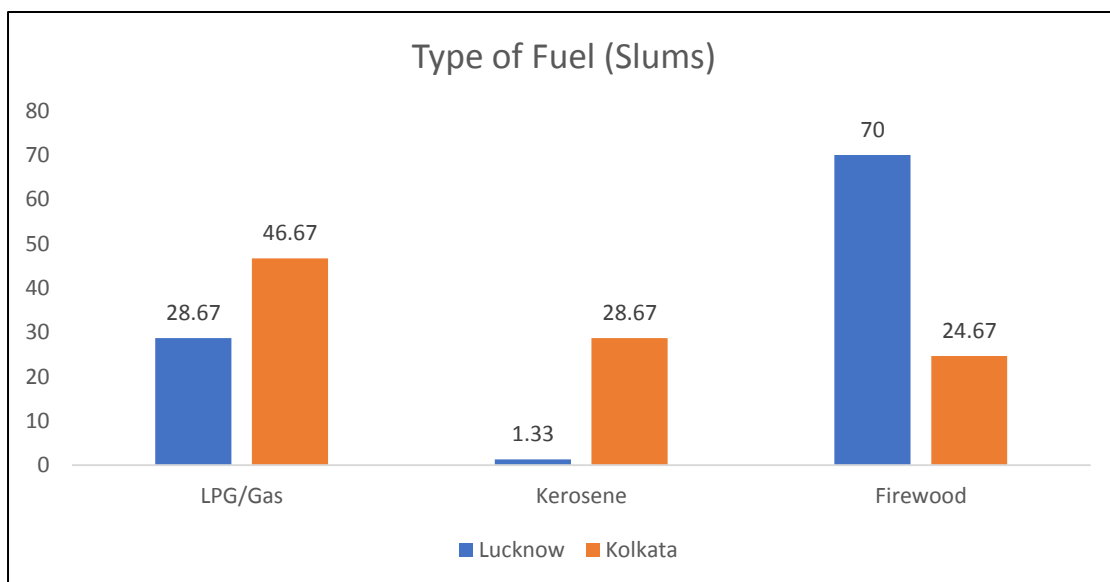


Table 4.27 shows type of sanitation facility available for Slums, 34.67 percent in Lucknow and 46.67 percent in Kolkata have own toilet facility available in their Houses, Commonly shared 30 percent from Lucknow and 52.67 percent from Kolkata and open field 35.33 percent from Lucknow and 0.67 percent from Kolkata. From the table we find in Lucknow people are 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 at their disposal.

Table 4.27 Type of Toilet Facility (Slums)

Type of Toilet Facility	Lucknow	Kolkata	Total
Private in house	53 34.67	70 46.67	122 40.67
Commonly shared	46 30.0	79 52.67	124 41.33
Open fields	51 35.33	01 0.67	54 18.0
Total	150 100.0	150 100.0	300 100.0

Figure 4.27 Type of Toilet Facility (Slums)

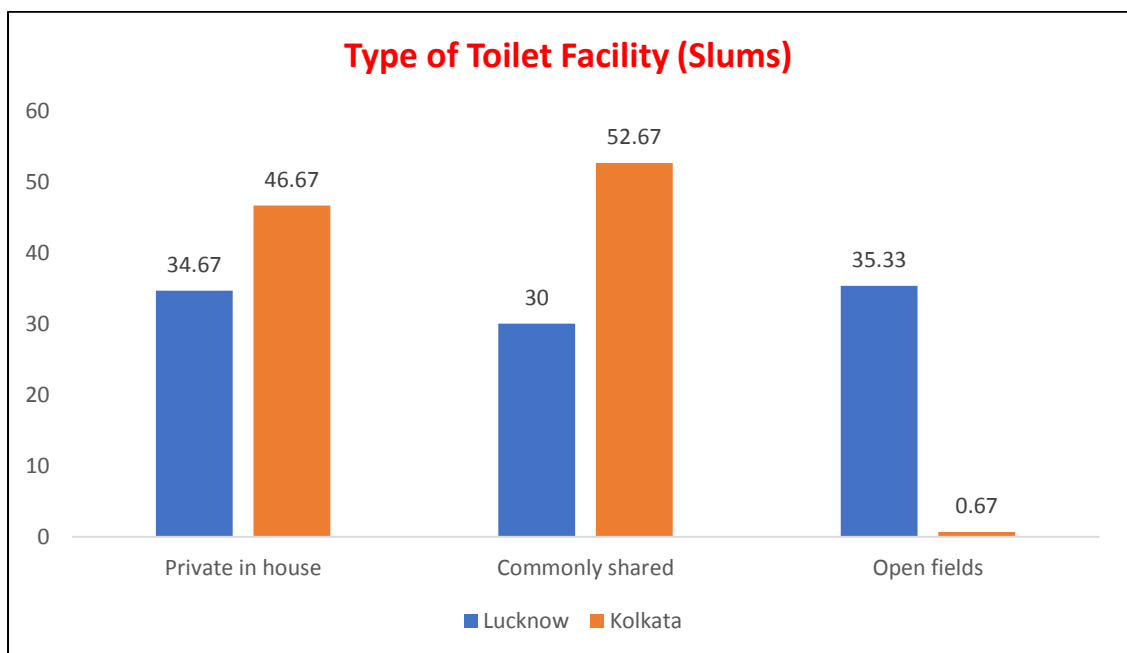


Table 4.28 shows the number of disable persons among Lucknow and Kolkata slums. The disable persons in Lucknow were 12.67 percent and 15.33 percent in Kolkata. So, we find slums in Kolkata are more disable than Lucknow.

Table 4.28 Percentage wise Number of Disable among Slums

Disability	Lucknow	Kolkata	Total
Yes	19 12.67	23 15.33	42 14.0
No	131 87.33	127 84.67	258 86.00
Total	150 100.0	150 100.0	300 100.0

Figure 4.28 Percentage wise Number of Disable among Slums

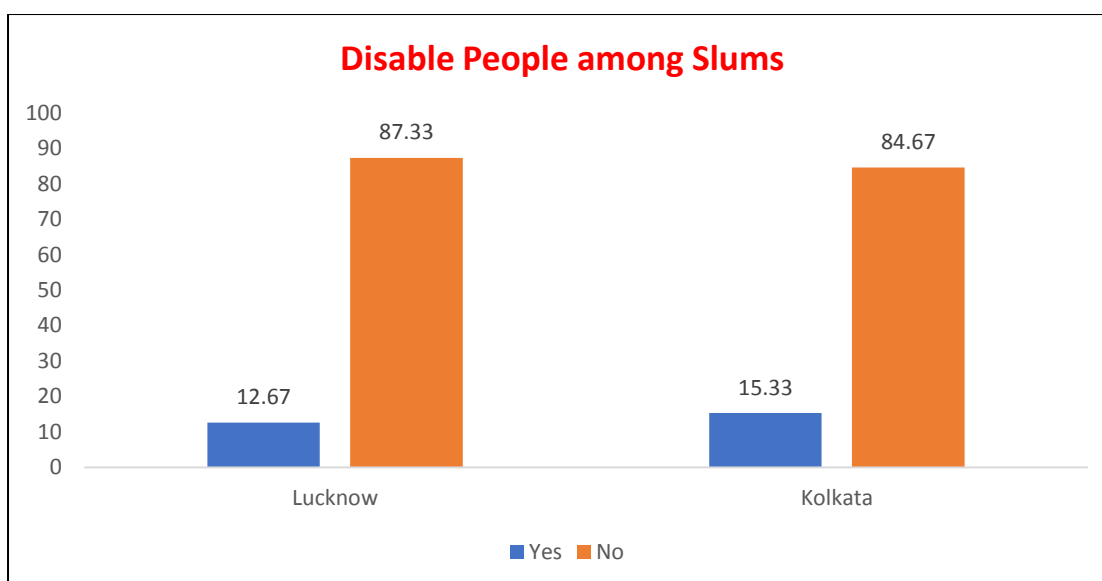


Table 4.29 shows the economic status of Slums in Lucknow and Kolkata. Slums who are under the BPL category are 90 percent from Lucknow and 52.67 percent from Kolkata, APL 8.67 percent and 45.33 percent, RED Card 0 percent from Lucknow and 3 percent from Kolkata. Slums who don't have Ration Card 2 percent from Lucknow and 0 percent from Kolkata respectively.

Table 4.29 Shows economic status of Slums in Lucknow and Kolkata

Economic Status	Lucknow	Kolkata	Total
BPL	135 90.0	79 52.67	214 71.33
APL	13 8.67	68 45.33	81 27.0
RED CARD	0 0.0	3 2.0	3 1.0
NO RATION CARD	2 1.33	0 0.0	2 0.67
Total	150 100.0	150 100.0	300 100.0

Figure 4.29 Shows economic status of Slums in Lucknow and Kolkata

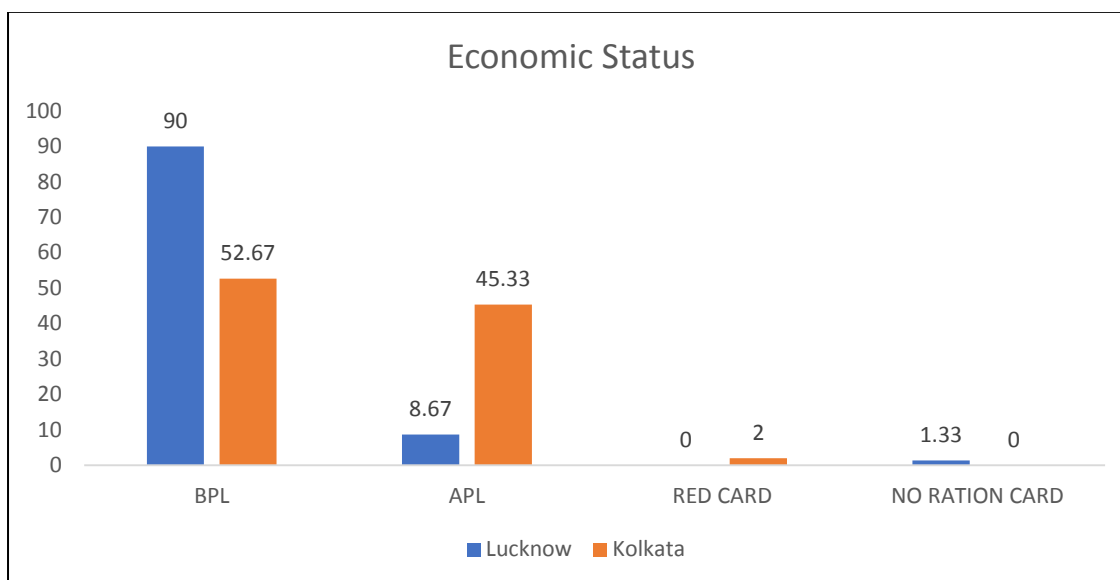
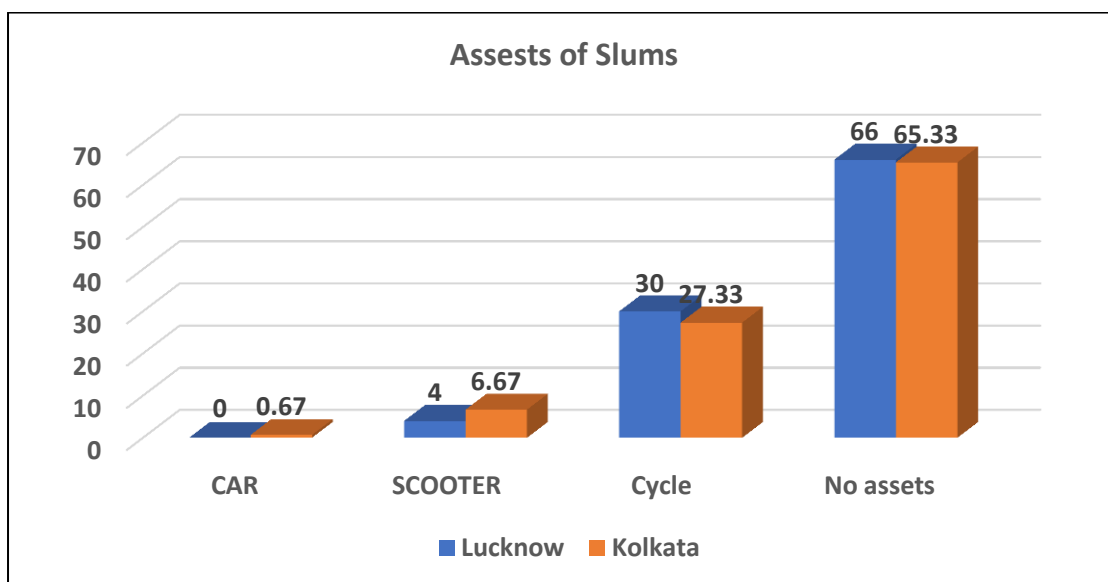


Table 4.30 shows assets owned by Slums in Lucknow and Kolkata. The assets owned by Slums are car 0% and 0.67 percent from Lucknow and Kolkata. Scooter 4 percent and 6.67 percent, Cycle 30 percent and 27.33 percent, NO Assets 66 percent, and 65.33 percent from Lucknow and Kolkata.

Table 4.30 Assets Owned by the House Hold.

Assets of the House Hold	Lucknow	Kolkata	Total
CAR	0 0.0	1 0.67	1 0.33
SCOOTER	6 4.0	10 6.67	16 5.33
Cycle	45 30.0	41 27.33	86 28.67
No assets	99 66.0	98 65.33	197 65.67
Total	150 100.0	150 100.0	300 100.0

Figure 4.30 Assets Owned by the House Hold.



4.4 Access and Non-Access Patterns of Financial Products and Services (Slums)

Table 4.31 shows access to financial services among Slums in Lucknow and Kolkata. The below table shows awareness, Holding, and Transactions of financial Products. The Awareness of Saving Bank Account is 46.33 percent. The holding of Saving Bank is 17.33 percent and Transactions are done by 13.67 percent of the sample. People are less aware (Below 4 percent) about other financial Products (like

Recurring Deposit, Fixed Deposit, General Credit Card, other Bank Loans, Credit card, Public Provident Fund, Post Office Savings Scheme, National Savings Certificate.) Therefore, the services availed by Slum Dwellers are below 4 percent.

Table 4.31 About Banking & Savings related Financial Products: [Slums from Lucknow & Kolkata] Awareness

Name of The Product	Awareness of Financial Products		Holding of Financial Products		Transactions of Financial Products	
	Yes	No	Yes	No	Yes	No
Saving Bank Account / No Frill Account (<i>either with Commercial or Cooperative Bank</i>)	139 (46.33)	161 (53.67)	52 (17.33)	248 (82.67)	41 (13.67)	259 (86.33)
Recurring Deposit	1 (0.33)	299 (99.67)	1 (0.33)	299 (99.67)	1 (0.33)	299 (99.67)
Fixed Deposit	12 (4)	288 (96)	12 (4)	288 (96)	3 (1)	297 (99)
General Credit Card (<i>Artisan CC, Laghu Udyami Card, Swarojgar CC & Weaver's Card etc.</i>)	5 (1.67)	295 (98.33)	3 (1)	297 (99)	2 (0.67)	298 (99.33)
Any other Bank Loans (<i>Home/Education / Vehicle/Personal etc</i>)	2 (0.67)	298 (99.33)	1 (0.33)	299 (99.67)	1 (0.33)	299 (99.67)
Credit Card	1 (0.33)	299 (99.67)	0 (0.0)	300 (100)	0 (0.0)	300 (100)
Public Provident Fund	1 (0.33)	299 (99.67)	1 (0.33)	299 (99.67)	1 (0.33)	299 (99.67)
Post Office Savings Scheme	1 (0.33)	299 (99.67)	0 (0.0)	300 (100)	0 (0.0)	300 (100)
National Savings Certificate/ Kisan Vikas Patra	2 (0.67)	298 (99.33)	1 (0.33)	299 (99.67)	1 (0.33)	299 (99.67)

In Table 4.32 we try to know what the reasons are, why slums didn't open a bank account. The responses are 98 percent of the people don't have money to open a bank account. The other reasons for not opening a bank account asked in various household studies are not much relevant in the case of Slums. Therefore, the bigger concern is not only to switch towards supply-oriented schemes to enshrine financial services for the needy people, rather we should focus on factors that are responsible for the demand side also. We should empower people to and make them eligible to open the bank accounts.

Table 4.32 Reasons for not opened a Bank Account

Reasons for not opened a bank Account	Frequency (Percent)
Not Enough Money	294 98.00
Do not Have Necessary Documents/KYC	1 0.33
Complicated/Difficult Procedure	2 0.67
Others	3 1.00
Someone Else in Family already has Account	0 0.0
Do not Trust Bank	0 0.0
Religious Reason	0 0.0
No Need for Bank Account	0 0.0
Total	300 100.00

Table 4.33 shows types of banking services availed by Slum Dwellers are, 8 percent are using a Debit/ATM card. Rest 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.

Table 4.33 Banking Facilities/ Services availed by [Slums from Lucknow & Kolkata]

Banking facilities/ Services availed	Frequency (Percent)
Debit Card/ATM	24 (8)
Internet Banking	0 0.0
Remittances (RTGS/NEFT/ECS/Others)	0 0.0
Mobile Banking	0 0.0
Direct Benefit Transfer (DBT)	0 0.0
Others	276 (92)
Total	300 100.00

Table 4.34 shows reasons why not urban slums of Lucknow and Kolkata using remittance of the facility provided by the banks. The reasons for not availing remittance are 94 percent people said they don't have enough money, 4 percent said they lack knowledge to use remittance facility and the rest 2 percent said it involves high cost, and other reasons that are why they are not using the facility.

Table 4.34 What are the reasons as to why you have not availed remittance facility of banks?

	Frequency (Percent)
Not Enough Money	282 94.00
Lack of Knowledge	12 4.00
Involves High Cost	1 0.33
Procedures are difficult to understand	1 0.33
No Requirement of Remittance	0 0.0
Others	4 1.33
Total	300 100.00

Table 4.35 shows reasons for not getting credit or loan facility from banks, 10 percent people said they don't need credit, it may be because of religious barriers or they may be a bit well off but on the other side, they may be tired of banking procedure in granting the credit/loan. 29 percent said they face the problem of unawareness, 6 percent said the banking procedures are difficult to understand, 0.67 percent are getting credit from unregulated markets. 46.67 percent lack the necessary documents. Therefore, we need to focus on both supply and demand-side issues before designing any policy and make people capable to utilize these programs.

In case of saving account, people are not willing to open bank account due to lack of money or income. However, in case of loan only 10 percent people are saying, they do not need loan, which means, 90 percent people are willing to take loan. It indicates the importance of finance facility in life of poor. Therefore, in case of loan facility, supply side factors are more important and are working as hurdle in access for poor.

Table 4.35 What are the reasons as to why you have not availed credit or loan facility?

why you have not availed credit or loan facility	Frequency (Percent)
No Need of Credit/Loan	30 10.00
Lack of Knowledge	87 29.00
Procedures are difficult to understand	19 6.33
Availed Credit from Other Unregulated Sources	2 0.67
Do not have Necessary Documents	140 46.67
Banks are Too Far Away	0 0.0
Involves High Cost& Interest	0 0.0
Others	22 7.33
Total	300 100.00

Table 4.36 shows the availability of a Banking correspondent and his services to people. 64.67 percent of people responded that BCs are not available and only 2 percent of people said BC's are available in their locations. 33.33 percent said they are not aware of BC's. Therefore, it is again a question mark for policymakers how these programs are implemented at gross route level and why they are unsuccessful?

Table 4.36 Whether any Banking Correspondents (BCs) available in your area for delivery of banking services? (FI)

Banking Correspondents (BCs) Available in your Area	Frequency (Percent)
Yes	6 2.00
No	194 64.67
Not Aware	100 33.33
Total	300 100.00

Table 4.37 Shows Banking services availed through BC's. Maximum people don't use any Banking service from BCs, 9.67 percent are not using any service. Therefore, The BC model is not feasible for these sections

Table 4.37 If Yes, have you availed any banking services through BCs?

Banking services through BCs	Frequency (Percent)
Yes	1 0.33
No	299 99.67
Total	300 100.00

Table 4.38 showed reasons for not availing the banking services from the BCs are they don't trust BCs 0.67 percent, BCs are not functioning well, nor they provide cards, they provide us limited services. The bigger reason for not availing BCs services because they are not aware, nor they have knowledge of BCs.

Table 4.38 If No, reasons for not availing banking services through BCs.

Reasons for not availing banking services through (BCs) Area	Frequency (Percent)
Do not Trust BCs	2 0.67
BCs not functioning / Card not given	0 0.0
Limited services Available	3 1
BCs not available on all days	0 0.0
Others	295 98.33
Total	300 100.00

Table 4.39 shows loans/credit availed other than banks are as follows 98.67 percent are taking help from Friends/Relatives and 1.33 percent didn't avail any loan. Therefore, it shows 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.

Table 4.39 Did you avail any loan from sources other than Banks?

loan from sources other than Banks	Frequency (Percent)
Micro Finance Institutions	0 0.0
Self Help Groups (SHGs)	0 0.0
Money Lender	0 0.0
Friends/Relatives	296 98.67
Not availed	4 1.33
Total	300 100.00

Table 4.40 shows awareness, holdings, and transactions of insurance products. Only 2.33 percent are aware of the Life insurance scheme. Awareness of Motor insurance only 1 percent. 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.

Table 4.40 Access to Insurance Products

Name of the Product	Awareness of Insurance Products		Holding of Insurance Products		Transactions of Insurance Products	
	Yes	No	Yes	No	Yes	No
Life Insurance	7 2.33	293 97.67	4 1.33	296 98.67	4 1.33	296 98.67
Motor Insurance	3 1.00	297 99.00	2 0.67	298 99.33	2 0.67	298 99.33
Health Insurance	2 0.67	298 99.33	0 0.0	300 100.0	0 0.0	300 100.0
Home Insurance	1 0.33	299 99.67	0 0.0	300 100.0	0 0.0	300 100.0
Crop Insurance	1 0.33	299 99.67	0 0.0	300 100.0	0 0.0	300 100.0
Cattle/Livestock Insurance	1 0.33	299 99.67	0 0.0	300 100.0	0 0.0	300 100.0
General Insurance	1 0.33	299 99.67	0 0.0	300 100.0	0 0.0	300 100.0

Table 4.41 shows Percentage-wise reasons for not having insurance. 81 percent said it is because of lack of knowledge, 0.67 percent said it is because of physical distance from banks, 17.67 percent they don't have enough money, 0.33 percent said it is because of the high cost and are confused about choice. 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.

