

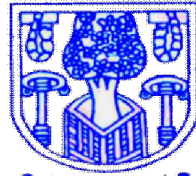
**IMPACT OF FINANCIAL INCLUSION INITIATIVES
ON SOCIO-ECONOMIC STATUS OF WOMEN**

(A study of two districts in Bundelkhand Region of Uttar Pradesh)

THESIS

SUBMITTED TO
DEPARTMENT OF RURAL MANAGEMENT
SCHOOL FOR MANAGEMENT STUDIES
BABASAHEB BHIMRAO AMBEDKAR UNIVERSITY, LUCKNOW

**BABASAHEB
BHIMRAO
AMBEDKAR
UNIVERSITY**



• LUCKNOW •
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DECLARATION

This thesis titled, "IMPACT OF FINANCIAL INCLUSION INITIATIVES ON SOCIO-ECONOMIC STATUS OF WOMEN (A study of two districts in Bundelkhand Region of Uttar Pradesh)" is submitted in fulfillment of the requirements for the award of the Degree of Doctor of Philosophy (Ph.D.) in Management to Babasaheb Bhimrao Ambedkar University, Lucknow. I hereby declare that this thesis is based on my original work except for quotations and citations and maps which have been duly acknowledged. I also declare that this thesis has not been previously or concurrently submitted to either in whole or in part, for any other qualification to any University or other institutions.

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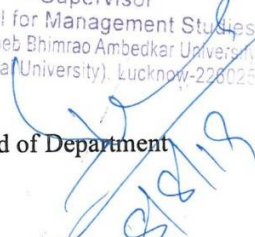
CERTIFICATE

This is to certify that the thesis titled "IMPACT OF FINANCIAL INCLUSION INITIATIVES ON SOCIO-ECONOMIC STATUS OF WOMEN (a study of two districts in Bundelkhand Region of Uttar Pradesh)" submitted by Vinamrata Akash is an original research work and has not been previously submitted in part or full for the award of any other degree of 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 2008/2010/2013* and it is fit for submission and evaluation for the award of the degree of Doctor of Philosophy of the University.

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Vinamrata Akash

PREFACE

India is a country with a large population. It is amongst the largest democracy and contains highest population after China in world. Nearly seventy percent of the population still is rural. Uttar Pradesh is a state with not only the largest population but has the largest rural population also. Bundelkhand Region is considered amongst the most backward regions in the country. The nation is on the track of fast development in various sectors but the gloomy picture still exists on the ground level. The growth and development is not percolating at the grass root and so government and policy makers are focusing on the inclusive growth pattern. The term inclusive growth is not new. The Indian government has starting working towards the country's growth roughly since 1960 but even today the people especially women in rural places are extremely poor, vulnerable and are deprived of the basic government policies. They are deprived from formal financial system and are far behind from the process of growth and development. They are in dire need of funds and approach the informal sources of finance creating so many other problems thereafter.

The government took various initiatives from time to time ever since independence to help the people at the lowest ladder but various government reports statistics (such as CRISIL) shows that still a majority of people still exists financially excluded, especially women are at worst condition mainly in rural places than men. The government need not to make any new policies and plans, but need to study the causes, the reasons as to why the women at the bottom of the pyramid are lagging behind from taking the advantages of govt. policies and directives. The gloomy picture at the bottom level reflects the need to study the hindrances that keep them lagged behind. One such way to improve upon the situation by initiating financial inclusion exercises.

Financial inclusion is the process of bringing deprived people under the ambit of formal financial system and ensuring timely and adequate credit to the low income groups at low cost (Rangarajan, 2008).

It can empower women by helping them providing access to formal credit for productive occupation, giving them economic freedom and social power. Hence, it plays a vital role

in bringing gender equality as any sphere of development would be partial without equitable women participation and contribution.

According to World Bank Report 2017 (Global Findex Database), in developing economies female account holders are on an average, five percent points more likely, compared to male account holders to have an inactive accounts. However in India this gender-gap is about two times as large. The report says that 54% of account holder women made no transaction of deposit or withdrawal in a year as compared to 43% of men account holders, especially women in remote, rural and semi urban areas are in majority to have either no connection with formal financial system or if they are under the ambit of formal system, then they are not availing its benefits and therefore the importance of improving financial inclusion for women is receiving an increased attention.