Table 4.41 What are the reasons why you do not have Insurance?

Reasons why you do not have Insurance?	Frequency (Percent)
Lack of Knowledge about Insurance	243 81.00
Physically/Financially	2 0.67
Not Enough Earning/Money	53 17.67
Insurance are Costly	1 0.33
Confused about Choices	1 0.33
Total	300 100.00

Table 4.42 shows what type of insurance you have applied for, and only 0.67 percent have applied for personal Accidental Insurance

Table 4.42 Have you ever made any claim under the following policies?

Have you ever made any claim under the following policies?	Frequency (Percent)
Health Insurance	0 0.0
Motor Insurance	0 0.0
Personal Accident Insurance	0 0.0
Home Insurance	0 0.0
Home Insurance	0 0.0
Property (Factory/office/ Industry) Insurance	0 0.0
Agriculture/Crop Insurance	0 0.0
(Personal Accident Insurance)	2 0.67
Not taken any insurance	298 99.33
Total	300 100.00

Table 4.43 Shows us access to pension products by Slums people who are not aware of pension schemes. The formal banking services are showing a huge gap among slums as per their access is a concern. 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.

Table 4.43 Access of Pension Products (Have you heard or availed the following pension related products?)

Name of the Pension Product	Awareness of Pension Products		Holding of Pension Products		Transactions of Pension Products	
	Yes	No	Yes	No	Yes	No
Employees Provident Fund (EPF)	0 0.0	300 100.0	0 0.0	300 100.0	0 0.0	300 100.0
National Pension Scheme (NPS)	3 1.00	297 99.00	1 0.33	299 99.67	1 0.33	299 99.67
Family/ Employee Pension Scheme	0 0.0	300 100.0	0 0.0	300 100.0	0 0.0	300 100.0

Table 4.44 shows us the reasons responsible for not having a pension account are 98 percent claim they don't have enough earnings and 1.33 percent said these products are not suitable for us.

Table 4.44 What are the reasons why you do not have a pension account?

Have you ever made any claim under the following policies?	Frequency (Percent)
Not Enough Earning/Money	294 98.00
Have invested in other financial Products	2 0.67
Product and Services are not available	4 1.33
Total	300 100.00

4.5 Access and Non-Access Patterns of Financial Products and Services (Beggars)

Table 4.45 Shows awareness about various saving products by beggars. None of the saving products has been used by beggars and more than 98 percent of beggars are unaware of these products. So, it again raises the question of how to include them in financial inclusion and why they are not part of our formal banking system till date? Therefore, we need to address issues and try to design policies as per the needs of the people.

Table 4.45 Awareness about Banking & Savings related Financial Products: [Beggars from Lucknow & Kolkata]

Name of the Product	Awareness of Financial Products		Holding of Financial Products		Transactions of financial Products	
	Yes	No	Yes	No	Yes	No
Saving Bank Account / No Frill Account (<i>either with Commercial or Cooperative Bank</i>)	6 (6)	94 (94)	0 0.0	100 100.0	0 0.0	100 100.0
Recurring Deposit	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
Fixed Deposit	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
General Credit Card (<i>Artisan CC, Laghu Udyami Card, Swarojgar CC & Weaver's Card etc.</i>)	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
Any other Bank Loans (<i>Home/Education / Vehicle/Personal etc</i>)	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
Credit Card	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
Public Provident Fund	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
Post Office Savings Scheme	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
National Savings Certificate/ Kisan Vikas Patra	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0

Table 4.4 6 Reasons for opening a Bank account among beggars are 2 percent said them don't have enough Money; 97 percent don't have the necessary documents to open a bank account.

Table 4.46 Reasons for not opened a bank Account

Reasons for not opened a bank Account	Frequency (Percent)
Not Enough Money	2 2
Do not Have Necessary Documents/KYC	97 97
Complicated/Difficult Procedure	1 1
Someone Else in Family already has Account	0 0.0
Do not Trust Bank	0 0.0
Religious Reason	0 0.0
No Need for Bank Account	0 0.0
Total	100 100.00

Table 4.47 Banking facilities or services availed by Beggars. None of the beggars are availed of any banking service from the formal banking system in Lucknow and Kolkata.

Table 4.47 Banking facilities/ Services availed by [Beggars from Lucknow & Kolkata]

Banking facilities/ Services availed	Frequency (Percent)
Debit Card/ATM	0 0.0
Internet Banking	0 0.0
Remittances (RTGS/NEFT/ECS/Others)	0 0.0
Mobile Banking	0 0.0
Direct Benefit Transfer (DBT)	0 0.0
Not Availed any service	100 100
Total	100

Table 4.48 Reasons for not Availing any Remittance facility from the bank is because 97 percent of people don't have enough money and 3 percent of people don't have knowledge about banking remittance.

Table 4.48 What are the reasons as to why you have not availed remittance facility of banks?

	Frequency (Percent)
Not Enough Money	97 97.00
Lack of Knowledge	3 3.00
Total	100 100.00

Table 4.49 Reasons for not availing credit from banks is due to the following reasons, 2 percent said they don't need credit, 33 percent didn't have knowledge how to get it, 31 percent claimed banking procedures are difficult to understand, 26 percent don't have essential documents and 8 percent, beggars have other reasons etc.

Table 4.49 What are the reasons as to why you have not availed credit or loan facility?

why you have not availed credit or loan facility	Frequency (Percent)
No Need of Credit/Loan	2 2.00
Lack of Knowledge	33 33.00
Procedures are difficult to understand	31 31.00
Do not have Necessary Documents	26 26.00
Others	8 8.00
Total	100 100.00

Table 4.50 shows information about the Availability of Banking correspondent in their Locality only 1 percent said BC's are available in their areas, 37percent said no BC's are not available, and 62 percent of people are not aware of BC's.

Table 4.50 Whether any Banking Correspondents (BCs) available in your area for delivery of banking services? (FI)

Banking Correspondents (BCs) Available in your Area	Frequency (Percent)
Yes	1 1.00
No	37 37.00
Not Aware	62 62.0
Total	100 100.00

Table 4.51 shows that none of the beggars has availed any banking service from BCs.

Table 4.51 If Yes, have you availed any banking services through BCs?

Banking services through BCs	Frequency (Percent)
Yes	0 0.0
No	100 100.0
Total	100 100.00

Table 4.52 shows reasons for not availing banking services from BC's are because 2 percent Beggars don't trust BCs, 98 percent have some other reasons.

Table 4.52 If No, reasons for not availing banking services through BCs?

Reasons for not availing banking services through (BCs) Area	Frequency (Percent)
Do not Trust BCs	2 2.0
Others	29 98.0
Total	100 100.00

Table 4.53 shows Loan availed other than Banks are 97 percent are getting from Friends/ Relatives and 3 percent didn't avail of any loan.

Table 4.53 Did you avail any loan from sources other than Banks?

loan from sources other than Banks	Frequency (Percent)
Friends/Relatives	97 97.00
Not availed	3 3.0
Total	100 100.00

Table 4.54 shows access of insurance products among Beggars in Lucknow and Kolkata is totally missing none of the beggars avail any insurance product in their name.

Table 4.54 Access of Insurance Products

Name of the Product	Awareness of Insurance Products		Holding of Insurance Products		Transactions of Insurance Products	
	Yes	No	Yes	No	Yes	No
Life Insurance	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
Motor Insurance	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
Health Insurance	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
Home Insurance	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
Crop Insurance	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
Cattle/Livestock Insurance	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
General Insurance	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0

Table 4.55 shows Reasons for not having insurance 43 percent of beggars said they lack knowledge about insurance, 57 percent said they don't have money.

Table 4.55 What are the reasons why you do not have Insurance?

reasons why you do not have Insurance?	Frequency (Percent)
Lack of Knowledge about Insurance	43 43.00
Not Enough Earning/Money	57 57.00
Total	100 100.00

Table 4.56 shows claim for insurance, none of the beggars have claimed for any insurance product.

Table 4.56 Have you ever made any claim under the following policies.

Have you ever made any claim under the following policies?	Frequency (Percent)
Yes (Personal Accident Insurance)	0 0.00
No	100 100.00
Total	100 100.00

Table 4.57 Shows that none of the beggars have access to the pension schemes offered by formal banks.

Table 4.57 Access of Pension Products (Have you heard or availed the following pension related products?)

Name of the Pension Product	Awareness of Pension Products		Holding of Pension Products		Transactions of Pension Products	
	yes	No	yes	No	yes	No
Employees Provident Fund (EPF)	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
National Pension Scheme (NPS)	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0
Family/ Employee Pension Scheme	0 0.0	100 100.0	0 0.0	100 100.0	0 0.0	100 100.0

Table 4.58 shows reasons for not having any bank account are 99 percent don't have money and 1 percent beggars have other reasons.

Table 4.58 What are the reasons why you do not have a pension account?

reasons why you do not have a pension account	Frequency (Percent)
Not Enough Earning/Money	99 99.00
others	1 1.00
Total	100 100.00

4.6 Patterns of Access and Non-Access with Reference to Socio Economic Factors Slum Dwellers and Beggars

Table 4.59 shows access of Documents by slums and beggars. Table shows that none of them have access to Passport 7 percent of slums have access of Driving Licence and 1 percent of beggars. Access to Pan card 22 percent in case of slums and 1 percent of beggars. Voter ID access 91 percent among slums and 46 percent in case of beggars. The access of Aadhar Card 91percent slums and 36 percent beggars. Therefore, we find that 50 percent beggars have not access to the essential documents.

Table 4.59 Access of Documents

Name of the Document	Slums		Beggars	
	Access	Non-access	Access	Non-access
Passport	0 0%	300 100%	0 0%	100 100%
Driving Licence	21 7%	279 93%	1 1%	99 99%
Pan Card	66 22%	234 78%	1 1%	99 99%
Voter ID	274 91%	26 8.66%	46 46%	54 54%
NREGA Job-Card	3 1%	297 99%	0 0%	100 100%
Aadhar	275 91%	25 8.33%	36 36%	100 64%
Other Notified Documents by Government	0 0%	300 100%	0 0%	100 100%
Identity Cards Issued on Photograph	1 1%	299 99%	0 0%	100 100%
Identity issued by Gazetted officer	1 1%	299 99%	0 0%	100 100%

Table 4.60 shows percentage-wise Access of PMJDY Scheme among Beggars and Slums, awareness of PMJDY is 25 percent and 63 percent, PMJDY Account 1 percent and 25 percent, PMJDY Rupay Debit Card 1 percent, and 9.66 percent. PMJDY Deposit Interest non from beggars and 4.33 percent from slums. PMJDY Accidental Insurance 0.33 percent from slums. PMJDY Minimum Balance 0.66 percent, PMJDY Life cover 0.33 percent, PMJDY Money Transfer 0.33 percent, PMJDY Govt subsidy 0.66 percent by slums only, and beggars are totally excluded from these services. Both slums and beggars didn't access the following services under PMJDY Overdraft Facility, Access to Insurance, Personal Accidental Insurance.

Table 4.60 Schemes wise full details of financial access and financial inclusion

	Beggars		Slums	
	Yes	No	Yes	No
Awareness PMJDY	25 25.0	75 75.0	189 63.0	111 37.0
PMJDY Account	1 1.0	99 99.0	76 25.0	224 74.0
PMJDY Rupay Debit Card	1 1.0	99 99.0	29 9.66	271 90.3
PMJDY Deposit Interest	0 0.0	100 100.0	13 4.33	287 95.66
PMJDY Accidental Insurance	0 0.0	100 100.0	1 0.33	299 99.6
PMJDY Minimum Balance	0 0.0	100 100.0	2 0.66	298 99.33
PMJDY Life cover	0 0.0	100 100.0	1 0.33	299 99.6
PMJDY Money Transfer	0 0.0	100 100.0	1 0.33	299 99.6
PMJDY Govt subsidy	0 0.0	100 100.0	2 0.66	298 99.33
Overdraft Facility	0 0.0	100 100.0	0 0.0	300 100.0
Access to Insurance	0 0.0	100 100.0	0 0.0	300 100.0
Personal Accidental Insurance	0 0.0	100 100.0	0 0.0	300 100.0

Table 4.61 shows access to the MUDRA scheme by beggars and slums. Among slums, they are neither aware nor they are registered while among slums 3.44 percent are aware and 1 percent people are aware. Therefore, both 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

Table 4.61 Access of MUDRA scheme by Beggars and Slums

	Beggars		Slums	
	Yes	No	yes	No
MUDRA Awareness	0	100	10	290
RESISTERED in MUDRA	0	100	3	297
Reason of not registered	0	100	5	295
MUDRA Loan Aailed	0	100	1	299
Category of Loan MUDRA	0	100	1	299
Purpose of MUDRA Loan	0	100	1	299
Type of Bank Loan	0	100	1	299
Are You Satisfied with Banking	0	100	2	298
How Much Time in Loan	0	100	2	298
Type of Documents Demanded by Bank	0	100	3	297
Rate of Interest Paid	0	100	1	299
Have You Paid Bribe	0	100	0	300
Whom You Paid	0	100	0	300
How Much You Paid	0	100	0	300
Other services under MUDRA	0	100	3	297
Is MUDRA helpful	0	100	0	300

Table 4.62 shows access and awareness of PMJJBY from Slums and Beggars. 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.

Table 4.62 Access of PMJJBY by Slums and Beggars

	Beggars		Slums	
	Yes	No	Yes	No
Aware PMJJBY	0	100	5	295
Applied PMJJBY	0	100	0	300
Are You Paying Monthly Premium	0	100	0	300
Are You satisfied Annual Premium	0	100	0	300
Which Insurance Company Paying	0	100	0	300

Table 4.63 shows 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 minor people are aware of the scheme and more than 99 percent don't have access.

Table 4.63 Access of PMSBY and APY By Slums and Beggars

	Beggars		Slums	
	Yes	No	Yes	No
PMSBY Awareness	0	100	4	296
Applied PMSBY	0	100	1	299
Monthly Premium PMSBY	0	100	1	299
Satisfied Premium	0	100	1	299
Name of Company	0	100	0	300
APY Awareness	0	100	2	298
Applied APY	0	100	0	300
Monthly Primmum	0	100	0	300

4.7 Determining Factors of Financial Access among Slum Dwellers and Beggars

Crosstabulation of socio-economic variables and the recent financial inclusion schemes which were normally distributed has been taken into consideration. Unfortunately, we find only one scheme namely PMJDY showed normality in both the populations. The rest of the schemes are not having accessed by slums and beggars. In table 4.64, shows Caste wise access of PMJDY account from Slums and Beggars. General Caste 18.42 percent in case of slums and beggars have 1 percent.

Similarly, in case of schedule caste 63.16 percent of slums have access and beggars have no access in this category. The schedule tribe caste has 1.32 percent and nil among beggars. The OBC people among slums have 14.13 percent access and no access for beggars.

Table 4.64 Tabulation of Caste of The Respondent PMJDY Account Slums and Beggars

Caste of The Respondent	PMJDY Account Slums			PMJDY Account Beggars		
	Yes	No	Total	Yes	No	Total
General	14	72	86	1	15	16
	16.28	83.72	100.00	6.25	93.75	100.00
	18.42	32.14	28.67	1.00	15.15	16.00
Schedule Caste	48	72	120	0	51	51
	40.00	60.00	100.00	0.00	100.00	100.00
	63.16	32.14	40.00	0.00	51.52	51.00
Schedule Tribe	1	1	2	0	4	4
	50.00	50.00	100.00	0.00	100.00	100.00
	1.32	0.45	0.67	0.00	4.04	4.00
OBC	13	79	92	0	29	29
	14.13	85.87	100.00	0.00	100.00	100.00
	17.11	35.27	30.67	0.00	29.29	29.00
Total	76	224	300	1	99	100
	25.33	74.67	100.00	1.00	99.00	100.00
	100.00	100.00	100.00	100.00	100.00	100.00

First Row Has Frequencies; Second Row Has Row Percentages and Third Row Has Column Percentages

In table 4.65 we analyzed the cross-tabulation of Gender wise access of the PMJDY Scheme among Slums Dwellers and Beggars. The Gender wise access of the PMJDY account is 22.17 percent among males and 31.96 among females. Therefore, we conclude that 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.

Table 4.65 Tabulation of Gender of Respondent and PMJDY Account

Gender of Respondent	PMJDY Account Slums			PMJDY Account Beggars		
	Yes	No	Total	Yes	No	Total
Male	45	158	203	1	72	73
	22.17	77.83	100.00	1.37	98.63	100.00
	59.21	70.54	67.67	100.00	72.73	73.00
Female	31	66	97	0	27	27
	31.96	68.04	100.00	0.00	100.00	100.00
	40.79	29.46	32.33	0.00	27.27	27.00
Total	76	224	300	1	99	100
	25.33	74.67	100.00	1.00	99.00	100.00
	100.00	100.00	100.00	100.00	100.00	100.00

First Row Has Frequencies; Second Row Has Row Percentages and Third Row Has Column Percentage

Table 4.66 shows education-wise access of PMJDY among slums and beggars is as follows. 32.09 percent of Illiterate, 18.03 percent from Primary up V, 16.67 percent, 16.67 percent, Upper Primary (VI-VIII) 47.37percent and senior 16.67 percent, and 9.52 percent among Graduate and Above. Therefore, education shows a significant relation in opening a bank account.

Table 4.66 Tabulation of Education of The Respondent PMJDY Account

Education of The Respondent	PMJDY Account Slums			PMJDY Account Beggars		
	Yes	No	Total	Yes	No	Total
Illiterate	43	91	134	1	76	77
	32.09	67.91	100.00	1.30	98.70	100.00
	56.58	40.63	44.67	100.00	76.77	77.00
Primary Up V	11	50	61	0	18	18
	18.03	81.97	100.00	0.00	100.00	100.00
	14.47	22.32	20.33	0.00	18.18	18.00
Upper Primary (VI-VIII)	8	40	48	0	5	5
	16.67	83.33	100.00	0.00	100.00	100.00
	10.53	17.86	16.00	0.00	5.05	5.00
Secondary (IX To X)	9	10	19	0	0	0
	47.37	52.63	100.00	0.00	0.00	0.00
	11.84	4.46	6.33	0.00	0.00	0.00
Senior	2	10	12	0	0	0
	16.67	83.33	100.00	0.00	0.00	0.00
	2.63	4.46	4.00	0.00	0.00	0.00
Diploma	1	4	5	0	0	0
	20.00	80.00	100.00	0.00	0.00	0.00
	1.32	1.79	1.67	0.00	0.00	0.00
Graduate and Above	2	19	21	0	0	0
	9.52	90.48	100.00	0.00	0.00	0.00
	2.63	8.48	7.00	0.00	0.00	0.00
Total	76	224	300	1	99	100
	25.33	74.67	100.00	1.00	99.00	100.00
	100.00	100.00	100.00	100.00	100.00	100.00

First Row Has Frequencies; Second Row Has Row Percentages and Third Row Has Column Percentages

Table 4.67 occupation wise access to PMJDY account. 14.29 percent Self Employed (Non-Agriculture), 27.12 percent Casual Labour, 35.71 Salaried (Private). Therefore, we find occupation is not having any significant role in the case of slums and beggars.

Table 4.67, Tabulation of Occupation of The Respondent PMJDY Account

Occupation of The Respondent	PMJDY Account Slums			PMJDY Account Beggars/Begging		
	Yes	No	Total	Yes	No	Total
Self Employed (Agriculture)	0	2	2	1	99	100
	0.00	100.00	100.00	1.00	99.00	100.00
	0.00	0.89	0.67	100.00	100.00	100.00
Agricultural Labour	1	2	3	0	0	0
	33.33	66.67	100.00	0.00	0.00	0.00
	1.32	0.89	1.00	0.00	0.00	0.00
Self Employed (Non-Agriculture)	5	30	35	0	0	0
	14.29	85.71	100.00	0.00	0.00	0.00
	6.58	13.39	11.67	0.00	0.00	0.00
Casual Labour	64	172	236	0	0	0
	27.12	72.88	100.00	0.00	0.00	0.00
	84.21	76.79	78.67	0.00	0.00	0.00
Salaried (Private)	5	9	14	0	0	0
	35.71	64.29	100.00	0.00	0.00	0.00
	6.58	4.02	4.67	0.00	0.00	0.00
Housewife/Homemaker	1	7	8	0	0	0
	12.50	87.50	100.00	0.00	0.00	0.00
	1.32	3.13	2.67	0.00	0.00	0.00
Others	0	2	2	0	0	0
	0.00	100.00	100.00	0.00	0.00	0.00
	0.00	0.89	0.67	0.00	0.00	0.00
Total	76	224	300	1.00	99.00	100.00
	25.33	74.67	100.00	100.00	100.00	100.00
	100.00	100.00	100.00	100.00	100.00	100.00

First Row Has *Frequencies*; Second Row Has *Row Percentages* and Third Row Has *Column Percentages*

Table 4.68 shows income-wise access to PMJDY among Slums and Beggars is as follows. The annual income categories as (10000-20000) has 14.29 percent, (41000-60000) has 12.12 percent, (61000-100000) has 30.86 percent and (100001 above) 31.75 percent. This shows that income is a reason for opening a bank account especially for poor people like slums and beggars.

Table 4.68 Tabulation of Income of The Respondent PMJDY Account

Income of The Respondent	PMJDY Account Slums			PMJDY Account Beggars		
	Yes	No	Total	Yes	No	Total
10000-20000	3	18	21	0	68	68
	14.29	85.71	100.00	0.00	100.00	100.00
	3.95	8.04	7.00	0.00	68.69	68.00
21000-40000	0	6	6	0	7	7
	0.00	100.00	100.00	0.00	100.00	100.00
	0.00	2.68	2.00	0.00	7.07	7.00
41000-60000	8	58	66	1	23	24
	12.12	87.88	100.00	4.17	95.83	100.00
	10.53	25.89	22.00	100.00	23.23	24.00
61000-100000	25	56	81	0	0	0
	30.86	69.14	100.00	0.00	0.00	0.00
	32.89	25.00	27.00	0.00	0.00	0.00
100001 Above	40	86	126	0	1	1
	31.75	68.25	100.00	0.00	100.00	100.00
	52.63	38.39	42.00	0.00	1.01	1.00
Total	76	224	300	1	99	100
	25.33	74.67	100.00	1.00	99.00	100.00
	100.00	100.00	100.00	100.00	100.00	100.00

First Row Has Frequencies; Second Row Has Row Percentages and Third Row Has Column Percentages

4.7.1 Hypothesis testing

Chi Square test has been used for hypothesis testing. This test is mostly used for categorical variables, to check there is any association or not? The formula for the test is as follows. The Greek word chi is used in symbolic terms as " χ^2 ".

$$\chi^2 = \sum \frac{(O-E)^2}{E} \dots\dots\dots (4.1)$$

Where, O = the Observed (actual) value

E = the Expected value.

Chi Square test takes four steps: (1) state the hypotheses, (2) Formulate an Analysis Plan, (3) Analyse Sample Data, and (4) Interpret results.

- 1. State the Hypotheses:** In first step, we simply formulate Hypothesis H_0 and H_1 .
- 2. Formulate an Analysis Plan:** In step two, we formulate the level of significance, (Like 0.01, 0.05, 0.10) etc. For our analysis, we chose 0.05 significance level.
- 3. Analyse Sample Data:** In step third, we analyse the data and conducted Chi-square test. We compute degree of Freedom by which we determine the P-Value. The Degree of freedom is estimated by, $Df = (r - 1) * (c - 1)$. Df refers to Degree of freedom, (r-1) is number of rows minus 1 and (c-1) is number of columns minus 1. The P-value is probability value.
- 4. Interpret results:** In fourth, step we interpret the results. In Conclusion we interpret that if P-value is less than the significance level (0.05), we reject the null Hypothesis. Thus, we conclude that there is a relationship between variables.

We have test Eight Hypothesis (8) to find the association of various socio-economic variables, which are playing an important role in the determination of Financial Inclusion. Bank Account is considered as the sole genesis of Financial inclusion. therefore, we have checked our hypothesis to determine the factors which are playing a vital role in opening a bank account. The variables which are determining financial

Access, are Gender, Age, Education, Income, Occupation, Documentation, Economic Status and Financial Awareness.

1. Hypotheses

H0: There is significant relationship between Opening Bank account and Education of the people.

H1: There is no relationship in opening Bank account and education of the people.

Table 4.69 Tabulation of PMJDY Account Education of the Respondent

PMJDY Account	Education of The Respondent							
	Illiterate	Primary Up V	Upper Primary (Vi-Viii)	Secondary (Ix To X)	Senior	Diploma	Graduate and Above	Total
Yes	43	11	8	9	2 0.4	1 0.1	2 1.9	76 10.9
No	92	50	40	10	10 0.1	4 0.0	18 0.6	224 3.7
Total	135	61	48	19	12 0.5	5 0.1	20 2.5	300 14.6

Pearson chi2(6) = 14.5721 Pr = 0.024 Table value/critical value 26.296

The chi square result shows the P-value is 0.024 which is less than 0.05 % level of significance. which means we reject the null hypothesis that There is no relationship between Opening Bank account and Education of the people.

2. Hypotheses

H0: there is no relationship between opening a Bank account and the occupation of the people.

H1: there is a significant relationship between Opening a Bank account and occupation of the people.

Table 4.70 Tabulation of PMJDY Account Occupation of The Respondent

PMJDY Account	Occupation of the respondent							Total
	Self Employed (Agriculture)	Agricultural Laborer	Self Employed (Non-Agriculture)	Casual Laborer	Salaried (Private)	Housewife/Homemaker	Others	
Yes	0	1	5	64	5	1	0	76
					0.6	0.5	0.5	4.0
No	2	2	29	173	9	7	2	224
					0.2	0.2	0.2	1.4
Total	2	3	34	237	14	8	2	300
					0.8	0.7	0.7	5.3

Pearson $\chi^2(6) = 5.3327$ Pr = 0.502 Table value/Critical Value 26.296

In our second Hypothesis, The P-Value is 0.502 at 6 degrees of freedom which is higher than 0.05 level of significance. Therefore, we conclude that we accept the null hypothesis that there is not a positive relation between opening a bank account and occupation of the slums.

3. Hypotheses

H0: there is no relationship in opening Bank account and income of the people.

H1: there is significant relationship between Opening Bank account and income of the people.

Table 4.71 Tabulation of PMJDY Account Income of the respondent

PMJDY Account	Income of The Respondent in Rupees					Total
	10000-20000	21000-40000	41000-60000	61000-100000	100001 Above	
Yes	3	0	8	25	40	76
	1.2	1.5	4.8	1.0	2.2	10.4
No	19	6	58	56	85	224
	0.4	0.5	1.5	0.3	0.7	3.5
Total	2214.0	6	66	81	125	300
	1.6	2.0	6.1	1.3	2.9	14.0

Pearson $\chi^2(4) = 13.9647$ Pr = 0.007 Table value/ Critical Value 23.685

The P-value (0.007) which is less than (0.05 %) level of significance, we reject null hypothesis and accept alternative hypothesis and concludes that opening bank account and income of a person among slums are not independent. Income plays positive role in determining bank account.

4. Hypotheses

H0: there is significant relationship between Opening Bank account and Gender of the people.

H1: there is no relationship in opening Bank account and Gender of the people.

Table 4.72 Tabulation of PMJDY Account Gender of respondent

PMJDY Account	Gender of Respondent		
	Male	Female	Total
Yes	45 0.7	31 1.5	76 2.3
No	157 0.3	67 0.5	224 0.8
Total	202 1.0	98 2.1	300 3.1

Pearson chi2(1) = 3.0533 Pr = 0.081 Table value/ Critical Value 19.667

Hence, the P-value (0.081) which is greater than (0.05%) level of significance, we accept null hypothesis and there is significant relationship between Opening Bank account and Gender of the people.

5. Hypotheses

H0: there is significant relationship between Opening Bank account and Age of the people.

H1: there is no relationship in opening Bank account and Age of the people.

Table 4.73 Tabulation of PMJDY Account and Age

PMJDY Account	Age of the respondent			
	Young Age (18-30 Years)	Adult Population (31-50 Years)	Old Age (51-75Years)	Total
Yes	17 1.8	47 2.4	12 0.6	76 4.8
No	76 0.6	101 0.8	47 0.2	224 1.6
Total	93 2.4	148 3.2	59 0.8	300 6.5

Pearson $\chi^2(2) = 6.4526$ $Pr = 0.040$ Table Value/Critical Value 21.026

The P-value (0.040) which is less than (0.05 %) level of significance, we reject null hypothesis and concludes there is no relationship in opening Bank account and Age of the people.

6. Hypotheses

H0: there is no relationship in opening Bank account and economic Status of the people.

H1: there is significant relationship between Opening Bank account and economic status of the people.

Table 4.74 Tabulation of PMJDY Account Economic Status

PMJDY Account	Economic Status				Total
	BPL	APL	RED CARD	No Ration Card	
Yes	62 1.0	11 4.2	1 0.1	2 4.4	76 9.8
No	153 0.4	69 1.4	2 0.0	0 1.5	224 3.3
Total	215 1.4	80 5.7	3 0.1	2 5.9	300 13.1

Pearson $\chi^2(3) = 13.0663$ $Pr = 0.004$ Table value/ Critical Value 22.362

The P-value (0.004) which is less than (0.05%) level of significance, we reject null hypothesis and accept alternative hypothesis and concludes that 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.

7. Hypotheses

H0: there is no relationship in opening Bank account and Awareness of Banking the people.

H1: there is significant relationship between Opening Bank account and Awareness of Banking of the people.

Table 4.75 Tabulation of PMJDY Account PMJDY Awareness

PMJDY Account	PMJDY Awareness		
	Yes	No	Total
Yes	76 16.5	0 28.1	76 44.6
No	113 5.6	111 9.5	224 15.1
Total	189 22.1	111 37.7	300 59.8

Pearson chi2(1) = 59.7789 Pr = 0.000 Table value/Critical Value 19.675

The P-value (0.000) which is less than critical value (0.05 %) level of significance, we reject null hypothesis and accept alternative hypothesis and concludes that 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.

8. Hypotheses

H0: there is no relationship in opening Bank account and Documents the people.

H1: there is significant relationship between Opening Bank account and Documents of the people.

Table 4.76 Tabulation of PMJDY Account and Documents

PMJDY ACCOUNT	Documents				Total
	NONE	Voter Id	Voter Id and Aadhar	Voter-Id, Aadhar and Pan card	
Yes	0	10	41	25	76
	2.0	0.3	1.9	7.2	11.5
No	8	23	160	33	224
	0.7	0.1	0.7	2.5	3.9
Total	8	33	201	58	300
	2.7	0.4	2.6	9.7	15.4

Pearson $\chi^2(3) = 15.4160$ $Pr = 0.001$ Table value/Critical Value 22.362

The P-value 0.001 which is less than (0.05%) level significance, we reject null hypothesis and accept alternative hypothesis and concludes that opening bank account and Documents of a person among slums are not independent. Documents is playing vital role in opening a bank account.

Table 4.77 Description of the study variables

Variable	Description
Access	Bank Account {1=Persons having Bank account, 0=Otherwise}
Gender	1=Male, 0=Female
Education	1=illiterate, 0=Literate
Occupation	1=Casual Labour, 0=Others
Income	1=Higher Income, 0=Lower Income
Caste	1=Lowe Caste, 0=Upper caste
Documents	1=No Documents, 0=Possessing Documents
Age	1=Young Age, 0=Adult

Table 4.78 Results of Logistic regression

PMJDY Account	Coef.	Odds Ratio	St. Err.	t-value	p-value	[95% Conf	Interval]	Sig
Gender {1=male} {0=female}	0.721	.7214226	0.231	-1.02	0.307	0.386	1.350	
Education {1=illiterate} {0=Literate}	0.562	.5617716	0.163	-1.99	0.047	0.318	0.992	**
Occupation {1=Casual Labour} {0=Others}	1.626	1.625635	0.872	0.91	0.365	0.568	4.650	
Income {1=Higher Income} {0=Lower Income}	0.306	.3062647	0.112	-3.24	0.001	0.150	0.627	***
caste {0=Lower Caste} {1=Upper caste}	1.948	1.948417	0.744	1.75	0.081	0.922	4.117	*
Documents {1=No Documents} {0=Possessing Documents}	0.366	.3655414	0.123	-2.99	0.003	0.189	0.707	***
Age {1=Young Age} {0=Adult}	0.620	.6196885	0.208	-1.43	0.153	0.321	1.195	
Constant	1.084	1.187319	0.542	0.16	0.871	0.407	2.887	

Mean dependent var	0.253	SD dependent var	0.436
Pseudo r-squared	0.110	Number of obs	300.000
Chi-square	33.035	Prob > chi2	0.000
Akaike crit. (AIC)	318.096	Bayesian crit. (BIC)	347.726
*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$ Standard errors in parentheses			

The Binary Logistic Regression Model, we have calculated Odds Ratio by the help of Stata 14 software. we have used the command logistic for Odds Ratio Results and We used logit command to calculate coefficients. We have interpreted our results on the bases of the Odds Ratio. Therefore, the results of our model are as follows.

In case of Gender {1=male, and 0=female}, as per Odds ratio in respect to our reference category males have 27 percent less chances as compared to males in opening a bank account. However, it has been found statistically insignificant at 0.05 percent level of significance. Similarly, in the case of Education {0=Illiterate and 1=Literate} we have taken Illiterate as the reference category, the odds ratio shows that there are 43.82 percent less chances as compared to literates to open a bank account; However, it is statistically significant at 0.05 percent level of significance. Occupation {1= Others and 0= Casual Labour}, Casual Labour taken as reference category there is negative 65.56 percent for other occupations to open a bank account in respect to casual labour, however, it is statistically insignificant at 0.05 percent level of significance. Income {1=Higher income, 0=Lower income} Lower-income as reference category there are 69.37 percent less chances for Lower-income groups with respect to higher income groups in case of Slums, however, results are statistically significant at 0.01 percent level of significance. Caste {1= Upper caste and 0=Lower Caste}, lower caste taken as reference category they have better position in comparison to general caste people as the odd ration is more than one. So, under PMJDY scheme lower caste has more chances with respect upper caste groups in opening a bank account which is statically significant at 10 percent level of significance. Documents {0= No Documents and 1=Having Documents} No documents as a reference Category shows that there is 63.44 percent less chances for opening a bank account to the people who doesn't have documents and it statistically significant at 0.01 percent level of significance. Age {1=young age and 0=Adults} adults as a reference category shows that there is 38.03 percent less chances for young population to open a bank account in comparison to the old population. But this is statistically insignificant. The chi square hypothesis test results are same to the binary logistic regression Model.

4.8 Findings

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.

In case of Slums in both the cities male respondents are larger than female, but if we look with in females in both cities, we find more females from Lucknow in comparison to Kolkata. Similarly, in case of male's reverse is the case. The lower caste groups have more participation from Lucknow while in Kolkata general caste people are living in slums with bigger numbers than other lower caste groups. The highest number of illiterates are from Lucknow, second highest number of educated people are from Kolkata. Kolkata slums are better than Lucknow. In case of Kolkata the slums are taking part more or less in all the three Category workings days. Another important finding is those who are working from (1 to 5 hours) per day may

be earning more with in short duration of timing, either they may be working in different occupations in a day, and the people who are working more than eleven hours may be extreme poor. 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 and 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 PMJBY 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.

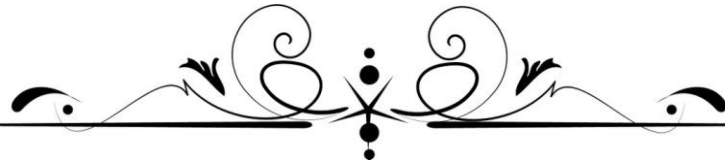
4.9 Conclusion

Our study was 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 objective of this chapter 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.

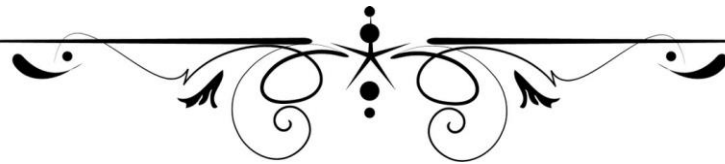
4.10 References

- Anand, M., & Rosenberg, R. (April, 2008). Are We Overestimating Demand for Microloans? Washington, D.C.: The Consultative Group to Assist the Poor
- Bauer M., Chytilova J., & Morduch J. (2012). Behavioural Foundations of Microcredit: Experimental and Survey Evidence from Rural India. *American Economic Review* 102 (2), 1118-1139.
- Bauer, M. & Chytilová, J. (2009). The Impact of Education on the Subjective Discount Rate in Ugandan Villages (IZA Discussion Papers No. 4057). Institute for the Study of Labor.
- Beck, T., Demirgüç-Kunt, A., & Honohan, P. (2009). Access to Financial Services: Measurement, Impact, and Policies. *The World Bank Research Observer*, 24 (1), 119-145.
- Bönte, W. & Filipiak, U. (2012). Financial literacy, information flows, and caste affiliation: Empirical evidence from India. *Journal of Banking & Finance* 36 (12), 3399–3414.
- Claessens, S. (2006). Access to Financial Services: A Review of the Issues and Public Policy Objectives. *World Bank Research Observer*, 21 (2), 207-240.
- Claessens, S. (2006). Access to financial services: a review of the issues and public policy objectives. *The World Bank Research Observer*, 21(2), 207-240..
- Cole, S., Sampson, T., & Zia, B. (2011), Prices or Knowledge? What Drives Demand for Financial Services in Emerging Markets? *The Journal of Finance*, 66 (6), 1933–1967.
- Demirgüç-Kunt, A., Honohan, P., & Beck, T. (2008). Finance for all? Policies and Pitfalls in Expanding Access. World bank.
- Fafchamps, M., McKenzie, D., Quinn, S. R., & Woodruff, C. (2011). When is capital enough to get female microenterprises growing? Evidence from a randomized experiment in Ghana (Working Paper No. 17207). National Bureau of Economic Research.
- Ibd Financial literacy, information flows, and caste affiliation: Empirical evidence from India. *Journal of Banking & Finance* 36 (12), 3399–3414.
- Lusardi, A., & Mitchell, O. S. (2013). The Economic Importance of Financial Literacy: Theory and Evidence (Working Paper No. 18952). National Bureau of Economic Research.



Chapter 5

*Financial Inclusion Schemes
and Changing Socio Economic
Status of Poorest of The Poor*



Chapter 5

Financial Inclusion schemes and changing Socio Economic Status of Poorest of the Poor

5.1 Introduction

The socio-economic conditions are the very basis of human development. The socio-economic status (SES) of the destitute is very worse in our country. The poorest of the poor are facing challenges in every walk of life like the problems of sanitation, health, poverty, and unemployment. Their social, as well as economic status, is a question mark for all policymakers who are drafting policies in the name of poverty, employment. Standard of living, drinking water facility, electricity, and food security. These people are dying several times a day because of harsh weather conditions (Hot and cool Weather). On the contrary, they are facing problems to take part in institutional services like health services, education, banking services, and so on. The trauma of destitute to live life is documented by the constitution under various articles like the right to life. which has remained in files in the name of policies and schemes only. The performance of public policies is very much worse According to then prime minister of India Rajiv Gandhi Ji, the only 15 paisa is reaching to a downtrodden people from every one rupee. These remarks given by a prime minister describes why poverty still existence's in India? From 1947 till date the life of the poor becoming bitter day by day.

Therefore, the present study will look into the socio-economic conditions of two destitute populations Slum Dwellers and Beggars Lucknow and Kolkata. The main objective of this chapter to explore the changes in socio-economic conditions of poorest of the poor due to recent financial inclusion schemes. which are PMJDY, MUDRA, PMSBY, PMSSBY, and APY. our hypothesis in this context is that there is not any significant change taken place in socio-economic conditions of poorest of the poor after implementation of recent financial inclusion schemes.

This chapter has been divided in to eight sections. 5.2 Living Status of Slums in Lucknow and Kolkata, 5.3 Flow chart of Hypothesis: Banking access and Socio-Economic Status of slums in Lucknow and Kolkata, 5.4 Socio-Economic Status:

Variables of the study, 5.5 Socio-Economic Index, 5.6 Regression Model (I), 5.7 Financial Inclusion and Financial Literacy, 5.8. Regression Model (II) and 5.9. Conclusion.

5.2 Living Status of Slums in Lucknow and Kolkata

Table 5.1 shows access wise type of house among slums in Lucknow and Kolkata. The access pattern of slums is 33.79 percent lives in Hut and no access people are 66.21 percent, the access of Semi Pucca households are 16.64 percent and non-access holders are 83.46 percent. and 22.73 percent in Pucca houses. The access of households living in Pucca houses are 22.73 percent and no access holders are 77.27 percent respectively. So, we find 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.

Table 5.1 Tabulation of PMJDY Account Type of House

PMJDY_ACCOUNT	Type of House			
	Hut	Semi Pucca	Pucca	Total
Yes	49	22	5	76
	64.47	28.95	6.58	100.00
	33.79	16.54	22.73	25.33
No	96	111	17	224
	42.86	49.55	7.59	100.00
	66.21	83.46	77.27	74.67
Total	145	133	22	300
	48.33	44.33	7.33	100.00
	100.00	100.00	100.00	100.00
<i>First row has frequencies; second row has row percentages and third row has column percentages</i>				

Table 5.2 PMJDY access wise availability of drinking water facility among slums from Lucknow and Kolkata 37.14 percent and the non-access holders are 62.86 percent. The access of PMJDY account 21.74 percent have Tap in the House and the non-access 78.26 percent Therefore, those who have access to PMJDY account are better than non-access people.

Table 5.2 Tabulation of PMJDY Account Drinking Water Facility

PMJDY Account	Drinking Water Facility		
	Tap in The House	Common Tap	Total
Yes	26	50	76
	34.21	65.79	100.00
	37.14	21.74	25.33
No	44	180	224
	19.64	80.36	100.00
	62.86	78.26	74.67
Total	70	230	300
	23.33	76.67	100.00
	100.00	100.00	100.00
First row has <i>frequencies</i> ; second row has <i>row percentages</i> and third row has <i>column percentages</i>			

Table 5.3 shows the access of PMJDY Account and utilization of electricity. The access of PMJDY account 16.17 percent have Electricity. The non-access of PMJDY account 83.83 percent have electricity. The access of PMJDY account 36.84 percent are missing access to electricity. The non-access of PMJDY account 63.16 percent doesn't have access to electricity. So, we find very few people have access to PMJDY and electricity which means people are lacking the benefits of financial access.

Table 5.3 Tabulation of PMJDY Account Do You Have Electricity

PMJDY Account	Do You Have Electricity		
	Yes	No	Total
Yes	27	49	76
	35.53	64.47	100.00
	16.17	36.84	25.33
No	140	84	224
	62.50	37.50	100.00
	83.83	63.16	74.67
Total	167	133	300
	55.67	44.33	100.00
	100.00	100.00	100.00
First row has <i>frequencies</i> ; second row has <i>row percentages</i> and third row has <i>column percentages</i>			

Table 5.4 the access of PMJDY account and type of fuel utilization among slums in Lucknow and Kolkata. Access of PMJDY account 15.04 percent are using LPG/Gas for cooking. The non-access of PMJDY account holders but are using LPG/Gas for cooking are 84.96 percent people. Again, the access of PMJDY account 13.64 percent people are using Kerosene for cooking and the non-access users are 86.36 percent. Similarly, the access of PMJDY account 37.06 percent are using firewood. The non-access of PMJDY account are 62.94 percent are using firewood for cooking. So, most of the slums are lacking the benefits of LPG subsidy which is provided only who have bank access.

Table 5.4 Tabulation of PMJDY Account Type of Fuel

PMJDY Account	Type of Fuel			
	LPG/Gas	Kerosene	Firewood	Total
Yes	17	6	53	76
	22.37	7.89	69.74	100.00
	15.04	13.64	37.06	25.33
No	96	38	90	224
	42.86	16.96	40.18	100.00
	84.96	86.36	62.94	74.67
Total	113	44	143	300
	37.67	14.67	47.67	100.00
	100.00	100.00	100.00	100.00

First row has *frequencies*; second row has *row percentages* and third row has *column percentages*

Table 5.5 PMJDY account and type of Sanitation used by slums in Lucknow and Kolkata. The Banking access of 18.03 percent have privately owned toilet facility and the non-access users are 81.97 percent but has toilet available in their home. PMJDY access of 23.81 percent are using common shared toilet with others and 76.19 percent people are without access are also sharing commonly shared toilets. The access of 45.10 percent people is going for Open Fields and the non-access holders from the same category are 54.90 percent. The access of 1.32 percent is from others category. Therefore, most people are lacking financial access as well as access to home-based toilets.