Bundelkhand region in India falls amongst the most backward regions in the country and has large number of female workers, and level of financial inclusion is below average in both the parent states of Bundelkhand region i.e. Uttar Pradesh and Madhya Pradesh.

Hence, knowing all the facts above triggered me as a researcher to study the above area, to find out awareness level of women towards financial inclusion initiatives, to study the reasons that hampers them to be under financial ambit, and if they are connected with the formal financial system then how its impacting them socially and economically.

The text in this research has importance because from the supply side there are end numbers of initiatives towards the progress of vulnerable, low income groups, but the reality at ground level reflects a different story which attracts the researchers to study it. The research is only an attempt to find out the trivialities of the financial inclusion initiatives and the reasons as to why they haven't been as successful as they were deemed to be. The current research is a step in the direction where we identify the demand side of financial inclusion and try to understand an altogether new framework in the context of socio economic dynamics of the natives living there.

All activities have always been directed to create a holistic impact and hence linking of financial inclusion to the socio economic profile of the women adds currency to the research and also gives a much needed impetus to the on-going researches elsewhere in the related domains. The research concludes creating a very viable model of finding the

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MODEL

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LIST OF ABBREVIATIONS

APS	:	Annual Policy Statement
U.P	:	Uttar Pradesh
FI	:	Financial Inclusion
FII	:	Financial Inclusion Index
FL	:	Financial Literacy
FPA	:	Financial Products Awareness
RBI	:	Reserve Bank of India
RRB	:	Regional Rural Bank
SHG	:	Self Help Groups
GFI	:	Global Financial Inclusion
IDO	:	Institutional Debt Outstanding
WB	:	World Bank
NABARD	:	National Bank for Agriculture and Rural Development
NFA	:	No Frill Account
NIS	:	Non Institutional Sources
NPA	:	Non Performing Asset
PSL	:	Primary Sector Lending
SIDBI	:	Small Industries Development Bank of India
SME	:	Small and Medium Enterprise
VG	:	Vulnerable Group
UBCFI	:	Union Budget Committee for financial Inclusion
BSBDA	:	Basic Saving Bank Deposit Account
EBT	:	Electronic Benefit Transfer
GCC	:	General Credit Card

KCC	:	Kissan Credit Card
KYC	:	Know your Customer
BC	:	Business Correspondents
BDO	:	Block Development Officer
MFI	:	Micro Finance Institutions
NREGA	:	National Rural Employment Guarantee Scheme
ATM	:	Automatic Teller Machine
NEFT	:	National Electronic Fund Transfer
RTGS	:	Real Time Gross Settlement
PMJDY	:	Pradhan Mantri Jan Dhan Yojana
FLP	:	Financial Literacy Program
FLC	:	Financial Literacy Centre
FLCCC	:	Financial Literacy and Credit Counselling Centres
FIP	:	Financial Inclusion Plan
NES	:	North Eastern States
AEP	:	Adhaar enabled Payment
DBT	:	Direct Benefit Transfer
NPCI	:	National Payment Corporation of India
NSSO	:	National Sample Survey Office
ARC	:	Administrative Reform Commission
NBFC	:	Non Banking Financial companies
GDP	:	Gross Domestic Product
IMPS	:	Interbank Mobile Payment System
CRISIL	:	Credit Rating Information Services of India Limited
BP	:	Branch Penetration

CP	:	Credit Penetration
DP	:	Deposit Penetration
IP	:	Insurance Penetration
MHA	:	Ministry of Home Affairs
ORGI	:	Office of Registrar General of India
NITI	:	National Institution For Transforming India
DCT	:	Direct Cash Transfer
G20	:	Group of Twenty Nations
OECD	:	Organisation for Economic Cooperation and Development
DDC	:	Developing and Developed Countries
UN	:	United Nation
HDR	:	Human Development Report
HDI	:	Human Development Index
BLP	:	Bank Linkage Programme
ICT	:	Information and Communication Technology
APY	:	Atal Pension Yojana
M.P	:	Madhya Pradesh
PC	:	Planning Commission
GOI	:	Government of India
HDP	:	Human Development Poor
SLBC	:	State Level Bankers Committee
UNDP	:	United Nations Development Programming
IMF	:	International Monetary Fund
OD	:	Over Draft
RD	:	Recurring Deposit
LIC	:	Life Insurance Corporation

EXECUTIVE SUMMARY

This research work consists of five chapters. The first chapter delineates the research topic basics and introduces financial inclusion. It explains the need of the research study signifying the relevance of the topic. Furthermore, this section gives an introduction on the core of the research and explains the rationale behind selection of the topic and the crucial need of creating financial inclusion awareness among women and to bring them under the ambit of formal financial system which could aid them financially and could support and uplift them socially and economically. It explains the importance of financial inclusion and tries to focus on the hindrances women face towards it.