Table 5.5 Tabulation of PMJDY Account Type of Toilet Facility (sanitation)

PMJDY Account	Type of Toilet Facility				
	Private (In Your Own House)	Common (Shared by Others)	Open Fields	Others	Total
Yes	22	30	23	1	76
	28.95	39.47	30.26	1.32	100.00
	18.03	23.81	45.10	100.00	25.33
No	100	96	28	0	224
	44.64	42.86	12.50	0.00	100.00
	81.97	76.19	54.90	0.00	74.67
Total	122	126	51	1	300
	40.67	42.00	17.00	0.33	100.00
	100.00	100.00	100.00	100.00	100.00

First row has *frequencies*; second row has *row percentages* and third row has *column percentages*

Table 5.6 shows PMJDY Account access and person with disabilities, the access of 19.05 percent is disable and the non-access of 80.95 percent are disable. The persons with access 26.36 percent are disable and 73.64 percent people who have neither access and are not disable. So, in conclusion the disable people are also lacking to get disable pension benefits because of no access, which non-access is affecting them.

Table 5.6 Tabulation of PMJDY ACCOUNT Persons with Disability

PMJDY ACCOUNT	Persons with Disability		
	Yes	No	Total
Yes	8	68	76
	10.53	89.47	100.00
	19.05	26.36	25.33
No	34	190	224
	15.18	84.82	100.00
	80.95	73.64	74.67
Total	42	258	300
	14.00	86.00	100.00
	100.00	100.00	100.00

First row has *frequencies*; second row has *row percentages* and third row has *column percentages*

Table 5.7 shows banking access and economic status of the respondents from Slums is as follows from BPL 28.84 percent have access, and the non-access holders are 71.16 percent. The access of PMJDY account among APL families is 13.75 percent and the non-access holders are 86.25 percent. Access of RED CARD holders are 33.33 percent and non-access ones are 66.67 percent respectively. Similarly, the access of PMJDY account from no ration card holders is 100 percent. If we look the direct benefits given to people are through bank account which is missing almost more than 80 percent people among slums. So, in case of slums very less people have access but the non-access is also visible by the reason of low economic status. The most non-access people belong to BPL and RED CARD categories.

Table 5.7 Tabulation of PMJDY Account Economic Status

PMJDY_ACCOUNT	Economic Status				
	BPL	APL	RED CARD	NO RATION CARD	Total
Yes	62	11	1	2	76
	81.58	14.47	1.32	2.63	100.00
	28.84	13.75	33.33	100.00	25.33
No	153	69	2	0	224
	68.30	30.80	0.89	0.00	100.00
	71.16	86.25	66.67	0.00	74.67
Total	215	80	3	2	300
	71.67	26.67	1.00	0.67	100.00
	100.00	100.00	100.00	100.00	100.00
First row has <i>frequencies</i> ; second row has <i>row percentages</i> and third row has <i>column percentages</i>					

Table 5.8 PMJDY Account access and Assets of the Household are, as follows 1.32 percent who have a car has access too, similarly scooter 7.89 percent, cycles 25 percent and people who don't have any assets have 65.79 percent banking access via PMJDY account. Therefore, in case of assets we again find people with low quality of assets are among largely found among non-access holders.

Table 5.8 Tabulation of PMJDY Account Assets of the Household

PMJDY Account	Assets of the Household				
	Car	Scooter	Cycles	None of The Above	Total
Yes	1	6	19	50	76
	1.32	7.89	25.00	65.79	100.00
	100.00	37.50	22.09	25.38	25.33
No	0	10	67	147	224
	0.00	4.46	29.91	65.63	100.00
	0.00	62.50	77.91	74.62	74.67
Total	1	16	86	197	300
	0.33	5.33	28.67	65.67	100.00
	100.00	100.00	100.00	100.00	100.00

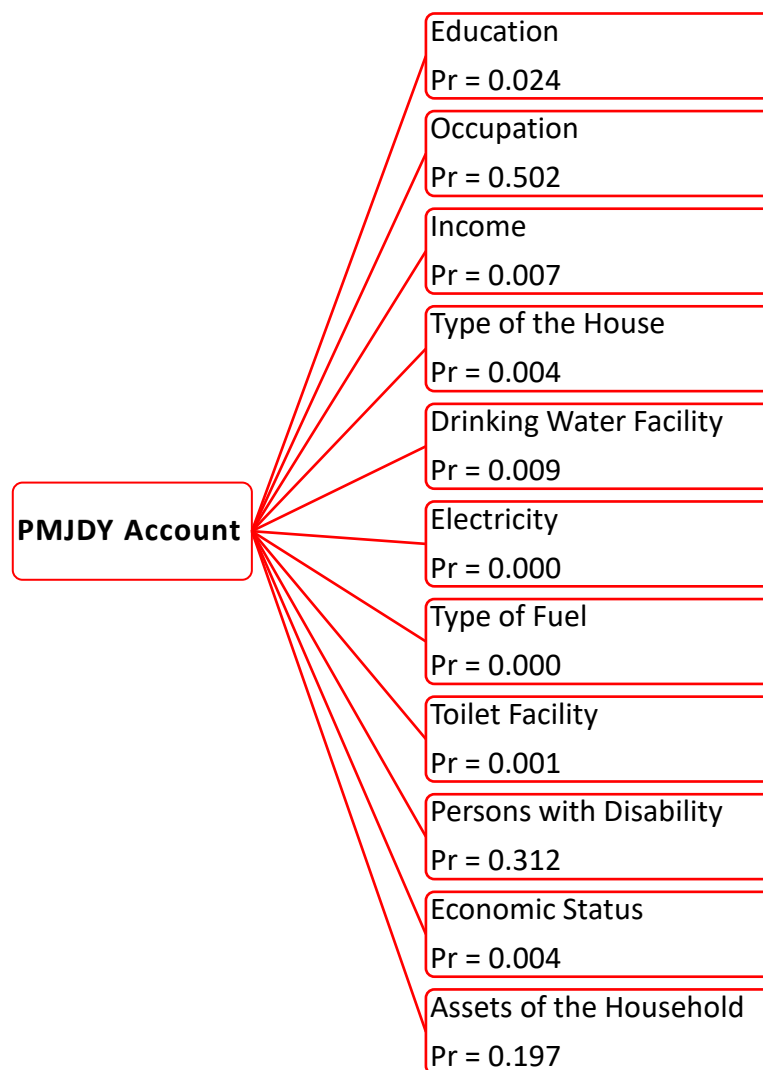
First row has frequencies; second row has row percentages and third row has column percentages

5.3 Flow chart of Hypothesis: Banking access and socio-economic status of slums in Lucknow and Kolkata

General Hypothesis:

There is not any significant change taken place in socio economic conditions of poorest of the poor after implementation of recent financial inclusion schemes.

Figure 5.1 Flow chart of Hypothesis



H1: Bank account plays a significant role on Education

H0: Bank account is not playing significant role on education

Table 5.9 shows PMJDY and education are associated with each other which means having a bank account has more chance to have better education. Therefore, the (P value =0.024), which is less than 0.05 percent level of significance. So, we reject the null hypothesis and accept the alternative hypothesis that Bank account is not playing significant role on education in case of slums in Lucknow and Kolkata.

Table 5.9 Tabulation of PMJDY Account Education of The Respondent

PMJDY Account	Education of The Respondent							Total
	Illiterate	Primary Up V	Upper Primary (Vi-Viii)	Secondary (Ix To X)	Senior	Diploma	Graduate and Above	
Yes	43	11	8	9	2	1	2	76
	2.3	1.3	1.4	3.6	0.4	0.1	1.9	10.9
No	92	50	40	10	10	4	18	224
	0.8	0.4	0.5	1.2	0.1	0.0	0.6	3.7
Total	135	61	48	19	12	5	20	300
	3.0	1.7	1.9	4.9	0.5	0.1	2.5	14.6

Pearson $\chi^2(6) = 14.5721$ Pr = 0.024 Table value/Critical Value 12.59

H1: Bank account plays a significant role on Occupation.

H0: Bank account has no role on Occupation.

Table 5.10 shows chi square results of PMJDY and occupation. Therefore, the P value is (0.502), which is greater than 0.05 percent level of significance therefore we accept null hypothesis that Bank account plays a significant role on Occupation in case of slums in both Lucknow and Kolkata.

Table 5.10 Tabulation of PMJDY Account Occupation of The Respondent

PMJDY Account	Occupation of The Respondent							Total
	Self Employed (Agriculture)	Agricultural Labourer	Self Employed (Non-Agriculture)	Casual Labourer	Salaried Private	Housewife/Homemaker	Others	
Yes	0	1	5	64	5	1	0	76
	0.5	0.1	1.5	0.3	0.6	0.5	0.5	4.0
No	2	2	29	173	9	7	2	224
	0.2	0.0	0.5	0.1	0.2	0.2	0.2	1.4
Total	2	3	34	237	14	8	2	300
	0.7	0.1	20.	0.3	0.8	0.7	0.7	503

Pearson $\chi^2(6) = 5.3327$ Pr = 0.502 Table Value/ Critical Value 12.59

H1: Banking Access Plays a significant role in Income

H0: Bank account has no role in income

Table 5.11 shows the association of PMJDY Account and Income of the respondent among slums in Lucknow and Kolkata. The P value is 0.007 which less than 0.05 percent level of significance. Therefore, we reject the Null hypothesis and accept the alternative hypothesis which shows bank account has no role in income among slums.

Table 5.11 Tabulation of PMJDY Account Income of The Respondent

PMJDY Account	Income of The Respondent					Total
	10000-20000	21000-40000	41000-60000	61000-100000	100001 above	
Yes	3 1.3	0 1.5	8 4.5	25 1.0	40 2.2	76 10.4
No	19 0.4	6 0.5	58 1.5	56 0.3	85 0.7	224 3.5
Total	22 1.6	6 2.0	66 6.1	81 1.3	125 2.9	300 14.0

Pearson Chi²(4) = 13.9647 Pr = 0.007 Table Value / Critical Value 9.48

H1: Bank account plays a significant impact on Type of House

H0: Bank account gas insignificant impact on Type of House

Table 5.12 shows the banking access and type of house among slums in Lucknow and Kolkata. The P value is 0.004 which is less than 0.05 percent level of significance, therefore we reject the null hypothesis and accepts alternative hypothesis that Bank account gas insignificant impact on Type of House.

Table 5.12 Tabulation of PMJDY Account Type of the House

PMJDY Account	Type of the House			
	Hut	Semi Pucca	Pucca	Total
Yes	49 4.1	22 4.1	5 0.1	76 8.2
No	96 1.4	111 1.4	17 0.0	224 2.8
Total	145 5.5	133 5.4	22 0.1	300 11.0

Pearson Chi²(2) = 11.0002 Pr = 0.004 Table Value/ Critical Value 5.99

H1: Banking access and Availability of drinking water facilities are associated with each other.

H0: Banking access and Availability Drinking water facility are indifferent to each other

Table 5.13 shows the Banking access and drinking water facility among slums in Lucknow and Kolkata. The P value is 0.009 which is less than 0.05 percent level of significance therefore, we reject the null hypothesis and accept the alternative hypothesis that Banking access and Availability Drinking water facility are indifferent to each other.

Table 5.13 Tabulation of PMJDY Account Drinking Water Facility

PMJDY Account	Drinking Water Facility		
	Tap in the House	Common Tap	Total
Yes	26	50	76
	3.9	1.2	5.0
No	44	180	224
	1.3	0.4	10.7
Total	70	230	300
	5.2	1.6	6.7

Pearson Chi2(1) = 6.7319 Pr = 0.009 Table Value/ Critical Value 3.84

H1: Banking access and Availability Electricity facilities are associated with each other.

H0: Banking access and Availability of Electricity facility are indifferent to each other

Table 5.14 shows Banking access and availability of Electricity facility. The P value is 0.000 which is less than 0.05 percent level of significance. Therefore, we reject the Null hypothesis and accepts the alternative hypothesis that Banking access and Availability of Electricity facility are indifferent to each other

Table 5.14 Tabulation of PMJDY Account Do You Have Electricity

PMJDY Account	Do You Have Electricity		
	Yes	No	Total
Yes	27 5.5	49 7.0	76 12.5
No	140 1.9	84 2.4	224 4.2
Total	167 7.4	133 9.3	300 16.7

Pearson Chi2(1) = 16.7300 Pr = 0.000 Table Value/ Critical Value 3.84

H1: Banking access and Type of Fuel are associated with each other.

H0: Banking access and Type of Fuel are indifferent each other

Table 5.15 shows Banking access and type of fuel utilization. The P value is 0.000 which is less than 0.05 percent level of significance. Therefore, we reject the Null hypothesis and accepts the alternative that Banking access and Type of Fuel are indifferent each other

Table 5.15 Tabulation of PMJDY Account Type of Fuel

PMJDY Account	Type of Fuel			
	LPG/Gas	Kerosene	Firewood	Total
Yes	17 4.7	6 2.4	53 7.8	76 14.9
No	96 1.6	38 0.8	90 2.6	224 5.0
Total	113 6.3	44 3.2	143 10.4	300 19.9

Pearson Chi2(2) = 19.9081 Pr = 0.000 Table Value/ Critical Value 5.99

H1: Banking access and Type of Toilet Facility are associated with each other

H0: Banking access and Type of Toilet Facility are indifferent to each other

Table 5.16 shows Banking access and type of Toilet Facility the P value is 0.001 which is less than 0.05 percent level of significance. Therefore, we reject the Null

hypothesis and accepts the alternative Hypothesis that Banking access and Type of Toilet Facility are indifferent to each other

Table 5.16 Tabulation of PMJDY Account Type of Toilet Facility

PMJDY Account	Type of Toilet Facility				
	Private (in your own house)	Common (shared by others)	Open fields	Others	Total
Yes	22	30	23	1	76
	2.6	0.1	7.9	2.2	12.7
No	100	96	28	0	224
	0.9	0.0	2.7	0.7	4.3
Total	122	126	51	1	300
	3.4	0.2	10.5	2.9	17.1

Pearson Chi2(3) = 17.0721 Pr = 0.001 Table Value/ Critical Value 7.81

H1: Banking access and Persons with Disability are associated with each other.

H0: Banking access and Persons with Disability are indifferent to each other

Table 5.17 shows Banking access and Persons with Disability. The P value is 0.312 which is greater than 0.05 percent level of significance. Therefore, we accept the Null hypothesis and accepts, that Banking access and Persons with Disability are associated with each other.

Table 5.17 Tabulation of PMJDY Account Persons with Disability

PMJDY Account	Persons with Disability		
	Yes	No	Total
Yes	8	68	76
	0.7	0.1	0.8
No	34	190	224
	0.2	0.0	0.3
Total	42	258	300
	0.9	0.1	1.0

Pearson chi2(1) = 1.0201 Pr = 0.312 table value/ Critical Value 3.84

H1: Banking access and Economic Status are associated with each other.

H0: Banking access and Economic Status are indifferent each other

Table 5.18 shows Banking access and Economic Status. The P value is 0.004 which is less than 0.05 percent level of significance therefore, we reject the null hypothesis and accept alternative the hypothesis that Banking access and Economic Status are indifferent each other

Table 5.18 Tabulation of PMJDY Account Economic Status

PMJDY Account	Economic Status				
	BPL	APL	RED CARD	NO RATION CARD	Total
Yes	62	11	1	2	76
	1.0	4.2	0.1	4.4	9.8
No	153	69	2	0	224
	0.4	1.4	0.0	1.5	3.3
Total	215	80	3	2	300
	1.4	5.7	0.1	5.9	13.1

Pearson Chi2(3) = 13.0663 Pr = 0.004 Table Value/ Critical Value 7.81

H1: Banking access and Assets of the House Hold are associated with each other.

H0: Banking access and Assets of the Household is indifferent each other

Table 5.19 shows Banking access and Assets of the House Hold. The P value is 0.197 which is greater than 0.05 percent level of significance therefore, we accept the null hypothesis and that Banking access and Assets of the House Hold are associated with each other.

Table 5.19 Tabulation of PMJDY Account Assets of the House Hold

PMJDY Account	Assets of the House Hold				
	car	Scooter	cycles	None of the above	Total
Yes	1	6	19	50	76
	2.2	0.9	0.4	0.0	3.5
No	0	10	67	147	224
	0.7	0.3	0.1	0.0	1.2
Total	1	16	86	197	300
	2.9	1.3	0.5	0.0	4.7

Pearson Chi2(3) = 4.6771 Pr = 0.197 Table Value/ Critical Value 7.81

Table 5.20 Socio Economic Status Variables of the study

S.no	Category	Name of variables
1	Social & Economic	1. Education, 2. Income,
2	Physical Working Conditions	3. Frequency of Work/regularly/irregular 4. Number of Working Days, 5. Number of Working Hours
3	Housing Conditions	6. Type of House, 7. Drinking Water Facility, 8. Electricity Facility, 9. Sanitation, 10. Type of Fuel Used for Cooking
4	Health	11. Persons with Disabilities
5	Wealth	12. Assets in The House Hold

5.4 Socio Economic Index

The Socio-economic variables (Table A appendix) has a detailed description. We have calculated the Socio-economic index by calculating the Maximum and Minimum values^[1]. The total number of variables is 13 and the values range from 1 to 7. Value 1 “represents the lowest rank or worst condition and the Upper value represents the better position” every variable has its own range lowest means worst and highest means better. Therefore, we represent all variables by Where

$$SES = (x_1^n, x_2^n, \dots, x_{300}^n) \dots \dots \dots (5)$$

$$SES(x_1^n, x_2^n, \dots, x_{300}^n) = \frac{\text{Actual Value} - \text{Minimum Value}}{\text{Maximum Value} - \text{Minimum Value}} \dots \dots \dots (5)$$

Where SES=socio economic status.

Actual Value of Variable= $x_1^n \dots x_{300}^n$

Minimum Value Variable= $x_1^n \dots x_{300}^n$

Maximum Value Variable= $x_1^n \dots x_{300}^n$

Finally, we have calculated the “Socio Economic Index”, by taking average of all calculated “Socio economic Status” SES variables. Which is as follows

$$\bar{A} = \sum_{i=1}^{13} \frac{x_1 + x_2 + \dots + x_{13}}{N} \dots \dots \dots (5)$$

where

‘ \bar{A} ’ refers to Average,

“ \sum ” refers to summation of $x_1+x_2\dots x_{13}$ and

“ N ” Number of Total Variables

5.5 Regression Model (I)

Mathematical Equation

$$SEI = F(\text{Banking Access}) \dots \dots \dots 5.1$$

Where,

SEI refers to socio economic index, and *Banking Access* refers to {PMJDY Account =1 Having a Bank Account, 2=Not having PMJDY Account}.

Regression Equation

$$Y_i = \beta_0 + \beta_1 X + e_i \dots \dots \dots 5.2$$

Where

Y_i = SEI (Socio Economic Index),

β_0 = Intercept,

β_1 = Banking Access refers {1 Having a Bank Account, 2=Not having PMJDY Account}.

From the below regression table, the description of model are 300 observations of slums, only 25.33%, people have PMJDY bank account and 74.67% don't have a PMJDY account. The output results of the regression model show that there are 0.555 units of improvement in the socio-economic index due to Banking access of a

household. While opening a PMJDY Account in every household there will be chances of 0.0612 units of change in their socio-economic index. Therefore, we conclude that banking access has a significantly positive impact on the socio-economic index of the slums in Lucknow and Kolkata. Now the question arises how come a bank account can decide the betterment of socio-economic conditions? The reason for having better socio-economic status may be people who have a bank account are earning handsome income, having a good occupation, good education, etc.

Table 5.21 Regression Model

VARIABLES	(1) SEI
PMJDY Account [Having PMJDY Account]	0.0612*** (0.0173)
Constant	0.555*** (0.00871)
Observations	300
R-squared	0.040

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

5.6 Financial Inclusion and Financial Literacy

The Ph.D. field survey presents the financial inclusion status of slums dwellers and Beggars in Lucknow and Kolkata. Which captures 300 respondents of slums and 100 respondents of beggars. The recent initiatives of Government for the promotion of Financial Inclusion are such as Jan-Dhan, PM Suraksha and Jeevan Jyoti Bima Yojana, and Atal Pension Yojana, etc. The survey covers two urban cities of Lucknow and Kolkata. The respondents have been asked a total of 155 questions that explore financial inclusion, financial literacy and demographic attributes of the houses holds.

5.6.1 Financial Attitude Index

In order to capture the financial attitude of respondents, the survey questionnaire asks three questions inviting Likert responses. The detailed wording and responses of

questions are in Table A1 of the Appendix. The attitude questions are framed as positive statements defining the financial attitude of respondents. As a result, a respondent can choose an integer score between 1 to 5 that depicts his agreement with the statement of the questions. Therefore, the average of responses in three questions shows the extent of conformity with a strong financial attitude.

5.6.2 Index Construction Methodology

We have followed Banerjee et al. (2016) and Banerjee et al. (2017) for the index construction methodology for financial attitude, behaviour, and knowledge.

In order to capture the financial attitude of respondents, the survey questionnaire asks three questions inviting Likert responses. The detailed wording and responses of questions are in Table A1 of the Appendix. The attitude questions are framed as positive statements defining the financial attitude of respondents. As a result, a respondent can choose an integer score between 1 to 5 that depicts his agreement with the statement of the questions. Therefore, the average of responses in three questions shows the extent of conformity with a strong financial attitude.

$$G = (a_1^n, a_2^n, a_3^n) = \frac{1}{1 + \sum_{i=1}^3 \exp(\widehat{x}a_i^n)} = 1, 2, \dots, N. \quad (1)$$

Furthermore, $\widehat{x}a_i^n$ is the probability inverse of a^i in marginal distribution G^i . Employing the fact that marginal distribution of a logistic distribution is also a logistic distribution, therefore $\widehat{x}a_i^n$ in equation 1 is the logistic inverse of empirical probability

$$\widehat{x}a_i^n = G_i^{-1} \left(\frac{1}{N} \sum_{K=1}^N 1 = x_i^{-k} \leq a_i^{-n} \right) \text{ Where, } x_i^{-k} \in (1, 2, \dots, 5) \forall i = 1, 2, \dots, N.$$

where, G^i follows a univariate standard logistic distribution.

5.7.3 Financial behaviour indexing order to capture the financial behaviour of respondents, the survey questions the respondents on eleven behavioural aspects. The detailed wording of the questions and responses can be seen in Table A2 of the

Appendix. The survey questions on behaviour can be divided into four categories on the nature of responses to the questions. We construct the index for each category and report their mean as financial behaviour index. We describe the categorization of questions and the nature of their responses below: 1. Category (I): In category (I), we cover questions 1 to 4 from Table A2. In these four questions, the survey tests the budget discipline and financial planning for household expenses. In each of these questions, the respondent has the option to choose one right option from multiple responses. It is worth to mention that only one response out of multiple responses adhere to sound financial behaviour therefore the respondent gets a positive score only if he chooses the right option.