It also elucidates the reason as to why the governments and policy makers needs to focus on proper implementation of financial inclusion initiatives on the ground level. It also explained the mechanism for successful financial inclusion through a model.

Chapter 2 provided a comprehensively theoretical base of review of literature which detailed the basics on which the research process was planned. It provided the genesis of the term financial inclusion, its definition over a period of time by various economist and researchers. It also gave an outline of the work done in the relevant area of study.

The chapter also focused on the history and need of financial inclusion. It also explained financial exclusion. It provided various studies on past researches in Indian context.

Chapter 3 provides a detailed outline of the research methods applied in carrying out the research. It consists of the research objectives, scope of the study, financial inclusion of people in Bundelkhand region and hypothesis. It provides a template within which each research objective has been defined and also helps to create a blueprint for the achievement of those objectives. The hypothesis creation and sampling procedures crafted for the same have been clearly spelt out in this section providing a grounding for the analysis to take over.

Chapter 4 provides analyses of the data and presents the results obtained for all the research objectives. The association between various components is analysed across various variables in detail. Different tools like descriptive statistics, cross tabulation, chi-square test, paired t-test, correlation and regression has been used for data analysis. The

data analysis follows the protocols laid down in previous chapters and the interpretations thus made are within the discretion limits set by the researcher right at the outset.

. The research concludes with Chapter 5 giving a brief picture of the entire research work. It begins with the summary of the research work and presents a thorough discussion of major findings. It also lists the recommendations for the target respondents and for the policy makers as well. It also discusses about the scope of the future research that can be undertaken and also underlines the general limitations of the research. The research concludes on a positive reaffirmation of the initial set out hypothesis and the results truly indicate that the socio economic impact has been a major noticeable factor since the advent of financial inclusion initiatives.

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CHAPTER 1

INTRODUCTION

CHAPTER 1

INTRODUCTION TO FINANCIAL INCLUSION

1.1. Overview

India is a nation which is seventh largest by area and the second most populous country after china in world [Source: World Population Prospects (2019 Revision)] and it is one among the fastest growing economies of the world(Press Information Bureau Government of India, Ministry of Finance)presently no doubt but the fact is that its growth story is not trickling down to the rural, rural-urban and lower stratum of our country which is indeed crucial as India's vast population i.e around 68.86% of its people still live in rural areas [Source: Ministry of Statistics and Programme Implementation, UN (World Population Prospects 2017)]

Wherein Uttar Pradesh has the highest population (census 2011) and common occupation here is agriculture and its related activities (india.gov.in). It is unquestionably a state that majorly contributes to the national food grain stock but a grim reality of U.P is that it's large populace is residing in rural areas or semi urban areas, which are lagged behind in terms of availing the governments opportunities to grow.

Ever since Independence the Indian government started working for the nations growth as it had soon realised that the real meaning of nation's growth and development is only when it benefits the people by and large, as growth of the nation is dependent on its general public, growth should be more in broad sense and not just limited to a certain class or section of a society.

Keeping this point in view the Indian Government had started taking initiatives towards it roughly since 1960's and took various steps to assist rural, vulnerable, weaker, deprived people. The government wanted to do in their favour something which could really help them so that they could be under the ambit of formal financial system, where they could deposit and withdraw, could avail small loans in order to meet their emergency or could even

use it as an opportunity to grow by starting his own small business. Banking would also inculcate in them the saving habit and they could save little-little money to make their future secure.

Hence the nomenclature of the term “development” in context with nation has been replaced more with the term “Inclusive growth”, keeping the inclusive approach as a base the govt. took various initiatives to include the excluded, vulnerable population in the Banking Ambit and consequently the banking network started spreading to reach the remotest areas to address the country’s poor and deprived.