Category (II): The sixth question in Table A2 captures the household behavior of seeking advice. The question lists 9 major advice source and ask the respondent to choose the top three sources of financial advice for their financial decision making.² Category (III): The seventh question in Table A2 report the financial investment behavior of respondents. The question offers 10 financial investment products and ask the respondents if they have invested in the listed products?³ Category (IV): In category (IV), we cover questions 8 to 11 of Table A2. In this category, the survey invites Likert responses to positively framed behavioral statements. So, the extent of agreement with positively framed statements shows the extent of prudence in financial behavior. Further, we consider each category of behavioral question at a time and construct the index for each of these categories. The index construction within these categories require the transformation of responses of each question to a score. The score of each question further gets consolidated into the index. In the following section, we detail the methodology for constructing the index for each category.^{5.7.4} Index construction: Category (I) The questions 1 to 4 in Table A2 form Category(I) questions of the behavioral questionnaire. Each of these questions has a different number of responses that we consolidate into to dichotomous response for index construction. We present the method to convert these multiple responses into the dichotomous response for each of these five questions. Further, we denote the dichotomous response as b_n for the question i and respondent n . 1. 1 Maintains a household budget (b_{1n} : This question 1 in Table A2 asks the respondent if he maintains a household budget? Further, the

response options for this question is “yes” or “no”. Therefore, the respondent who maintains a household budget shows conformity with prudent financial behavior and gets a positive score. In other words, if a respondent answers this question in “yes” gets a score of 1 and 0 otherwise.2. Budget ownership: This question2 in Table A2 check the participation of respondents in the money management of the family. The involvement of a respondent in budget planning shows adherence to strong financial behavior. Therefore, the respondent who is completely or partially responsible for the financial budget of the household gets a score of 1 and 0 otherwise.3. Financial resilience Question 3 in TableA2 evaluates the resilience to the short-term liquidity problem. The respondents who have not faced a liquidity crisis in the last 12 months shows a healthy spending habits and planning. Hence, they get a score of 1for answering “No” and 0 otherwise. 4. Borrowing to make ends meet (): The question 4 in Table A2 asks respondents to choose a source of finance out of eight options to mitigate their short-term credit problem. Therefore, the respondent who has not faced any credit crisis or those who worked to mitigate the crisis gets a score 1 while the rest of the respondents get 0. Adopting the above methodology, we transform the responses of the first four questions of the financial behavior survey into dichotomous responses. The financial behavior index for a respondent n in this category.

$$H(b_1^n, b_2^n, \dots, b_4^n) = -\frac{1}{4} \sum_{q=1}^4 b_q^n \log(\widehat{pq}), \text{ where, } b_q^n \in (0,1), \forall n \in N \quad (2)$$

where, (\widehat{pq}) , is the sample probability of getting question q right

$$(\widehat{pq}) = \frac{1}{N} \sum_{q=1}^N b_q^n$$

Finally, we normalize the score $H(b_1^n, b_2^n, \dots, b_4^n)$ calculated in equation 2 to derive Financial behaviour index H_{norm} , for this category.

$$H_{norm}(b_1^n, b_2^n, \dots, b_4^n) = \frac{H - \min(H)}{\max(H) - \min(H)} \dots \dots \dots (3)$$

5.6.3 Financial Knowledge Index

In order to capture the financial knowledge of respondents, the survey questionnaire asks eight questions addressing numeracy and basic financial understanding of respondents. The detailed wording of the question and responses can be found in Table A3 in Appendix. The financial knowledge questions have multiple responses with only one correct response in each of the eight questions. We again convert the answer of respondents into a binary response. For each of the right response, the respondent gets score 1 and 0 otherwise.

Applying the same methodology as in Financial Behaviour the Financial knowledge score of the respondent n with response set $(g_1^n, g_2^n, g_3^n, \dots, g_6^n)$ is

$$H(g_1^n, g_2^n, \dots, g_6^n) = -\frac{1}{6} \sum_{q=1}^6 g_q^n \log(\widehat{p}_q), \text{ where, } g_q^n \in (0,1), \forall n \in N \quad (4)$$

Finally, we normalize the score $H(b_1^n, b_2^n, \dots, b_6^n)$ in equation (4) to derive the financial Knowledge index H_{norm} .

$$H_{norm}(g_1^n, g_2^n, \dots, g_6^n) = \frac{H - \min(H)}{\max(H) - \min(H)} \dots \dots \dots (5)$$

5.7.6 Consolidated financial literacy index

The financial literacy index is overall performance of respondents on three facets of literacy attributes namely attitude, behaviour and knowledge. Employing the financial attitude, behaviour and knowledge index from equation 1, 3 and 5, the financial literacy index for a respondent n with response

(a^n, b^n, g^n) is

$$FL = (a^n, b^n, g^n) = \frac{1}{3} (G(a^n) + H_{norm}(b^n) + H_{norm}(g^n)) \dots \dots \dots (6)$$

5.7 Regression Model (II)**Mathematical Equation**

$$SEI = F(FI) \dots \dots \dots (7)$$

Where

SEI refers to Socio Economic Index

FI refers to Financial Inclusion Index

Regression Equation

$$Y_i = \beta_0 + \beta_1 X_i + e_i \dots \dots \dots (8)$$

Where

Y_i = Socio Economic Index,

β_0 = Intercept

$\beta_1 X_i$ = FI (Financial Inclusion Index)

The output results of our regression model are showing that (intercept) financial inclusion in Aggregate terms is highly significant to enhance the socio-economic Index of slums. But the value of ($\beta_1 X_i$) is insignificant and negative, which means the opening of each new account under PMJDY Account there would be negative = - 0.0317 percent chance of SEI. The logical reason behind this incredible result is that opening a bank account alone can't be considered Financial Inclusion. Financial inclusion in the name of a bunch of collective Banking services which are Financial Literacy, savings, credit, Insurance, and offline and online services like use of ATM (Credit, Debit) cards, etc. therefore opening a Bank account alone can't help people to get any benefit unless and until they access other banking services which can make their life easy and get a chance to develop their standard of living by utilizing their limited income, wealth, and assets in a secured and sustainable way.

Variable	(1) SEI
FI	-0.0317 (0.0749)
Constant	0.592*** (0.0520)
Observations	300
R-squared	0.001

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

5.8 Findings of the chapter

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.

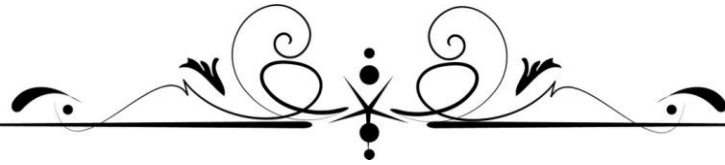
While opening a PMJDY Account in every household there will be chances of 0.0612 units of change in their socio-economic index. Further, we constructed an index on socio-economic conditions of slums namely socio-economic index to check the impact of recent financial inclusion schemes on SES of slums, 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 in the form of bank account is not a complete tool to impact on the socio-economic status of people.

5.9 Conclusion

In this chapter, we look at the Living 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.

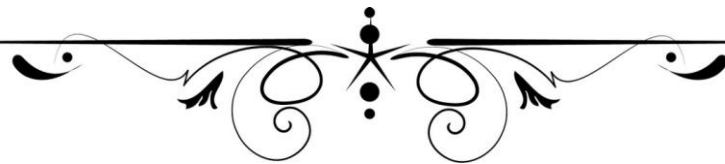
5.10 References

- Atkinson, A. (2016). Guide to creating financial literacy scores and financial inclusion indicators using data from the OECD/INFE 2015 financial literacy survey. *OECD Publishing, Paris*, OECD Working Papers on Finance, Insurance and Private Pensions.
- Banerjee, A., Kumar, K., and Philip, D. (2016). Financial Literacy Empowers Financial Inclusion. Working paper, Durham University Business School.
- Banerjee, A., Kumar, K., and Philip, D. (2017). Financial prudence: A tale of fragility alleviation. Working paper, Durham University Business School.



Chapter 6

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



Chapter 6

Impact of Recent Financial Inclusion Schemes on Economic and Financial Behavior of Poorest of the Poor

6.1 Introduction

How recent financial inclusion schemes have affected to economic and financial behaviour of Slums and beggars in Lucknow and Kolkata? Previous studies have shown increasing income and consumption are the bases of financial Inclusion. But financial inclusion can affect household in many ways but researchers have explored range of social and economic factors beyond income and consumption expenditure which includes schooling, Nutrition, Fertility, Assets holding, risks, employment and social awareness, (Sebstad and Chen,1996). Financial Inclusion means having access to all Financial products and services which meets all related needs of Banking like Savings, Credit, Insurance to be deliver in a responsible and sustainable way, (World Bank, 2017). In India Financial intermediaries have played a leading role in influencing its economic performance, (Carbo, Gardener and Molyneux, 2005). This chapter analyses How recent Financial inclusion schemes have affected the economic and financial needs of ultra-urban poor in Lucknow and Kolkata? Secondly, what is the impact of recent financial inclusion schemes on economic and financial behaviour?

Therefore, this chapter has been designed as follows, 6.1. Introduction which gives brief introduction about factors of financial inclusion explained by various agencies and how financial inclusion is accepted one of the primary indicators which have shown positive and significant relationship with growth and development of the people. Moreover, section 6.2 analyses the associations among Financial Access and Income Pattern of Slum Dwellers in which we have analysed Income of the slums, type of remuneration, Number of working Days and Number of working hours to check the financial access and its relation with all such variables. Similarly, section 6.3 analyses the association of Financial Access and expenditure pattern of slums. Again, 6.4 Income Expenditure Mismatch Among Slums Dwellers and Beggars with

respect to their access and non-access of financial institutions. In section 6.5 we have analysed the impacts of Financial Access on Financial Behaviour of Slum Dwellers

Finally, we have constructed a model in section 6.6, Multivariate analysis of Variance (MANOVA), which consider the variables financial access as independent variable, and three dependent variables which are financial behaviour, annual expenditure and annual income as dependent variable. The financial access variable is a compiled variable constructed from group of variables as a proxy variable to understand the patter of financial access among slums. The financial access variable was constructed from various financial variables, the criteria of access and non-access has been selected as, if a person have access of any one financial product is considered as access and if a person have access to none of the financial products is considered among non-access. The annual expenditure is also a complied variable from a group of basic expenditures on daily routine things in a year. The financial behaviour variable is actually an index used in chapter five. Finally, section 6.7 presents the findings and conclusion of the chapter.

6.2 Financial Access and Income Pattern of Slum Dwellers

Table 6.1 shows financial Access and Income of the respondents. Financial access shows the income group from (10000 to 20000) thousand rupees 59.09 percent are without access and 40.91 percent have access. Again, the financial access shows the income range of (20001-40000) thousand Rupees 16.67 percent have access and 83.33 percent are without access, moreover the financial access for the income group of (40001 -60000) thousand rupees, 22 percent have access while 81.82 percent does not have any access. Similarly, financial access for the income group from (60001 - 100000) thousand Rupees ,43.21 percent have access and 56.79 are lacking access. The Financial access of the income group of (100001 – Above) 40.80 percent are having access and 59.20 percent don't have any access. In aggregate terms the access level of the respondents from the sample of 300 respondent's the financial access shows a significant impact on income which means more the access better are the chances to have high income. It has been found that those who have financial access, 36 percent are having Financial access belongs to higher income groups, but 64 percent respondents are lacking the financial access maximum of them have better

annual income. Financial access is considered one of the responsible factors which determines income of the People, (Olaniyi, E., Adeoye, B. 2016). Moreover, it is also believed as financial access increases income, and there is a positive and significant impact on the increase of income, (Beck, T., de la Torre, A. 2006), (Chithra, N., Selvam, M. 2013).

Table 6.1 Tabulation of Financial Access and Annual Income of The Respondent

Financial Access	10000-20000	20001-40000	40001-60000	60001-100000	100001 Above	Total
0	13 6.77 59.09	5 2.60 83.33	54 28.13 81.82	46 23.96 56.79	74 38.54 59.20	192 100.00 64.00
1	9 8.33 40.91	1 0.93 16.67	12 11.11 18.18	35 32.41 43.21	51 47.22 40.80	108 100.00 36.00
Total	22 7.33 100.00	6 2.00 100.00	66 22.00 100.00	81 27.00 100.00	125 41.67 100.00	300 100.00 100.00
Chi Square Test	Pearson chi2(4) = 13.3757 Pr = 0.010					

First row has frequencies; second row has row percentages and third row has column percentages.

Source: Estimated from Field Data. **Note:** Figure in Parenthesis are Percentage of total

H0: There exists a positive relation between Financial Access and Income

H1: There is not Existing any relationship between Financial access and income of Slum Dwellers

The P value is (0.010) which is less than 0.05 percent level of significance. Therefore, we reject null hypothesis and accept alternative hypothesis, there is not existing any relationship between financial access and income of Slum Dwellers.

Table 6.2 Shows Financial Access and Nature of Remuneration among Slums. In group of daily remuneration, 56 percent people are without access and 44 percent have the access. Financial access and Weekly Remuneration 5.26 percent are having access and 94.74 percent are without access. Financial Access and Irregular Remunerations 37 percent have access and 62.91 percent didn't have access.

Similarly, the Financial access and other types of Remunerations showed 100 percent financial access etc. Therefore, the common understanding about types of remuneration, it is believed that the best type of remuneration is Monthly income followed by Weekly and Daily Incomes etc. because it shows the consistency of work and nature of payments are related each other. Continuous availability of work offers Monthly payments and short duration of work demands weekly and daily payments. If we look at financial access it shows 64 percent population have no access and only 36 percent people have financial access. Now question arises what is the overall status of these 36 percent who have access. Most of them lie under daily earners 44 percent and 50 percent among monthly earners. Which means that the financial access holders are better than non-financial access holders if we comparison them on frequency bases, but in general we can conclude that financial access is not showing any significant improved in the income of slum dwellers.

Table 6.2 Tabulation of Financial Access and Nature of Remuneration Among Slums

Financial Access	Frequency of the Income of the respondent					
	Daily	Weekly	Monthly	Irregular	Others	Total
0	56	36	5	95	0	192
	29.17	18.75	2.60	49.48	0.00	100.00
	56.00	94.74	50.00	62.91	0.00	64.00
1	44	2	5	56	1	108
	40.74	1.85	4.63	51.85	0.93	100.00
	44.00	5.26	50.00	37.09	100.00	36.00
Total	100	38	10	151	1	300
	33.33	12.67	3.33	50.33	0.33	100.00
	100.00	100.00	100.00	100.00	100.00	100.00
Chi Square Test	Pearson chi2(4) = 21.0654 Pr = 0.000					

First row has frequencies; second row has row percentages and third row has column percentages

Source: Estimated from field data.

Note: figure in parenthesis are percentage of total

H0: There exists a positive Relationship between Financial Access and Type of Remuneration

H1: Financial Access and Type of Remuneration are Indifferent

The p value is 0.000 which is less than 0.05 percent level of significance. Therefore, we reject null Hypothesis and accept alternative Hypothesis and declares that Financial Access and Type of Remuneration are Indifferent.

Tale 6.3 Shows Financial Access and Number of Working Days per Month among Slums. looking financial access and non-access, working Days have been divided in to three parts,

Financial access and working days per month from (1-10) days 6.25 percent have access and 93.75 are without access. The financial access status of second category from (11-20 days) per month shows 14.06 percent have access and 85.94 percent have no access. Similarly, the Financial access of third category from (21-30 days) in which 44.55 percent have access and 55.45 percent don't have access. So, financial access reflects that better financial access people are attending a greater number of working days in compare to non-access holders.

Table 6.3 Tabulation of Financial Access and Number of Working Days per Month

Financial Access	Number of working Days per Month			
	1-10	11-20	21-30	Total
0	15	55	122	192
	7.81	28.65	63.54	100.00
	93.75	85.94	55.45	64.00
1	1	9	98	108
	0.93	8.33	90.74	100.00
	6.25	14.06	44.55	36.00
Total	16	64	220	300
	5.33	21.33	73.33	100.00
	100.00	100.00	100.00	100.00
Chi Square Test	Pearson chi2(2) = 26.4873 Pr = 0.000 Table value 9.21			

First row has frequencies; second row has row percentages and third row has column percentages

Source: Estimated from field data.

Note: figure in parenthesis are percentage of total

HO: Financial Access is playing significant role on Working days.

H1: Financial Access and Number of working days is indifferent

The p value 0.00 which is less than 0.05 percent level of significance, therefore, we reject null hypothesis and accept alternative hypothesis that Financial Access and Number of working days is indifferent.

Table 6.4 Shows Financial Access and Number of Working Hours per Day attended by the respondents. From the sample of 300 respondents, the Financial access of attending working Hours (1-5) per day 16.61 percent have access and 83.33 percent doesn't have access. Similarly, the financial access for attending the working Hours from (6-10) in a day 37.88 have access of percent and 62.12 percent does not have access. The financial access of attending (11-15) working Hours per day have 25 percent access and 75 percent does not have access. Those who have access are working mostly in normal working hours from 6-10 hours per day and very less people are working in excess working hours as compared to non-access people. Therefore, we can conclude financial access holders are in better position in compared to non-access holders with respect to number of working hours.

Table 6.4 Tabulation of Financial Access Number of Working Hours per Day

Financial Access	Number of working Hours			
	1-5	6-10	11-15	Total
0	10	164	18	192
	5.21	85.42	9.38	100.00
	83.33	62.12	75.00	64.00
1	2	100	6	108
	1.85	92.59	5.56	100.00
	16.67	37.88	25.00	36.00
Total	12	264	24	300
	4.00	88.00	8.00	100.00
	100.00	100.00	100.00	100.00
Chi Square Test	Pearson chi2(2) = 3.6116 Pr = 0.164 Table 13.816			

First row has frequencies; second row has row percentages and third row has column percentages

Source: Estimated from field data.

Note: figure in parenthesis are percentage of total

HO: Financial Access and Number of working Hours per days are indifferent

H1: Financial Access is playing significant role on Number of working Hours per days

The p value is 0.164 which is more than 0.05 level of significance. Therefore, we accept our Null Hypothesis, which means that Financial Access are totally indifferent in explaining the number of working hours.

6.3 Financial Access and Expenditure Pattern of Slums

In This section we are discussing about Financial Access and Expenditure Pattern of Slums and Beggars. To explore is there any impact of Financial access on Expenditure Pattern of these two Urban poor groups. Table 6.5 Financial Access and Annual Expenditure of Slums, 33.33 percent have access and 66.67 percent people are without access belongs to the expenditure category from 30,000 to 50,000 rupees. The access of 43.64 percent and non-access of 56.36 percent are making the annual expenditure of 50,001 to 1,00,000 rupees. Similarly, the access of 33.06 percent and non-access of 66.94 percent belongs the expenditure category of 1,00,001 to 1,50,000 rupees. Moreover, the access of 30.30 percent and non-access of 69.70 percent are from the expenditure level of 1,50,001 to 2,00,000 rupees.

The financial access of the expenditure category of 2,00,001 to 2,50,000 rupees only 1 person out of 300 hundred respondents have access which become 100 percent access in column percentages. The financial access of 9.09 people has access and 90.91 percent has no access are from 2,50,001 to 3,00,000 rupees. So, we found the financial access among all expenditure categories is 36 percent and 64 percent have no access. Moreover, we find people who have financial access are doing more expenditures.

Table 6.5 Tabulation of Financial Access and Annual Expenditure of Slums

Annual Expenditure in Rupees							
Financial Access	30000 To 50000	50001 To 100000	100001 To 150000	150001 To 200000	200001 To 250000	250001 To 300000	Total
0	16 8.33 66.67	62 32.29 56.36	81 42.19 66.94	23 11.98 69.70	0 0.00 0.00	10 5.21 90.91	192 100.00 64.00
1	8 7.41 33.33	48 44.44 43.64	40 37.04 33.06	10 9.26 30.30	1 0.93 100.00	1 0.93 9.09	108 100.00 36.00
Total	24 8.00 100.00	110 36.67 100.00	121 40.33 100.00	33 11.00 100.00	1 0.33 100.00	11 3.67 100.00	300 100.00 100.00

First row has *frequencies*; second row has *row percentages* and third row has *column percentages*

6.4 Income Expenditure Mismatch Among Slums Dwellers and Beggars

Table 6.6 Shows us the picture of average annual Income of Slums which is 91488 rupees among 300 respondents. The Minimum Income is found 14400 Rupees annually and Maximum Income 288000 rupees. The Average annual expenditure among slums is 114550 rupees with standard deviation 51621 which shows the expenditure remains constant throughout a year. The annual minimum expenditure is 30,000 rupees and the maximum annual expenditure is 3,00,000 rupees.

We have calculated net income mismatch of slums; the calculations have been done by calculating the annual average Income and Expenditure of the 300 respondents. The below given equation (6.1) have been used to check the net income mismatch among slums by incorporating the value in equation (6.2). We find that there exists a gap of 25.20 percent of income among slums to fulfil their daily based expenditures. Therefore, we conclude that the economic conditions of slums are poor.

Table 6.6 Income Expenditure Mismatch among Slum Dwellers

Variable	Obs	Mean	Std.Dev.	Min	Max
Annual Income	300	91488	49520.740	14400	288000
Annual Expenditure	300	114550	51621.350	30000	300000

Source: Estimated from field data.

Note: figure in parenthesis are percentage of total

Net Income Mismatch Gap

$$\text{OF Slum Dwellers} = \frac{(\bar{A}_1 - \bar{A}_2)}{\bar{A}_1} * 100 \dots \dots \dots (6.1)$$

Where, \bar{A}_1 “refers to Average Annual income of Slum Dwellers”

\bar{A}_2 “refers to Average Annual Expenditure of Slum Dwellers”

Net Income Mismatch Gap

$$\text{OF Slum Dwellers} = \frac{(91488 - 114550)}{91488} * 10 \dots \dots \dots (6.2)$$

$$= - 25.2077$$

Table 6.7 Income Expenditure Mismatch among Access and Non- Access of Slum Dwellers

Variable	Obs	Mean	Std.Dev.	Min	Max
Access and Income	108	86933.33	39321.65	28800	288000
NON-Access and Income	192	94050	54354.64	14400	288000
Access and Annual Expenditure	108	107824.1	42427.91	40000	300000
NON-Access and Annual Expenditure	192	118333.3	55884.92	30000	300000

Pearson chi2(17) = 28.4287 Pr = 0.040

Pearson chi2(22) = 30.8843 Pr = 0.099

Table 6.7 Shows us the Net Income Mismatch Gap of Slum Dwellers (Access). The access wise average annual Income of Slums which is 86933.33 rupees among 108 respondents. The Minimum Income is found 28800 Rupees annually and Maximum Income 288000 rupees. The Non-Access and Average income among slum's are 94050 rupees. The annual minimum income is 14400rupees and the maximum annual expenditure is 288000rupees.

The access and annual expenditure of Slum Dwellers (Access). The access wise average annual expenditure of Slums is 107824.1 rupees among 108 respondents. The Minimum expenditure is found 40000 Rupees annually and Maximum expenditure 300000 rupees. The Non-Access and Average expenditure among slum's are 118333.3 rupees. The annual minimum expenditure is 30000 rupees and the maximum annual expenditure is 300000 rupees.

We have calculated net income mismatch of slums who have access; the calculations have been done by calculating the annual average Income and Expenditure of the 300 respondents. The below given equation (6.3) have been used the check the net income mismatch among slums by incorporating the value in equation. We find that there exists a gap of -24.03 percent of income among slums who have access to fulfil their daily based expenditures.

Net Income Mismatch Gap

$$\text{OF Slum Dwellers (Access)} = \frac{(86933.33 - 107824.1)}{86933.33} * 100 \dots \dots \dots (6.3)$$

$$= -24.0308$$

The non-access holder's net income mismatch is -25.81 percent shown in equation (6.4). therefore, we conclude that the position of income mismatch among access holders is less bad than non-access holders.

Net Income Mismatch Gap

$$\text{OF Slum Dwellers (Non - Access)} = \frac{(107824.1 - 118333.3)}{107824.1} * 100 \dots \dots \dots (6.4)$$

$$= -25.8196$$

Table 6.8 Shows Income Expenditure Mismatch among Beggars. The average annual Income of Beggars is found 31800 rupees. The minimum income of beggars is 12500 rupees and maximum income is 125000 rupees. Similarly, we calculated the net income expenditure mismatch among beggars from the equation (6.5), by incorporating the values of annual income and expenditure in equation (6.6). We find that there exists a bigger income and expenditure gap of -38.77 percent. So, we conclude Beggars are extremely excluded from the recent Financial Inclusion Schemes.

Table 6.8 Income Expenditure Mismatch among Beggars

Variable	Obs	Mean	Std.Dev.	Min	Max
Annual Income	100	31800	19430.27	12500	125000
Annual Expenditure	100	44132	20923.19	20000	130000

Source: Estimated from field data.

Note: figure in parenthesis are percentage of total

$$\text{Income Mismatch Gap OF Beggars} = \frac{(\bar{A}_1 - \bar{A}_2)}{\bar{A}_1} * 100 \dots \dots \dots (6.5)$$

Where, \bar{A}_1 “refers to Average Annual income of Beggars”

\bar{A}_2 “refers to Average Annual Expenditure of Beggars”

Net Income Mismatch Gap OF

$$\text{Beggars} = \frac{(31800-44132)}{31800} * 100 \dots \dots \dots (6.6)$$

$$= -38.7799$$

Table 6.9 Income Expenditure Mismatch among Access and Non-Access Beggars

Variable	Obs	Mean	Std.Dev.	Min	Max
Access and Income	1	25000	0	12500	125000
NON-Access and Income	99	31868.68	19516.945	12500	125000
Access and Annual Expenditure	1	30000	0	20000	130000
NON-Access and Annual Expenditure	99	44274.747	20980.668	20000	130000
Access and Annual income Pearson chi2(10) = 3.1987 Pr = 0.976					
Access and Annual Expenditure Pearson chi2(22) = 5.7239 Pr = 1.000					

Similarly, in case of access and non-access of beggars, we have first calculated net income mismatch gap of access holders whose mean income 25000 rupees and annual expenditure mean is 30000 rupees. All the values are calculated in equation (6.7) and the result are that those beggars who have access have mismatch of 20 percent in income to meet their expenditures.

Net Income Mismatch Gap OF

$$\text{Beggars (Access)} = \frac{(25000-30000)}{25000} * 100 \dots \dots \dots (6.7)$$

$$= -20$$

Similarly, the beggars who are without access their mean income is 31868.68 rupees and annual mean expenditure is 4474.747 rupees. So, we find from both the equations (6.7) and (6.8) that access holders have less mismatch problem than non-access holders

Net Income Mismatch Gap OF

$$\text{Beggars (Non - Access)} = \frac{(31868.68-44274.747)}{31868.68} * 100 \dots \dots \dots (6.8)$$

$$= -38.9287$$

The chi square test and the estimated hypothesis are as follows. (Slums)

H0: Access and non-access explains the income position of the people.

H1: Access and non-access are indifferent on income

The P value is (Pr = 1.000) which is more than 0.05 percent level of significance, which means we accept the null hypothesis that Access and non-access explains the income position of the people.

H0: Access and non-access plays significant role in expenditure

H1: Access and non-access plays insignificant role in expenditure determination.

The P value is (Pr = 1.000) which is more than 0.05 percent level of significance, which means we accept the null hypothesis that Access and non-access plays significant role in expenditure

6.5 Financial Access and Financial Behaviour of Slum Dwellers

Table 6.10 shows Financial Access and Household Budget. The access of 33.33 percent, people have also household budget and 66.67 percent people have no access nor have family budget.

Similarly, 36.14 percent have financial access but are lacking Family Budget. The 63.86 percent neither have financial access nor have family Budget. In aggregate terms 36 percent have financial access 64 doesn't have. Moreover, 5 percent have household budget and 95 doesn't have household budget. So, we can conclude only 5 percent people has access and family budget which means most of the people didn't follow household budget.

Table 6.10 Tabulation of Financial Access, Do You Have House Budget

Financial Access	Do You Have House Budget		
	Yes	No	Total
0	10	182	192
	5.21	94.79	100.00
	66.67	63.86	64.00
1	5	103	108
	4.63	95.37	100.00
	33.33	36.14	36.00
Total	15	285	300
	5.00	95.00	100.00
	100.00	100.00	100.00
Pearson $\chi^2(1) = 0.0487$ Pr = 0.825			

First row has frequencies; second row has row percentages and third row has column percentages

Source: Estimated from field data.

Note: figure in parenthesis are percentage of total

H0: Financial access is playing significant role in household budget.

H1: Financial Access has no role in household budget

The P value is (pr 0.825) which is more than 0.05 percent level of significance which means null hypothesis is accepted and financial access is playing significant role in having a house hold budget.

Table 6.11 Shows Financial Access and budget responsible person in a family. The responses given by the respondents are as follows. The financial access and the family budget carried by the Owner of the family is 36.27 percent and 63.73 percent does not have financial access but owners are responsible for family budget. The financial access of the budget responsibility by the owner and his suppose 2 families among 300 household respondents. Similarly, the budget carried other than owner's other family members have been found only one house hold among 300 households and the families whose family budget is supported by others is again found a single household from 300 households. Therefore, we found that most of the family are managing their budget themselves.

Table 6.11 Tabulation of Financial Access, Who Is Responsible for Your House Budget

Financial Access	Responsible House Budget				
	Owner of the Family	Owner and his/her Spouse	Owners Other Family Members	Others	Total
0	188	2	1	1	192
	97.92	1.04	0.52	0.52	100.00
	63.73	100.00	100.00	50.00	64.00
1	107	0	0	1	108
	99.07	0.00	0.00	0.93	100.00
	36.27	0.00	0.00	50.00	36.00
Total	295	2	1	2	300
	98.33	0.67	0.33	0.67	100.00
	100.00	100.00	100.00	100.00	100.00
Pearson $\chi^2(3) = 1.8671$ Pr = 0.600					

First row has frequencies; second row has row percentages and third row has column percentages

Source: Estimated from field data.

Note: figure in parenthesis are percentage of total

H0: Financial access is determined by person who is running the household budget

H1: Financial access and person responsible for household budget are indifferent

The P value is 0.600 which is greater than 0.05 percent level of significance, which means we accept null hypothesis that Financial access is determined by person who is running the household budget.

Table 6.12 Shows Financial Access and Problem of Shortage of Income in last 12 Months. Financial Access and shortage of Income during last 12 months are as follows, People who have access and have faced the shortage of Income are 36.11 percent and 63.89 percent people neither have access and nor they face Income shortage problem. Similarly, 33.33 percent have access and 66.67 percent neither have access and nor face income shortage during the year.

Table 6.12 Tabulation of Financial Access and Shortage of Income in Last 12

months

Financial Access	Shortage of Income in Last 12 Months		
	Yes	No	Total
0	184	8	192
	95.83	4.17	100.00
	63.89	66.67	64.00
1	104	4	108
	96.30	3.70	100.00
	36.11	33.33	36.00
Total	288	12	300
	96.00	4.00	100.00
	100.00	100.00	100.00
Pearson chi2(1) = 0.0386 Pr = 0.844			

First row has frequencies; second row has row percentages and third row has column percentages

Source: Estimated from field data.

Note: figure in parenthesis are percentage of total

H0: Financial access and non-access plays a significant role in determining the income shortages

H1: Financial access and non-access are in significant in determining the income shortages

The P value is 0.844 which is more than 0.05 percent level of significance, therefore we are accepting null hypothesis that Financial access and non-access plays a significant role in determining the income shortages.

Table 6.13 Shows financial access and how respondents have sought the problem. Those respondents who have access are 36.21 percent and 63.79 percent does not have access but both have borrowed from family members and relatives. Only 1 household have borrowed from employs and they don't have access too. One each household have borrowed from friends in which one have access and one doesn't have, similarly 28.57 percent who have access have borrowed from others and 71.43 percent and no one have taken help from Banks. So, we find that mostly people are taking financial help from informal sources and are far away from formal banking Institutions.

Table 6.13 Tabulation of Financial Access and How you soughted Problem

Financial Access	How You Soughted Problem					
	Borrowed from Family Member/Relative	Borrowed from Employer	Friends	Others	Banks	Total
0	185	1	1	5	0	192
	96.35	0.52	0.52	2.60	0.00	100.00
	63.79	100.00	50.00	71.43	0.00	64.00
1	105	0	1	2	0	108
	97.22	0.00	0.93	1.85	0.00	100.00
	36.21	0.00	50.00	28.57	0.00	36.00
Total	290	1	2	7	0	300
	96.67	0.33	0.67	2.33	0.00	100.00
	100.00	100.00	100.00	100.00	0.00	100.00
Pearson $\chi^2(3) = 0.9057$ Pr = 0.824						

First row has frequencies; second row has row percentages and third row has column percentages

Source: Estimated from field data.

Note: figure in parenthesis are percentage of total

H0: Financial access plays a significant role on how you have soughted the problem?

H1: Financial access is indifferent in explaining, how you have soughted the problem?

The P value is 0.824 which is more than 0.05 percent level of significance, Therefore, we accept null hypothesis that Financial access plays a significant role on how you have soughted the problem?

6.6 Description of MANOVA Model

The variables used for Multivariate Analysis are Income, expenditure, and financial behaviour as dependent variables and Financial access as independent variable. Actually, financial behaviour variable is an index developed from five question and is discussed in detail in chapter five. Financial access is also a variable developed from various variables related to banking services. The criteria for formulation of financial

access was, if people in slums have access to any one of the banking products will be considered among access holders which is actually not. But still making it as a proxy variable, we find among 300 samples of slum only 108 people have access 36 percent and 192 persons doesn't have any access 64 percent.

6.6.1 Multivariate Analysis of Variance (MANOVA)

Multivariate analysis of variance (MANOVA) is simply an ANOVA with several dependent variables. That is to say, ANOVA tests for the difference in means between two or more groups, while MANOVA tests for the difference in two or more vectors of means. This model is run to check is there any significant impact of financial access with in two groups which are access and non-access. The three dependent variables are financial behaviour, annual income, annual expenditure and our independent variable is financial access which is categorical in nature {where, 1=access and 0= non-access}. our null hypothesis the hypothesis is that These sections of population, those who have access of recent financial inclusion schemes are now relying more on formal sources and institutions in comparison to those who have not access of these schemes.

Table 6.14 Descriptive Statistics MANOVA

	Financial Access	Mean	Std. Deviation	N
Financial Behaviour	Non-Access	0.648	0.159	192
	Access	0.654	0.123	108
	Total	0.650	0.147	300
Annual Income	Non-Access	94050.000	54354.638	192
	Access	86933.333	39321.649	108
	Total	91488.000	49520.739	300
Annual Expenditure	Non-Access	118333.333	55884.916	192
	Access	107824.074	42427.911	108
	Total	114550.000	51621.346	300

Output contains the group means and standard deviations for each dependent variable in turn, split by the independent variable Financial Access. The means show that the Financial Behaviour is low among non-access (0.64) people in compare to Access

holders (0.65). which means those who have access have better financial behaviour.

Similarly, if we look financial access with respect Annual Income the access holders mean value is (86933.333) and non-access holders have (94050). Here it clearly shows that there is no effect of financial access on annual income of slum dwellers. In case of Annual expenditure, the means of access (107824.074) and non-access are (118333.333), again non-access holders have higher mean in compare to access holders. Therefore, we can conclude that Financial access has partial impact on financial behaviour and but not any significant impact on the improvement of income and expenditure pattern of slum Dwellers.

Table 6.15 Box's Test of Equality of Covariance Matrices^a

Box's M	32.526
F	5.355
df1	6
df2	325241.340
Sig.	.000

Tests the null hypothesis that the observed covariance matrices of the dependent variables are equal across groups. ^A

a. Design: Intercept + Financial Access

Output shows Box's test of the assumption of equality of covariance matrices. This statistic is significant, $p = 0.000$ (which is less than .05), hence the covariance matrices are different each other.

Table 6.16 Bartlett's Test of Sphericity^a

Likelihood Ratio	.000
Approx. Chi-Square	8114.303
df	5
Sig.	.000

Tests the null hypothesis that the residual covariance matrix is proportional to an identity matrix. ^a. Design: Intercept + Financial Access

Note: Bartlett's test of sphericity tests the hypothesis that your correlation matrix is an identity matrix, which would indicate that your variables are unrelated and therefore unsuitable for structure detection. Small values (less than 0.05) of the significance level indicate that a factor analysis may be useful with your data. Hence our data variables are useful.

Output shows the main table of results. The column of real interest is the all containing the non-significance values of the F-ratios. For these data, Pillai's trace ($p = .060$), Wilks's lambda ($p = .060$), Hotelling's trace ($p = .060$) and Roy's largest root ($p = .060$) all are insignificant at ($p > .05$ level). Therefore, we can conclude that the Financial Access intervention had an insignificant effect on financial behaviour, income and expenditure of slums Dwellers.

Table 6.17 Multivariate Tests^a

Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Pillai's Trace	.962	2491.055 ^b	3.000	296.000	.000
	Wilks' Lambda	.038	2491.055 ^b	3.000	296.000	.000
	Hotelling's Trace	25.247	2491.055 ^b	3.000	296.000	.000
	Roy's Largest Root	25.247	2491.055 ^b	3.000	296.000	.000
Financial Access	Pillai's Trace	.025	2.495 ^b	3.000	296.000	.060
	Wilks' Lambda	.975	2.495 ^b	3.000	296.000	.060
	Hotelling's Trace	.025	2.495 ^b	3.000	296.000	.060
	Roy's Largest Root	.025	2.495 ^b	3.000	296.000	.060

a. Design: Intercept + Financial Access b. Exact statistic

Output shows a summary table of Levene's test of equality of variances for each of the dependent variables. These tests are the same as would be found if a one-way ANOVA had been conducted on each dependent variable in turn. Levene's test should be non-significant for all dependent variables if the assumption of homogeneity of variance has been met. We can see here that the assumption has been met ($p > .05$ in all cases), which strengthens the case for assuming that the multivariate test statistics

are robust. Output contains an ANOVA summary table for each of the dependent variables. The F ratios for each univariate ANOVA and their significance values are listed in the columns labelled F and Sig. These values are identical to those obtained if one-way ANOVA was conducted on each dependent variable independently. As such, MANOVA offers only hypothetical protection of inflated Type I error rates: there is no real-life adjustment made to the values obtained.

Table 6.18 Levene's Test of Equality of Error Variances^a

	F	df1	df2	Sig.
Financial Behaviour	.311	1	298	.577
Annual Income	5.116	1	298	.024
Annual Expenditure	5.443	1	298	.020

Tests the null hypothesis that the error variance of the dependent variable is equal across groups^A. a. Design: Intercept + Financial Access

The Levene's test clearly shows that among all the three dependent variables financial behaviour, Annual Income and Annual Expenditure all insignificant with more than ($p > .05$) means we need to retain null hypothesis of no differences. that there is no significant difference in financial behaviour, Annual income and Annual expenditure between financial access and financial non-access.

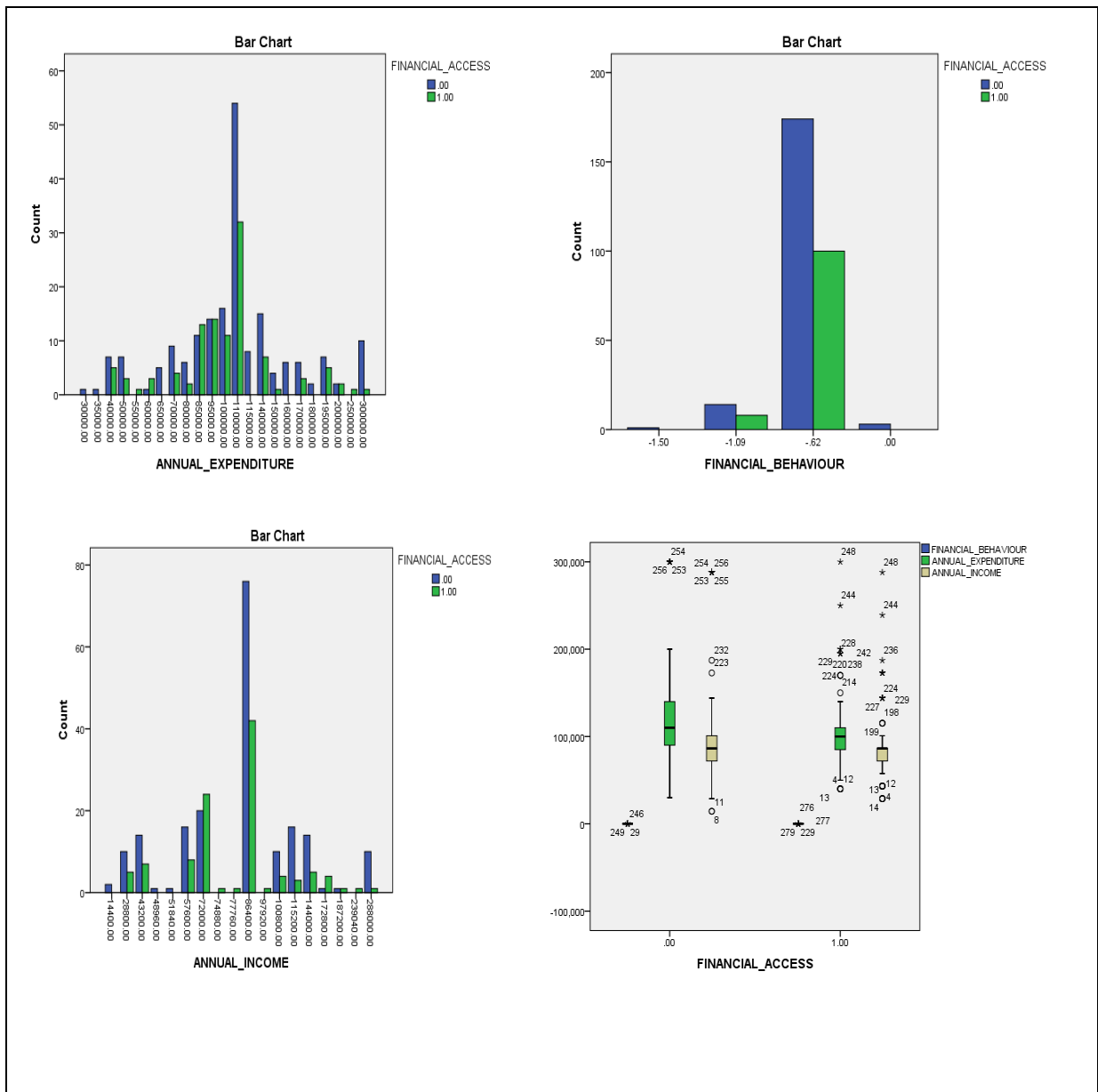
Table 6.19 Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	Financial Behaviour	.002 ^a	1	.002	.101a	.751
	Annual Income	3500716799.999 ^b	1	3500716799.999	1.430b	.233
	Annual Expenditure	7633925925.923 ^c	1	7633925925.923	2.883c	.091
Intercept	Financial Behaviour	117.240	1	117.240	5401.784	.000
	Annual Income	2264023315200.001	1	2264023315200.001	924.549	.000

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
	Annual Expenditure	3535292592592.593	1	3535292592592.593	1335.036	.000
Financial Access	Financial Behaviour	.002	1	.002	.101	.751
	Annual Income	3500716800.000	1	3500716800.000	1.430	.233
	Annual Expenditure	7633925925.926	1	7633925925.926	2.883	.091
Error	Financial Behaviour	6.468	298	.022		
	Annual Income	729738067200.001	298	2448785460.403		
	Annual Expenditure	789130324074.076	298	2648088335.819		
Total	Financial Behaviour	133.376	300			
	Annual Income	3244255027200.000	300			
	Annual Expenditure	4733275000000.000	300			
Corrected Total	Financial Behaviour	6.470	299			
	Annual Income	733238784000.000	299			
	Annual Expenditure	796764250000.000	299			

The values of p in Output indicate that there was a significant difference between Financial Access in terms of Financial Behaviour ($p = .751$), Annual Income ($p = .233$), and Annual Expenditure ($p = .091$). We should conclude that the Financial Access has an insignificant effect on the financial behaviour, annual income and annual expenditure.

Figure 6.1 Histogram for Normality Test



6.7 Findings

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.

6.8 Conclusions

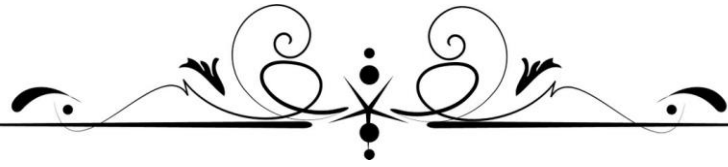
Financial access one of the parameters used to describe the economic and financial conditions of the people. the key determinants of financial access are income and expenditure pattern of the people. Again, income is determined by level of education,

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 These sections of population those who have access of recent financial inclusion schemes are now relying more on formal sources and institutions in comparison to those who have not access of these schemes. But we reject our null hypothesis, that poor people are still outside from formal sources of banking and are far away from financial inclusion.