The agenda of Financial Inclusion evolved since then and continued to be on rise with time and in the present scenario it had become the most discussed topic in India. Financial inclusion is basically providing easy and timely credit facility to the people requiring it at an affordable cost.

It has been described as " the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost." by Dr. C. Rangarajan (RBI Publications, Sep 04, 2008). It provides an equal opportunity to all sections of society, rural, urban and remote areas. It enables to trim down the gap between the rich and the poor, it primarily focuses on the poor who do not have access to formal financial institutional support and get trapped in the clutches of local money lenders or saukars. It is therefore believed that financial inclusion act as a tool to drive away poverty.

Financial inclusion focuses majorly the excluded people from financial services, namely the rural, marginalised, deprived, weaker section of the society, especially the women.

An important question that can be asked here is it really serving at the bottom, specially women?

Women are around half of the total population of any nation, plays a vital role not only in raising a family but in building a nation too. Women are the worst affected in remote areas than the male counterpart. The Government is also trying to help women by facilitating them the credit facility and various governmental and non-governmental organisations are working towards the upliftment of women. Various schemes had been launched which aim to assist them in being financially independent and help them rise economically and socially.

However despite different-different measures had been taken from time to time till date toward Financial Inclusion, still there seems to be a long way to go. To see the success of any government's effort (initiative or programme from supply side) one needs to check it at the bottom level, which gives the picture of ground reality. The dismal situation of rural and semi-urban regions, especially women gives a clear reflection of the pathetic condition prevailing in the backward regions and which is sufficient enough to trigger any researcher to study and make an enquiry in that field.

To measure and examine a problem gives a clear manifestation of both sides of it, which could later again be worked out by the policy makers to help the deprived, needy people especially the most vulnerable gender i.e female in remote areas to avail the catered facilities and can improve their living status.

As stated by **Peter Drucker**, "If you can't measure it, you can't manage it.",

Uttar Pradesh has caught the attention of many researchers as it is the in-habitat of a vast rural population and in which the Bundelkhand Region is considered to be the most backward region.

Undoubtedly India had a dense and robust formal-financial system plan, but the present prospect of Bundelkhand gives a clear reflection that it had failed to reach the bottom level, the deprived segment of the population or is sluggishly progressive.

Thus, creating a gap between the formal financial system and the underprivileged people especially women, which attracts the attention of researchers, government and policy makers to review, measure and cross check the underlying problems that causes hindrances towards financial inclusion.

Women are dreadfully affected by poverty and ill-health chiefly in remote and far flung areas and they are mostly lagged behind in availing the benefits of government's initiatives. Therefore Women empowerment is a very important subject, as a woman makes a family, many families makes a state and many states make a country at large which ultimately makes a world.

The Bundelkhand region has a large number of female workers. This research aims to focus on the low income households, main worker women and to find out whether they have come under the financial ambit, how and whether the financial system supported them to overcome their pathetic situation and has it really worked towards improving their socio-economic status. It also tries to study the reasons which seriously impede women and leave them excluded from the formal financial system even after a lot many initiatives have been launched consistently to support and cater banking and credit facilities to the needy

1.2 Meaning and Evolution of the concept of Financial Inclusion in brief.

Financial Inclusion is a process in which all working people, adults irrespective of age and gender, especially those currently excluded by the financial system, have accessibility and affordability of financial services provided by the formal financial institutions. The services include the complete gamut from savings, accessing loans and other insurance services from getting credit and making payments and availing insurance policies. The aim behind providing these services is to facilitate poor, financially vulnerable and excluded people the opportunity to come out of poverty and grow financially independent and strong.

The term “financial inclusion” was for the first time used by British lexicon, when it was found that almost near to 7.5 million people did not have a bank account at all. But in Indian context the concept of financial inclusion was not new. In India financial inclusion can be seen in various phases at different point of time. Credit channelling was introduced in **India** in late 1960s. Starting from the late 1960s to the 1980s is considered as the first phase, the major focus was on channelizing credit to the neglected segments of the society.

In 1969 the RBI introduced various initiatives to provide banking services, financial accessibility to the unbanked population which were i) Nationalisation of banks ii) establishment of RRBs iii) introduction of SHG- bank linkage programs.

Later the concept of 'Financial Inclusion' was used for the first time, in Annual Policy Statement, that was presented by Y.Venugopal Reddy (the then governor of RBI), in April 2005, and soon thereafter this concept gained ground rigorously and came to be widely used in India and abroad.