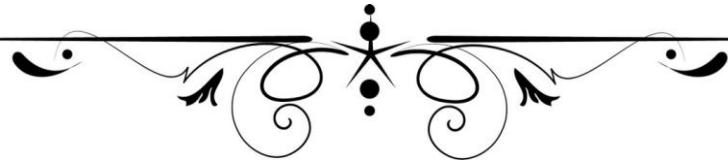
6.9 References

- Sebstad and Chen, (1996) for an overview of the range of outcomes that have been evaluated.
- World Bank (2017), “Financial Inclusion is a key to reducing poverty and boosting prosperity”,retrieved from <http://www.worldbank.org/en/topic/financialinclusion/overview>
- Carbo, S., Gardener, E.P., Molyneux, P. (2005). Financial exclusion. Palgrave MacMillan.
- Olaniyi, E., Adeoye, B. (2016), Determinants of financial inclusion in Africa: A dynamic panel data approach. University of Mauritius Research Journal, 22, 310-336.
- Beck, T., de la Torre, A. (2006), The basic analytics of access to financial services. Vol. 4026. World Bank. Available from: <http://www.worldbank.org/curated/en/586361468166156750>.
- Documents, world bank.org/curated/en/586361468166156750. The basic-analytics-of-access-to-financial-services. [Last accessed on 2016 Nov 17].
- Chithra, N., Selvam, M. (2013), Determinants of financial inclusion: An empirical study on the inter-state variations in India. Available from: <https://www.ssrn.com/abstract=2296096>. [Last accessed on 2016 Nov 17].



Chapter 7

*Conclusions, Findings and
Recommendation*



Chapter 7

Conclusions, Findings and Recommendation

7.1 Conclusions

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 soughted 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

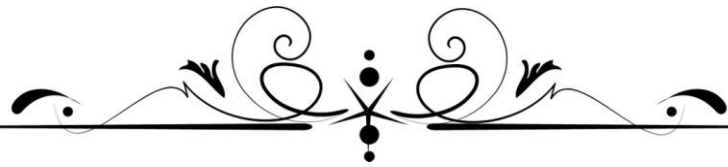
- Financial inclusion among poor could be developed by emphasizing the three key dimensions, penetration, Availability and Usage. Moreover, the gap

aroused due to digitalization in banking demands to develop skills, among poor people so that they can use financial inclusion services easily.

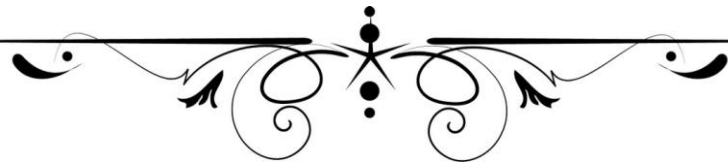
- Access of recent financial inclusion schemes among poor people in India, demonstrates to redevelop all the related schemes to guarantee access plus usage as per their necessities.
- Financial inclusion spectrum should be made in line to develop socio economic conditions of urban poor in India. Besides 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.



Bibliography



Bibliography

- Anderloni, L., Braga, M.D., & Carluccio, E.M. (2007). *New Frontiers in Banking Services: Emerging Needs and Tailored Products for Untapped Markets*, Berlin and Heidelberg, Springer-Verlag.
- Arora, S. S and Leach J. (2005): “Towards building an Inclusive Financial Sector: Lessons from South Africa”, *Economic and Political Weekly*, April 23, 2005, pp. 1726-1730
- Arunachalam, R. S, Katticaren, K., Swarup, V and KalpanaIyer. (2008): *Enhancing Financial Services Flow to Small Scale Marine Fisheries Sector*, A study for FAO/UNTRS, www.un.org.in
- Arunachalam, R.S. (2008): Scoping paper on financial inclusion, considerations and recommendations for UNDP, pp.52, www.data.undp.org
- Basu, P. and Srivastana, P. (2004): *India: Scaling-up Access to Finance for the Rural Poor. Case Study*, sponsored by The World Bank Group
- Beck, T., Demirguc-Kunt, A and Peria, M. S. M. 2005. *Reaching out: Access to use of banking services across countries*, www.yearofmicrocredit.org, pp. 52
- Bhave, C.B. (2009). *Is technology inclusive?* In Sameer Kochar, R.Chandrashekar, K.C.Chakraborty, Deepak.B.Phatak. (Eds.) *financial inclusion*, New Delhi, Academic Foundation.
- Bloom, D. E., & Eggleston, K. N. (2014). *The economic implications of population ageing in China and India: Introduction to the special issue. The Journal of the Economics of Ageing*, (4), 1-7.
- Bluebook (2006). *Building Inclusive Financial Sectors for Development*, the United Nations, Chapter 1- p 3.
- BMRB Social Research. (2006): *Access to Financial services for those on the Margins of Banking*, prepared for the Taskforce on Financial Inclusion, Great Britain, p. 129

- Chant and Link Associates. (2004): A Report on Financial Inclusion in Australia, November 2004, www.anz.com
- Chaudhari, P. C. (2007): “Total Financial Inclusion- Various Approaches”, Indian Journal of Agricultural Economics, Vol.62. No.3, July-Sept 2007
- Coleman, B. E. (2006): “Microfinance in Northeast Thailand: Who benefits and how much?” World Development 34(9): 1612-1638
- Drabu, H.A. (2009). Economics and inclusion, In Sameer Kochar, R.Chandrashekar, K.C.Chakraborty, Deepak.B.Phatak (Eds.), financial inclusion, New Delhi, Academic Foundation.
- EC (European Commission). (2008): Financial Services Provision and Prevention of Financial Exclusion, [www.ec.europa.eu/employment social/spsi](http://www.ec.europa.eu/employment_social/spsi)
- GoI. (2007): Report of Subgroup on Innovative Finance and Microfinance, Gender Issues, Panchayat Raj Institutions, Public Private Partner Innovative Finance and Micro Finance in Agriculture for the Eleventh Five Year Plan (2007-2012), Planning Commission
- GoI. (2008): Report of the Committee on Financial Inclusion, p. 178
- GouravVallabh and SourabhChathrath. (2006): “Role of Banks in Agricultural and Rural Development”, The Chartered Accountant, pp1120- 1130, www.icai.org
- Hermansson, C. (2015). *Understanding the relationships between bank-customer relations, financial advisory services and saving behavior* (Doctoral dissertation, KTH Royal Institute of Technology).
- Ignacio, M. & Kumar, K. (2008). Banking on Mobiles: Why, How, for Whom? Focus Note 48. Washington, D.C.: CGAP, June.
- Katona, G. (1975). *Psychological Economics*, New York: Elsevier.
- Kelkar, V. (2008). Financial Inclusion for Inclusive Growth, N P Sen Memorial Lecture at Administrative Staff College of India-Hyderabad, January 13.
- Keynes, J. M. (1936). *The General Theory of Employment, Interest and Money*. London: Macmillan.

- Leeladhar, V. (2005): Commemorative lecture at the FedbankHormis Memorial Foundation at Ernakulam on December 2, 2005
- Leyshon, Thrift. (1995): Geographies of financial exclusion: Financial abandonment in Britain and the United States. *Transactions of the Institute of British Geographers, New Series* 20:312–41.
- Mitchell, O. S., & Mukherjee, A. (2016). Assessing the demand for micropensions among India's poor. *The Journal of the Economics of Ageing*.
- Modigliani, "The Life Cycle Hypothesis of Saving, the Demand for Wealth and the Supply of Capital," *Social Research*, Summer 1966, 33, no. 2, 160-217.
- Pandey, D.P. (2007). *Financial Inclusion: Role of Micro Finance Institutions*, Rajiv Gandhi Institute of Professional Management, Allahabad.
- Priya, B. (2005). A Financial System for India's Poor, *EPW*, September 10, pp.4008-4012.
- Rangarajan. (1996): cited in GOI, 2008, Report of the Committee on Financial Inclusion, p. 178
- RBI. (2005): Report of the Internal Group to Examine Issues Relating to Rural credit and Microfinance, chairman- H. R Khan, www.cab.org.in Review of Literature Department of Applied Economics, CUSAT 7676
- RBI. (2009): "Financial Inclusion", Report on Currency and Finance, www.rbi.org.in
- Regan, S. & Paxton, W. (2003). *Beyond Bank Accounts: Full Financial Inclusion*, London, Citizens Advice Bureau and Institute for Public Policy Research.
- Rogaly, B. (1999): Poverty and social exclusion in Britain: Where finance fits. In: *Poverty, Social Exclusion and Microfinance in Britain*. B. Rogaly, T. Fisher and E. Mayo. Oxford, Oxfam GB. Review of Literature Department of Applied Economics, CUSAT 7777
- Sarma, M. (2008). Index of Financial Inclusion, Indian Council for Research on International Economic Relations, Working Paper No. 215, June.

- SEEDA. (2004): Financial Inclusion Services Research - Supply side, Northern Ireland, England, pp 50
- Shetty, V.P. (2006). Challenges of Inclusive Banking, Speech at IDRBT, Hyderabad, September 2. Available at www.idrbt.ac.in/speeches_archives.html
- Sinclair SP. (2001): Financial exclusion: An introductory survey. Tech. rep., Centre for Research in Socially Inclusive Services, Heriot-Watt University, Edinburgh.
- Subbarao. (2009): Financial Inclusion: Challenges and Opportunities, Remarks at the Bankers Club, Kolkata, December 9, 2009. www.rbi.org.in
- Suryanarayana, M.H. (2008). Inclusive Growth: What is so exclusive about it? WP-2008-019 Indira Gandhi Institute of Development Research, Mumbai, October, available at <http://www.igidr.ac.in/pdf/publication/WP-2008-019.pdf>
- Thorat, U. (2006). Reading on Financial Inclusion, Indian Institute of banking and finance, New Delhi, Taxman Publications Pvt: Ltd.
- Thorat, U. (2007): Financial Inclusion – The Indian Experience, HMT-DFID Financial Inclusion Conference 2007, Whitehall Place, London, UK on June 19, 2007.
- Thyagarajan, S. & Venkatesan, J. (2009). Cost–Benefit and Usage Behaviour Analysis of No-Frills Accounts: A Study Report on Cuddalore District. Pune and Chennai: College of Agricultural Banking and IFMR Centre for Microfinance.
- Tripathi and Sharma. (2007): Impact of SHG bank linkage Programme on Financial Behaviour of Rural Poor- Evidence from Raibareli District in Uttar Pradesh, Indian Journal of Agricultural Economics, Vol.62. No.3, July-Sept 2007 Review of Literature Department of Applied Economics, CUSAT 7575
- UN. (2006): Building Inclusive Financial Sectors for Development, New York.
- Wärneryd, K.-E. (1999). *The Psychology of Saving - A Study on Economic Psychology*. Cheltenham, UK: Edward Elgar.

- World Bank (2008). Finance for All? Policies and Pitfalls in Expanding Access, World Bank Policy Research Paper, pp. 1121-1126, World Bank, Washington DC. Available at siteresources.worldbank.org.
- World Bank. (2005): Indicators of Financial Access – Household – Level Surveys, www.worldbank.org
- World Bank. (2008): Finance for all? Policies and Pitfalls in Expanding Access, World Bank Policy Research Report, www.worldbank.org
- Yadav, R. K., & Mohania, S. (2017). Claim settlement of PradhanMantriSurakshaBimaYojana under PradhanMantri Jan DhanYojana. *World Scientific News*, 65, 123-134.
- <http://niti.gov.in>
- <http://www.nsiindia.gov.in>
- <http://mhrd.gov.in>
- <http://finmin.nic.in>
- <http://amrut.gov.in>
- <http://www.pmujjwalayojana.com>
- <http://www.jansuraksha.gov.in>
- <http://www.jansuraksha.gov.in>
- <http://www.mudra.org.in>
- <http://dahd.nic.in>
- <http://www.nsiindia.gov.in>
- <http://wcd.nic.in>
- <http://mhupa.gov.in>
- <http://www.jansuraksha.gov.in>
- D'Souza, V. S. (1981). *Inequality and its perpetuation: A theory of social stratification*. New Delhi: Manohar.

- Agrawal, P., Sahoo, P., & Dash, R. K. (2007). Savings behavior in India: Co-integration and causality evidence. *The Singapore Economic Review*, 55, 273-295. doi:10.1142/S0217590810003717
- Modigliani, F., & Ando, A. K. (1957). Tests of the life cycle hypothesis of savings. *Bulletin of the Oxford Institute of Statistics*, 19, 99-124.
- Schmidt-Hebbel, K., Webb, S. B., & Corsetti, G. (1992). Household saving in developing countries: First cross-country evidence. *The World Bank Economic Review*, 6, 529-547. doi:10.1093/wber/6.3.529
- Crown, W. H. (2002). Life cycle theories of savings and consumption. *Encyclopedia of Aging*. [Online]. Available: <http> [Accessed 9 May. 2012]
- Cornia, G., & Jerger, G. (1982). Rural vs. urban saving behavior: Evidence from an ILO collection of household surveys. *Development and Change*, 13, 123-157. doi:10.1111/j.1467-7660.1982.tb00115.x
- Mason, A. (1988). Saving, economic growth, and demographic change. *Population and Development Review*, 14, 113-144. doi:10.2307/1972502
- Kiiza, B., & Pederson, G. (2002). Household financial savings mobilization: Empirical evidence from Uganda. *Journal of African Economies*, 10, 390-409. doi:10.1093/jae/10.4.390
- Beverly, S., & Sherraden, M. (1999). Institutional determinants of saving: Implications for low-income households and public policy. *Journal of Socio-Economics*, 28, 457-473. doi:10.1016/S1053-5357(99)00046-3
- Chowa, G. A., Masa, R. D., & Ansong, D. (2012). Determinants of saving among low-income individuals in rural Uganda: Evidence from assets Africa. *Advances in Applied Sociology*, 2(04), 280.
- Helmy, I. A. F. (2015). *Understanding the saving behavior of poor households: evidence from Egypt* (Doctoral dissertation, The American University in Cairo).

- Keynes, J. M. (1937). The general theory of employment. *The quarterly journal of economics*, 51(2), 209-223.
- Keynes, J. M. (2016). *General theory of employment, interest and money*. Atlantic Publishers & Dist.
- Katona, G. (1975). *Psychological economics*. New York: Elsevier.
- Thaler, R. H., & Shefrin, H. M. (1981). An economic theory of selfcontrol. *Journal of Political Economy*, 89, 392-401. doi:10.1086/260971
- Wärneryd, K. E. (1999). *The psychology of saving: A study on economic psychology*. Northampton, MA: Edward Elgar.
- Sørensen, A. (2000). Toward a sounder basis for class analysis. *American Journal of Sociology*, 105, 1523-1558. doi:10.1086/210463
- Sherraden, M. (1991). *Assets and the poor: A new American welfare policy*. Armonk, NY: M.E. Sharpe, Inc.
- Sherraden, M., Schreiner, M., & Beverly, S. (2003). Income, institutions, and saving performance in individual development accounts. *Economic Development Quarterly*, 17, 95-112. doi:10.1177/0891242402239200
- Kibet, L. K., Mutai, B. K., Ouma, D. E., Ouma, S. A., & Owuor, G. (2009). Determinants of household saving: Case study of smallholder farmers, entrepreneurs and teachers in rural areas of Kenya. *Journal of Development and Agricultural Economics*, 1, 137-143.
- Athukorala, P., & Sen, K. (2004). The determinants of private saving in India. *World Development*, 32, 491-503. doi:10.1016/j.worlddev.2003.07.008
- Abdelkhalek, T., Arestoff, F., de Freitas, N. E. M., & Mage, S. (2009). A microeconomic analysis of households saving determinants in Morocco. *The 1st GDRI DREEM Conference*, Istanbul, 21-23 May 2009.
- urRehman, H., Bashir, F., & Faridi, M. Z. (2011). Saving behaviour among different income groups in Pakistan: A micro study. *International Journal of Humanities and Social Science*, 1, 268-277.

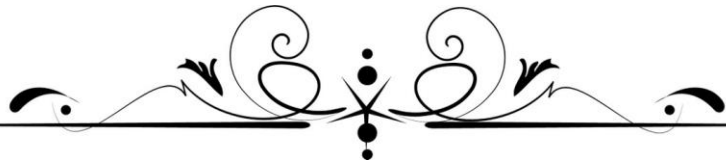
- Bersales, L. G. S., & Mapa, D. S. (2006). *Patterns and determinants of household saving in the Philippines* (EMERGE Technical Report). Makati City: EMERGE.
- Carroll, C. D., & Samwick, A. A. (1998). How Important is Precautionary Saving? *The Review of Economics and Statistics*, 80(3), 410-419.
- Deaton, A. (1989). Saving in Developing Countries: Theory and Review. *Proceedings of the World Bank, Annual Conference on Development Economics*. Washington, DC: World Bank.
- Friedman, M. (1957). *A Theory of the Consumption Function*. Princeton University Press.
- Karlan, D., & Morduch, J. (2009). Ideas and Evidence: The Economics of Saving. In D. Karlan, & J. Morduch, *Handbook of Development Economics* (5 ed.).
- Meghir, C. (2004). *A Retrospective on Friedman's Theory of Permanent Income*. University College London and Institute for Fiscal Studies.
- Mikesell, R. F., & Zinser, J. E. (1973). The Nature of The Savings Function in Developing Countries: A Survey of the Theoretical and Empirical Literature. *Journal of Economic Literature*, 11(1), 1-26.
- Modigliani, F., & Brumberg, R. (1954). *Utility analysis and the consumption function: an interpretation of cross-section data*. MIT press books.
- World Bank. (2008). *Finance for All? Policies and Pitfalls in Expanding Access*. Washington, DC: World Bank.
- Loayza, N., Schmidt-Hebbel, K., & Servén, L. (2000). Saving in Developing Countries: An Overview. *World Bank Economic Review*, 14(3), 393-414.
- Lee, J.-J., & Sawada, Y. (2010). Precautionary saving under liquidity constraints: Evidence from rural Pakistan. *Journal of Development Economics*, 91(1), 77-86.
- Ashraf, N., Gons, N., Karlan, D. S., & Yin, W. (2003). *A Review of Commitment Saving Products in Developing Countries*. Asian Development Bank (ADB).

- Beck, T., Demirguc-Kunt.,A. & Honahan, P. (2009). *Access to Financial Services: Measurement, Impact, and Policies*. The World Bank Research Observer Advance Access, Oxford University Press.
- Chakrabarty, K.C. (2010). Deputy Governor, Reserve Bank of India at the National Finance Conclave 2010, organised by KIIT University, Bhubaneswar.
- Chakravarty, S. R., & Pal, R. (2012). Measuring financial inclusion: an axiomatic approach.
- Charkravarty, S.R. & Pal, R. (2010). Measuring financial inclusion: an axiomatic approach. *IGIDR,WP* 2010(3).
- Goel, S., & Sharma, R. (2017). Developing a Financial Inclusion Index for India. *Procedia Computer Science*, 122, 949-956.
- Kempson, E., Atkinson, A. & Pilley, O. (2004). *Policy level response to financial exclusion in developed economies: Lessons for developing countries*, Report of Personal Finance Research Centre, University of Bristol.
- Kempson, E., Atkinson, A. & Pilley, O. (2004). *Policy level response to financial exclusion in developed economies: Lessons for developing countries*, Report of Personal Finance Research Centre, University of Bristol.
- Kumar, N. (2011). Indira Gandhi Institute of Development Research, Mumbai, Money and Finance Conference February 25-26.
- Mehrotra, N., Puhazhendhi, V., Nair G. & Sahoo, B.B. (2009). Financial inclusion - an Overview. Department of Economic Analysis and Research, *National Bank for Agriculture and Rural Development (NABARD)*, Occasional Paper 48, Mumbai.
- Rangarajan Committee (2008) “Report of the committee on financial inclusion” Government of India.
- Sarma, M. & Pais, J. (2008). *Financial inclusion and development: A cross country analysis*. Annual Conference of the Human Development and Capability Association, New Delhi.

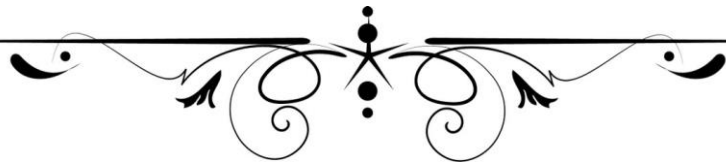
- Sarma, M. (2008). Index of financial inclusion. Working paper 215, *Indian Council for Research on International Economic Relations*.
- Claessens, S. (2006). Access to financial services: a review of the issues and public policy objectives. *The World Bank Research Observer*, 21(2), 207-240..
- Demirgüç-Kunt, A., Honohan, P., & Beck, T. (2008). *Finance for all? Policies and Pitfalls in Expanding Access*. World bank.
- Beck, T., Demirgüç-Kunt, A., & Honohan, P. (2009). Access to Financial Services: Measurement, Impact, and Policies. *The World Bank Research Observer*, 24 (1), 119-145.
- Claessens, S. (2006). Access to Financial Services: A Review of the Issues and Public Policy Objectives. *World Bank Research Observer*, 21 (2), 207-240.
- Anand, M., & Rosenberg, R. (April, 2008). *Are We Overestimating Demand for Microloans?* Washington, D.C.: The Consultative Group to Assist the Poor
- Bauer M., Chytilova J., & Morduch J. (2012). Behavioural Foundations of Microcredit: Experimental and Survey Evidence from Rural India. *American Economic Review* 102 (2), 1118-1139.
- Cole, S., Sampson, T., & Zia, B. (2011), Prices or Knowledge? What Drives Demand for Financial Services in Emerging Markets? *The Journal of Finance*, 66 (6), 1933–1967.
- Fafchamps, M., McKenzie, D., Quinn, S. R., & Woodruff, C. (2011). *When is capital enough to get female microenterprises growing? Evidence from a randomized experiment in Ghana* (Working Paper No. 17207). National Bureau of Economic Research.
- Lusardi, A., & Mitchell, O. S. (2013). *The Economic Importance of Financial Literacy: Theory and Evidence* (Working Paper No. 18952). National Bureau of Economic Research.