Govt. of India constituted a committee 2006, headed by Dr. C. Rangarajan on financial inclusion which defined it as: "It is a process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost."

While Inclusive banking started, with the nationalisation of banks in 1969, however a real thrust on Financial Inclusion was made in 2005, when the Reserve Bank of India highlighted its importance in its annual policy statement, which urged banks to try and reach out to the masses and to almost every nook of the country. The worrisome fact lying with the excluded masses was that they lacked access to formal financial services and it in-turn hinders the economic growth of the nation at large. Then onwards RBI urged banks to work towards reaching out to the masses, offering banking services down to the hinterland. The worrying fact was the mass exclusion of people from the formal banking system that hindered economic growth at the bottom of the pyramid. Then onwards RBI pushed banks to focus on financial inclusion as a business objective.

Despite Government of India has taken immense initiatives to improve the accessibility of financial products and services to the masses, research till now indicates that women on a large level have remained financially excluded compared to its male counterpart. The Global Findex¹ (Global Financial Inclusion) Database reported that only 26% of total female adults in India have a bank account with any formal financial institutions compared to 44% of male adults (World Bank 2014). A Reserve Bank of India (RBI) report also point towards the low credit accessed by woman from any commercial bank. RBI 2013 report indicates that women accounts for only 5% of total credit outstanding.

RBI had directed commercial banks to open branches in the rural areas of the country, the priority-sector lending was instructed to provide credit/loans from small to medium enterprises and also to agricultural sector. Further RBI also set up special banks for rural areas like Rural cooperative Banks and Regional Rural Banks. It also set up national level institutions for instance NABARD, SIDBI to sanction credit to rural areas, small and medium size enterprises.

Despite all the measurements taken and policies adopted towards rural push, the various government statistics and reports suggest that majority of the population still continues to be financially excluded and women are lagging far behind with men especially in rural areas. The banks have tried to reach and penetrate to the most backward regions to a large extent so of course availability of products and service is there, but usability of it is missing.

Although financial inclusion can apparently be said as the process of opening a bank account, but it's not just limited to mere opening an account, it is a foremost step to bring the unbanked/excluded within the ambit of banking/ financial system.

1.3 Objectives of financial inclusion

- Financial inclusion simply means bringing unbanked into banking mode so that they could avail the basic banking services such as deposit, withdrawal, access to small credit at affordable cost, access to other various services such as insurance and pension which help secure their future.
- The objective of financial inclusion is to extend and reach to each and every individual, to every nook and corner of the nation, whether urban or remote far flung areas.
- The very basic financial service is to open a bank account for the unbanked which helps the account holder to inculcate the saving habits and could deposit little-little sum of money which could be used by him to meet the future emergencies.
- It provides an opportunity to the needy to avail financial services and help him grow, the needy or the beneficiary could avail small credit and could open their own small business, and the poor deprived people of the society could avail the insurance and old age pension facility and could make their life secured.
- Financial inclusion aims to fill the urban rural gap, it also aims to eradicate the rich and poor divide. Its every citizens right to enjoy the services of Financial system operating in the country.

1.4 Importance of Financial Inclusion

Financial Inclusion plays a significant role in bring unbanked population in the banking ambit, and to provide them with the basic banking services, to help them meet their emergencies and to provide them the opportunity to come out of poverty. It focuses on

eradicating financial inclusion and encourages inclusive growth process which is a prerequisite for any nation's growth and development.

It has been studied by many renowned economists and researchers that financial inclusion has become a must-must step for Inclusive growth and development of a nation.

No-doubt that India's economic growth rate has raised steadily higher than most developed countries in the recent years but the fact cannot be overlooked that still a vast population of our country is still unbanked.

A large diversity exists between rich and poor, rural and urban. Financial Inclusion is a step forward to fill the gap. It plays a pivotal role in developing poor, rural and backward area of urban, to provide opportunity to each individual, to grow and live a decent life and promote a balanced growth.

Finance is a prerequisite towards all kind of progress. Lack of formal financial system makes the rural, underprivileged forced to take loan from private money lenders or sahuks to meet their emergencies, and make themselves more prone to various risks.