- Bönnte, W. & Filipiak, U. (2012). Financial literacy, information flows, and caste affiliation: Empirical evidence from India. *Journal of Banking & Finance* 36 (12), 3399–3414.
- Ibd Financial literacy, information flows, and caste affiliation: Empirical evidence from India. *Journal of Banking & Finance* 36 (12), 3399–3414.
- Bauer, M. & Chytilová, J. (2009). *The Impact of Education on the Subjective Discount Rate in Ugandan Villages* (IZA Discussion Papers No. 4057). Institute for the Study of Labor.
- Atkinson, A. (2016). Guide to creating financial literacy scores and financial inclusion indicators using data from the OECD/INFE 2015 financial literacy survey. *OECD Publishing, Paris, OECD Working Papers on Finance, Insurance and Private Pensions*.
- Banerjee, A., Kumar, K., and Philip, D. (2016). Financial Literacy Empowers Financial Inclusion. Working paper, Durham University Business School.
- Banerjee, A., Kumar, K., and Philip, D. (2017). Financial prudence: A tale of fragility alleviation. Working paper, Durham University Business School.
- Alkire, S., & Santos, M. E. (2011). Training material for producing national human development reports: the Multidimensional Poverty Index (MPI).
- Sebstad and Chen, (1996) for an overview of the range of outcomes that have been evaluated.
- World Bank (2017), “Financial Inclusion is a key to reducing poverty and boosting prope rity”, retrieved from <http://www.worldbank.org/en/topic/financialinclusion/overview>
- Carbo, S., Gardener, E.P., Molyneux, P. (2005). Financial exclusion. Palgrave MacMillan.
- Olaniyi, E., Adeoye, B. (2016), Determinants of financial inclusion in Africa: A dynamic panel data approach. *University of Mauritius Research Journal*, 22, 310-336.

- Beck, T., de la Torre, A. (2006), The basic analytics of access to financial services. Vol. 4026. World Bank. Available from: <http://www.documents.worldbank.org/curated/en/586361468166156750/Thebasic-analytics-of-access-to-financial-services>. [Last accessed on 2016 Nov 17].
- Chithra, N., Selvam, M. (2013), Determinants of financial inclusion: An empirical study on the inter-state variations in India. Available from: <https://www.ssrn.com/abstract=2296096>. [Last accessed on 2016 Nov 17].



Appendixes



**BABASAHEB
BHIMRAO
AMBEDKAR
UNIVERSITY**



**BABASAHEB BHIMRAO AMBEDKAR
UNIVERSITY LUCKNOW
DEPARTMENT OF ECONOMICS**

Name of Research Scholar: FIRDOUS AHMAD MALIK

Name Supervisor: DR. D.K. YADAV

Research schedule For

*Field Survey of Slums and Beggars in Lucknow
And Kolkata Cities to Check Financial Inclusion
and Financial Behaviour Among These Poorest
Urban Groups*

- 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 poorest of the poor due to recent financial inclusion schemes.
- 3 To analysis the impact of recent financial inclusion schemes on financial behavior of poorest of the poor.

Questionnaire No		State Code	District Code
Date of Interview	Location	Block	
Social Economic Condition of The Household			
Name of the Respondent			
Address of Respondent's Household		Pin Code:	
1. Age of Respondent:		_____ Years	
2. Gender of Respondent		Male <input type="checkbox"/> Female <input type="checkbox"/>	
3. Category of Respondent		General <input type="checkbox"/> Scheduled Caste(SC) <input type="checkbox"/> Scheduled Tribe(ST) <input type="checkbox"/> Other Backward Caste (OBC) <input type="checkbox"/>	
4. Household Structure of Respondent (Guests should not be considered as criteria for joint family)		Nuclear Family <input type="checkbox"/> Nuclear Family with Elders <input type="checkbox"/> Joint Family <input type="checkbox"/> Single Persons/Siblings <input type="checkbox"/> Others <input type="checkbox"/> Pl Specify Others _____	
No. of earning members in the family		1. three or more members earning 2. both husband and wife earning 3. Only 1 family member earning 4. No earning member	
No. of children head of the family has/had		1. 0-1 2. 2 3. 3 4. 4 5. 5 6. >6	
5. Education of Respondent		Illiterate <input type="checkbox"/> Primary (Up to Class V) <input type="checkbox"/> Upper Primary(VI-VIII) <input type="checkbox"/> Secondary (IX to X) <input type="checkbox"/> Senior Secondary(XI-XII) <input type="checkbox"/> Diploma <input type="checkbox"/> Graduate and Above <input type="checkbox"/>	
6. Working Status of Respondent (Unemployed, Housewives/Homemakers, Students and Retired persons should be considered as Not Working)		Working (Part Time (4 Hrs. or less per day)) <input type="checkbox"/> Working (Full Time (more than 4 Hrs. per day)) <input type="checkbox"/> Not Working <input type="checkbox"/>	
7. Occupation of Respondent		Self Employed (Agriculture) <input type="checkbox"/> Agricultural Labourer <input type="checkbox"/> Self Employed (Non-Agriculture) <input type="checkbox"/> Casual Labourer <input type="checkbox"/> Salaried (Private) <input type="checkbox"/> Salaried (Govt.) <input type="checkbox"/> Student <input type="checkbox"/> Housewife/Homemaker <input type="checkbox"/> Retired person <input type="checkbox"/> Others _____ <input type="checkbox"/>	

8. Annual Income of Respondent (Please only include individual income of the respondent and it should not be aggregated with income of other members of the household)	10000-20000 <input type="checkbox"/> 21000-40000 <input type="checkbox"/> 41000-60000 <input type="checkbox"/> 61000-100000 100001 above <input type="checkbox"/>
Frequency of Income of Respondent	Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Irregular <input type="checkbox"/> Others _____
For how many days you did this work?	
How many hours you did this work?	
How much amount was paid?	
Type of House	1. Hut 2. Semi Pucca 3. Pucca 4. Apartment 5. Independent house/Bungalow
Where do you get your Drinking Water?	1. Tap in the House 2. Common Tap 3. Hand pump / Bore well 5. Tank/ Pond 6. Others: (specify): _____
Does the respondent's house have electricity?	1. Yes. 2.No
What type of cooking fuel do you use	1. LPG/Gas 2. Kerosene 3. Firewood 4. Gobar gas/bio fuels 5. Others: Specify: _____
What toilet arrangements do you have?	1. Private (in your own house) 2. Common (shared by others) 3. Open fields 4. Others: Specify: _____
Are there any persons with disabilities in the house?	1. Yes. 2.No
Indicate your economic status	1. BPL 2. APL 3. Red Card
Assets owned by the Household	
Possession of a vehicle or equivalent	1. car 2. Scooter 3 Bullock cart 4. cycles 5. None of the above
Expenditures of Household.	
Expenditure Type	Total amount rupees
Durable goods (in last one year)	
Non-durable goods (in last six months)	
Food grains and non-foods grains (in a month)	
Education (in six months)	
Health (in six months)	
Entertainment (six months)	
Clothing (in six months)	
social ceremony (in the existing year)	
Prestigious goods	

<i>Are you aware about online banking?</i>	1 yes 2 no
<i>If yes? from how many years you are using online banking?</i>	1. None 2. 1-10 3. 11-20 4. 21-50
<i>How are you doing online transactions</i>	1 Paytm 2 Phone pay 3 Bank App 4 Not Using
<i>How do you access your social network account? (You can choose more than one)</i>	1 PC 2 laptop 3 Mobile phone 4 others
<i>How long have you been these apps</i>	1 Less than a month 2 1 - 6 months 3 7 months to a year 4 more than a year 5 not using
<i>Do you think privacy policies are effective in social networking sites?</i>	1 Strongly agree 2 Agree 3 Disagree 4 strongly Disagree 5. not know

FINANCIAL LITERACY & FINANCIAL INCLUSION QUESTIONS

Please provide your personal opinion on scale of 1 to 5(for Qs 10-12), where 1 means 'Strongly Agree, 2 means 'Agree', 3 means 'Neutral', 4 means 'Disagree' & 5 means 'Strongly Disagree'

10. I tend to live for today and let tomorrow take care of itself. (FA)	1 2 3 4 5
11. I find it more satisfying to spend money, than to save it for the long term. (FA)	1 2 3 4 5
12. Money is there to be spent. (FA)	1 2 3 4 5

13. Does your Household have a Budget? (FB) Yes No

14. Who is responsible for Financial & Money Management in your household? (FB)

Yourself <input type="checkbox"/>	Yourself & Your Spouse <input type="checkbox"/>
Yourself & Another Member <input type="checkbox"/>	Another Family Member <input type="checkbox"/>
Others _____ <input type="checkbox"/>	

15. In the last 12 months have you encountered a situation wherein your income does not cover for your **living costs**? (FB)

Yes <input type="checkbox"/>	No <input type="checkbox"/>	Not Applicable <input type="checkbox"/>
------------------------------	-----------------------------	---

16. If Yes in previous question, what did you do to meet your **living costs**? (FB)

Borrowed from Family Member/Relative <input type="checkbox"/>	Borrowed from Employer <input type="checkbox"/>
Earned Extra Money <input type="checkbox"/>	Drew Money out of savings/Investments <input type="checkbox"/>
Sold Items <input type="checkbox"/>	Availed Loan/ Finance/Mortgage <input type="checkbox"/>
Missed Payments <input type="checkbox"/>	Others _____ <input type="checkbox"/>

17. Have you heard or availed the following **Banking & Savings** related financial products? *(FK/FI)*

Sr.	Types of Financial Products	Are you aware of any of these types of financial products? (A)	If 17(A) is yes, whether you currently hold any of these types of products (personally or jointly) (B)	If 17(B) is yes, have you made any transaction related to the product in last two years (Personally or jointly) (c)
i)	Saving Bank Account / No Frill Account <i>(either with Commercial or Cooperative Bank)</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
ii)	Recurring Deposit	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
iii)	Fixed Deposit	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
vi)	General Credit Card <i>(Artisan CC, Laghu Udyami Card, Swarojgar CC & Weaver's Card etc.)</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
vii)	Any other Bank Loans <i>(Home/Education / Vehicle/Personal etc)</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
viii)	Credit Card	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
ix)	Public Provident Fund	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
x)	Post Office Savings Scheme	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
xi)	National Savings Certificate/ Kisan Vikas Patra	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

ASK QUESTION 18 ONLY IF RESPONDENT IS AWARE OF BANK ACCOUNT BUT CURRENTLY DOES NOT HOLD ANY SUCH ACCOUNT

18. What are the reasons for not opening a Bank Account **(FI)** *(Mark Multiple Options)*

No Need for Bank Account <input type="checkbox"/>	Not Enough Money <input type="checkbox"/>
Someone Else in Family already has Account <input type="checkbox"/>	Banks are Too Far Away <input type="checkbox"/>
Do not Have Necessary Documents/KYC <input type="checkbox"/>	Do not Trust Bank <input type="checkbox"/>
Complicated/Difficult Procedure <input type="checkbox"/>	Religious Reason <input type="checkbox"/>
V)Others _____ <input type="checkbox"/>	

19. Which of the following banking facilities/ Services you have availed? **(FI) (Mark Multiple Options)**

Debit Card/ATM <input type="checkbox"/>	Internet Banking <input type="checkbox"/>
Remittances (RTGS/NEFT/ECS/Others) <input type="checkbox"/>	Mobile Banking <input type="checkbox"/>
Direct Benefit Transfer (DBT) <input type="checkbox"/>	Others _____ <input type="checkbox"/>

20. **(A)** What are the reasons as to why you have not availed remittance facility of banks? **(FI)(Mark Multiple Options)**

Not Enough Money <input type="checkbox"/>	Banks are Too Far Away <input type="checkbox"/>
Lack of Knowledge <input type="checkbox"/>	Involves High Cost <input type="checkbox"/>
Procedures are difficult to understand <input type="checkbox"/>	No Requirement of Remittance <input type="checkbox"/>
Others _____ <input type="checkbox"/>	

20. **(B)** What are the reasons as to why you have not availed credit or loan facility? **(FI)(Mark Multiple Options)**

No Need of Credit/Loan <input type="checkbox"/>	Banks are Too Far Away <input type="checkbox"/>
Lack of Knowledge <input type="checkbox"/>	Involves High Cost & Interest <input type="checkbox"/>
Procedures are difficult to understand <input type="checkbox"/>	Availed Credit from Other Unregulated Sources <input type="checkbox"/>
Do not have Necessary Documents <input type="checkbox"/>	Others _____ <input type="checkbox"/>

21. Whether any **Banking Correspondents (BCs)** available in your area for delivery of banking services? **(FI)**

Yes <input type="checkbox"/>	No <input type="checkbox"/>	Not Aware <input type="checkbox"/>
------------------------------	-----------------------------	------------------------------------

22. If Yes, have you availed any banking services through BCs? **(FI)** Yes No

23. If No, reasons for not availing banking services through BCs? **(FI)**

Do Not Trust BCs <input type="checkbox"/>	BCs not functioning / Card not given <input type="checkbox"/>
Only limited services are available through BCs <input type="checkbox"/>	BCs not available on all days <input type="checkbox"/>
Others _____ <input type="checkbox"/>	

24. Did you avail any loan from sources other than Banks? **(FI)(Mark Multiple Options)**

Money Lender <input type="checkbox"/>	Friends/Family <input type="checkbox"/>
Self Help Groups (SHGs) <input type="checkbox"/>	Micro Finance Institutions <input type="checkbox"/>
Not Availed <input type="checkbox"/>	Departmental Loan <input type="checkbox"/> Others _____ <input type="checkbox"/>

Sr.	Types of Financial Products	Are you aware of any of these types of financial products? (A)	If 25(A) is yes, whether you currently hold any of these types of products (personally or jointly) (B)	If 25(B) is yes, have you made any transaction related to the product in last two years (Personally or jointly) (C)
i)	Life Insurance	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
ii)	Motor Insurance	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
iii)	Health Insurance	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
iv)	Home Insurance	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
v)	Crop Insurance	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
vi)	Cattle/Livestock Insurance	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
vii)	Any other General Insurance (Pl Specify)	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

25. Have you heard or availed the following **insurance** products? *(FK/FI)*

ASK QUESTION 26 ONLY IF RESPONDENT IS AWARE OF INSURANCE PRODUCTS BUT CURRENTLY DOES NOT HOLD ANY SUCH PRODUCT

26. What are the reasons why you do not have Insurance? (FI) (Mark Multiple Options)

Lack of Knowledge about Insurance <input type="checkbox"/>	Physically/Financially <input type="checkbox"/>
Not Enough Earning/Money <input type="checkbox"/>	Do not Have Necessary Documents <input type="checkbox"/>
Religious Reason <input type="checkbox"/>	Covered in Someone Else's Policy <input type="checkbox"/>
Do not Trust Insurance Company <input type="checkbox"/>	Insurance are Costly <input type="checkbox"/>
I am Healthy Do Not Have Access to Insurance Companies <input type="checkbox"/>	Confused about Choices <input type="checkbox"/>
No Need Felt <input type="checkbox"/>	Others _____

ASK QUESTION 27 ONLY IF RESPONDENT HAS AVAILED ANY OF THE INSURANCE PRODUCTS

27. Have you ever made any claim under the following policies? *(FI)(Mark Multiple Options)*

Health Insurance <input type="checkbox"/>	Property (Factory/office/ Industry) Insurance <input type="checkbox"/>
Motor Insurance <input type="checkbox"/>	Agriculture/Crop Insurance <input type="checkbox"/>
Personal Accident Insurance <input type="checkbox"/>	Home Insurance <input type="checkbox"/>
Home Insurance <input type="checkbox"/>	Cattle/Livestock Insurance <input type="checkbox"/>
Others _____ <input type="checkbox"/>	

28. Have you heard or availed the following pension related products? (FK/FI)

Sr.	Types of Financial Products	Are you aware of any of these types of financial products? (A)	If 30(A) is yes, whether you currently hold any of these types of products (personally or jointly) (B)	If 30(B) is yes, have you made any transaction related to the product in last two years (Personally or jointly) (C)
i)	Employees Provident Fund (EPF)	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
ii)	National Pension Scheme (NPS)	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
iii)	Family/ Employee Pension Scheme	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

ASK QUESTION 31 ONLY IF RESPONDENT IS AWARE OF PENSION RELATED PRODUCTS BUT CURRENTLY DOES NOT HOLD ANY SUCH PRODUCT

29. What are the reasons why you **do not** have a pension account? (FI) (Mark Multiple Options)

I am too young to think about retirement <input type="checkbox"/>	Not Enough Earning/Money <input type="checkbox"/>
Have invested in other financial Products	Children would support <input type="checkbox"/>
Product and Services are not available <input type="checkbox"/>	Not Required/No Need Felt <input type="checkbox"/>
Religious Reason <input type="checkbox"/>	Others _____ <input type="checkbox"/>

1 To study the access and non-access pattern of recent financial inclusion schemes to the poorest of the poor.

Pradhan Mantri Jan - Dhan Yojana scheme (PMJDY)	
Document required to open an account under Pradhan Mantri Jan-Dhan Yojana	
Which of the following documents do you have?	
1.the passport,	1) Yes 2) No
2.the driving licence,	1) Yes 2) No
3.the Permanent Account Number (PAN) Card,	1) Yes 2) No
4.the Voter's Identity Card issued by Election Commission of India,	1) Yes 2) No

5.job card issued by NREGA duly signed by an officer of the State Government,	1) Yes 2) No
6. Aadhaar number,	1) Yes 2) No
7.any other document as notified by the Central Government in consultation with the Regulator: Provided that where simplified	1) Yes 2) No
Measures Are Applied for Verifying The	
identity of the clients the following documents shall be deemed to be officially valid documents: —	
1.identity card with applicant's Photograph issued by Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, and Public Financial Institutions;	1) Yes 2) No
2.letter issued by a Gazetted officer, with a duly attested photograph of the person.	1) Yes 2) No
Are you aware about PMJDY	1) Yes 2) No
Do you have PMJDY bank account	1) Yes 2) No
Do you have savings in PMJDY account?	1) Yes 2) No
Do you have PMJDY Rupay debit card	1) Yes 2) No
Special Benefits under PMJDY Scheme	
Benefits under PMJDY Scheme you have availed	
1 Interest on deposit.	1) Yes 2) No
Accidental insurance cover of Rs. 1 lac	1) Yes 2) No
No minimum balance required.	1) Yes 2) No
The scheme provides life cover of Rs. 30,000/- payable on death of the beneficiary, subject to fulfillment of the eligibility condition.	1) Yes 2) No
Easy Transfer of money across India	1) Yes 2) No
Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts	1) Yes 2) No
After satisfactory operation of the account for 6 months, an overdraft facility will be permitted	1) Yes 2) No
Access to Pension, insurance products.	1) Yes 2) No
The Claim under Personal Accidental Insurance under PMJDY shall be payable if the Rupay Card holder have performed	1) Yes 2) No

minimum one successful financial or non-financial customer induced transaction at any Bank Branch, Bank Mitra, ATM, POS, E-COM etc. Channel both Intra and Inter-bank i.e. on-us (Bank Customer/rupay card holder transacting at same Bank channels) and off-us (Bank Customer/Rupay card holder transacting at other Bank Channels) within 90 days prior to date of accident including accident date will be included as eligible transactions under the Rupay Insurance Program 2016-2017.	
Overdraft facility upto Rs.5000/- is available in only one account per household, preferably lady of the household.	1) Yes 2) No

MUDRA SCHEME AWARENESS AND USAGE

Are you aware about PM MUDRA scheme?	Y/N
If Y, are you registered in the scheme?	Y/N
If N, what is the reason?
If Y, have you availed any loan under the scheme	Y/N
If Y, under which category (I) Shishu lone (ii) Kishore lone (iii) Tarun lone	
Purpose of taking loan (i) for small scale business purpose (ii) for any unorganized sector (iii) for skill development programme (iv) other purpose	
Loan availed from which type of bank?	i) public sector bank ii) private sector bank
Are you satisfied with procedural part of bank	Y/N
If N, what is the reason	i) time taken processes ii) Problem of Mediator
How much time it has taken to sanction the loan	
Which kind of documents demanded by the banks (i) Aadhar card (ii) voter ID card (iii) Ration card (iv) other	
What is the rate of interest to be paid	i) 1-5% ii) 6-10% iii) 11-15% iv) 16-20%
Have you paid any bribe for availing the loan	Y/N
If yes to whom and how much	
Any other service provided under scheme	(i) education (ii) skill development (iii) other

Do you think, scheme is helpful in changing the occupation and its expansion	Y/N
--	-----

Three ambitious Social Security Schemes pertaining to the Insurance and Pension Sectors, namely Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and the Atal Pension Yojana (APY)

Pradhan Mantri Jeevan Joti Bima Yojana Awareness (18 to 50 years)

Do you know about PMJJBY?	1 Yes	2 No
Do you have applied for PMJJBY?	1 Yes	2 No
Are you paying monthly premium?	1 Yes	2 No
Are you satisfy with 330 premiums per Annum?	1 Yes	2 No
Which insurance company you are paying for this scheme?		

Pradhan Mantri Suraksha Bima Yojana Awareness (18-70 years)

Do you know about PMSBY?	1 Yes	2 No
Do you have applied for PMSBY?	1 Yes	2 No
Are you paying monthly premium?	1 Yes	2 No
Are you satisfy with RS 12 premiums per Annum?	1 Yes	2 No
Which insurance company you are paying for this scheme?		

Atal Pension Yojana (APY-18-40 years)

Do you know about (APY)?	1 Yes	2 No
Do you have applied for (APY)?	1 Yes	2 No
Are you paying monthly premium?	1 Yes	2 No
Which premiums you like to pay per month?	1.Rs. 42 per month 3 Rs. 210 per month	2 Rs. 291 per month 4 Rs. 1,454 per month
Which insurance company you are paying for this scheme?		

A. Socio Economic Index {coding is arranged from worst to better off, i.e. 1 for worst and 5 for better}

S. No	Name of the Variable	Categories of the variable	Coding
1	Education	Illiterate	1
		Primary	2
		Upper primary	3
		Secondary	4
		Senior Secondary	5
		Diploma	6
		Graduate	7
2	Income	10,000 to 20,000	1
		21,000 to 40,000	2
		41,000 to 60,000	3
		61,000 to 10,0000	4
		Above 100000	5
3	Number of working Hours	1-5	1
		6-10	2
		11-15	3
4	Number of working Days	1-10	1
		11-20	2
		21-30	3
5	Frequency of Income	Daily	1
		Weekly	2
		Monthly	3
6	Type of House	Hut	1
		Semi Pucca	2
		Pucca	3
7	Drinking water Facility	Common tap	1
		Tap in House	2
8	Electricity	No	1
		Yes	2
9	Type of Fuel	Fire Wood	1
		Kerosene	2
		LPG/Gas	3
10	Toilet Facility	Open Fields	1
		Commonly shared	2
		Private in House	3
11	Disability	No	1
		Yes	2
12	Economic Status	No card	1
		Red Card	2
		BPL	3
		APL	4
13	Assets	None	1
		Cycle	2
		Scooter	3
		Car	4