Finance Inclusion aims not only providing affordable financial services to the needy but also provides them the privilege of improving their socio economic conditions.

There are generally four basic services that the banks or other formal financial system aims to provide:

1. Banking
2. Credit
3. Investment &
4. Insurance.

Banking provides them a platform to get connected to financial system by opening a bank account. It inculcates in them the saving habits, keeps their money safe for the emergency time, and earns interest on it.

5. Most importantly it Plugged space, the gap and leakage in public subsidies and also in public welfare programmes.

The account holder (the beneficiary) can get direct subsidy transferred in their accounts, eliminating corruption. Financial inclusion lays emphasis on Credit facility can be availed from bank, to meet the emergency needs, to invest in some small business (but only when

they keep their accounts active/operational). They can make investments in various financial related schemes which would give them profit later, and they can also avail the insurance service (life , nonlife or both), all this would only be possible when they gets connected to the Formal financial institutions or else they would always be at risk from lending from private money lenders and which could leave them from paying higher rate of interest.

Hence Financial inclusion can be considered as a safety pool, once the unbanked gets connected can avail the economical and social security.

Financial Inclusion lays importance on providing availability/accessibility to affordable/reasonable financial services and products, which could help vast sections of deprived and low income people to meet their needs.

Since generations people have been in the habit of saving money conventionally or unconventionally, majorly in the form of gold and land, but it proved less helpful to meet the emergency situation as it takes it time to dilute and therefore the culture got developed roughly in 1950's where people approached private money lenders known as the "Sahukars". Lending from sahukars was convenient but at the same time they knew that they will have to pay it back with high rate of interest, which is not fixed many a times, and they knew that they need to repay it back as per the lenders wanted or else they could adopt any means to recover it back. Seeing this backdrop government of India started taking various initiatives to cater the needs of backward, poor, deprived population and the real momentum started gathering since 2005.

1.5 Financial Inclusion in India.

India is a giant nation, in terms of population it is the second country after China, and in terms of area it is the seventh largest country in the world. It has a vast population and majority of populace resides in rural areas, according to the census report 2011, 72.2% of its population is in rural area in around 638,000 villages and remaining 27.8% in the so called urban areas or cities.

Since independence the government of the country started working for the nations development, and soon realised that the real meaning of growth and development is when it benefits the people by and large which means that the benefits of growth should be more

broad in sense, it should be masses oriented and not just class oriented and thus the meaning of the nomenclature “development” has been replaced with the term “inclusive growth”.

The term inclusive means equitable distribution of opportunities and gains achieved through higher growth, to maximum and to the last person in the pyramid in a fair and affordable manner. Keeping the “Inclusive Approach” in mind the government took various steps so that the poor, deprived vulnerable sections of the population could be catered. The banking services started spreading and penetrating its roots to reach each and every person situated in far flung, remote areas.

1.6 Financial Inclusion Measures in India

RBI has immensely worked towards financial inclusion propagation and took various measures which led few key developments as mentioned below:

1. **No-Frill accounts:** In 2005 RBI issued directives to the banks to offer no-frills accounts with the aim to provide basic banking facilities to poor and promote financial inclusion, these accounts could be maintained without or with very low minimum balance. Earlier banks expected all their account holders to keep a minimum balance (Rs.500/- to Rs. 1000/-), but as a large Indian population is working in an unorganized sector and earning daily wages, or very low salary and receiving it irregularly therefore they didn't want to lock their deposit, preferring to keep their money with themselves and so did not opt to open a bank account.
2. **The basic banking account or Basic Savings Bank Deposit Account (BSBDA):** This is the bank account with a minimum bouquet of services including savings and payments given to the financially excluded people that. The BSBDA account has replaced the previous no frills (zero balance) account. Minimum bouquet of products and services were offered under BSBDA and they include:
 - A savings cum overdraft account
 - A pure savings account, ideally a recurring or variable recurring deposit
 - A remittance product to facilitate EBT and other remittances, and
 - Entrepreneurial credit products like a GCC or a KCC

3. **Simplified KYC Norms:** The low income people lacked in various identity proof documents(identity and proofs of residence) which are required to meet the KYC norms while opening an account, hence they were unable to meet the banks norms and hence were not able to open an account if desired.

Therefore RBI has simplified KYC regulations specifically for the small value clients, now they can submit a letter with all their particulars mentioned in it, issued by any of the following authorities given below, act as the certification of their identity:

- Business Correspondent
- Block Development Officer
- Micro Finance Institution (MFI)
- Head of Village Panchayat
- Post Master of the concerned post office, or
- Any other public functionary known to the Bank

4. **Regional language:**The Banks helped its customers to get all the banking related details in the regional language only so that the customers can know and understand all the details.
5. **Adoption of Business Correspondents (BCs):** BCs were allowed to provide banking services in rural areas.110,000 business correspondents and business-correspondent (BC) were set up to provide access to formal banking to all 74,414 villages with population over 2000.
6. Some State Governments have introduced smart cards for social security payments such as National Rural Employment Guarantee Scheme through such smart cards and the same delivery channel facilitates them to avail other financial services like cheap remittance and insurance services.
7. The RBI has also allowed non-bank entities to start the so called white label ATM's

8. Introducing technological development which has transformed the payment operations which are essential banking services. NEFT and RTGS have become significant mode of payment. The telecom companies have also supported instruments like mobile wallet etc which makes the payment easier without having hard cash in wallet.
9. RBI launched RuPay debit cards in 2012, the term “RuPay” has been coined using the base of two words i.e “Rupee” and “Payment”. The RuPay Cards have significantly come in use in market, it occupied a share of 38% out of the total 645 million debit cards in the country so far. The card has been specifically provided to the account holders of PMJDY (170 million).
10. RBI instructed commercial banks to start Financial Literacy Programme, many Financial Literacy Centres were started by commercial banks thereafter to give awareness about finance related issues, and educate them about financial related products and services. RBI also provides support to the Financial Literacy and Credit Counselling Centres (FLCCs).
11. RBI also focussing on Financial Inclusion Plan(FIP) for the expansion of branches in remote areas and also promoting branchless banking.
12. RBI has launched the Liberalized branch license scheme in December 2009. Here the, scheduled commercial-banks were allowed to endorsed the branches in tier III to tier VI centres, even with a populace of less than 50,000. It has been proved beneficial in especially north-eastern states like Sikkim. The scheduled commercial banks can now open bank branches in rural, semi-rural or urban areas and banks were asked open at least 25% their total number of branches in unbanked rural centres.
13. Kisan Credit Cards (KCC) and General Credit Cards (GCC) This was another major component focussing financial inclusion drive. Issuing credit cards to the credit-needy populace. Kisan Credit Cards were issued with intend to allow small farmers to get hassle free credit/loan from banks. General credit cards have been introduced for catering to the non- farm entrepreneurial/commercial. The purpose of this credit card facilitate up to Rs 25,000 for low-income people. The objective of the scheme is to provide hassle-free credit to customers based on their cash flow consideration.
14. Bank -SHG linkage programme were introduced to further support the cause of financial inclusion.

15. Aadhaar enabled payment (AEP) basically provides core financial services such as cash deposit, enquiry and withdrawal cash at low cost access devices i.e MicroATMs that are maintained by Business correspondents
16. Launch of Direct Benefit Transfer (DBT), is one of the most admired achievement in aspect of financial inclusion. The combination of Aadhaar card and Bank Account together facilitate for direct benefit transfer that means that the beneficiary of any government (social security) scheme or programme can get the benefit directly transferred in his account, which curtailed the corrupt practices that happened earlier.
17. PMJDY: Pradhan Mantri Jan Dhan Yojana The Bank account opened under PMJDY flagship programme, the customer does not require minimum balance to maintain the account also Overdraft facility is offered to those who keep their accounts active for six months. Interest on deposit is offered. Free RuPay debit card is also given to the account.
18. Unified Payments Interface: It is a payment mechanism built by the National Payments Corporation of India (NPCI) to encourage online money transactions. It is basically aimed to facilitate the retail payments for ecommerce. Payments regarding the micro-payments, utility bill-payments, Purchase of tickets, payment of school fees, etc. can be simply carried out by using the interface.

1.7 Reports by various committees on financial inclusion

Khan Commission

RBI set up Khan Commission in 2004 to look into FINANCIAL inclusion related recommendations that were incorporated into the mid-term review of the policy i.e 2005–06, and insisted banks to review and check their existing practices to reassure to line up with the objective of FINANCIAL inclusion. RBI also encourage banks and stressed the need of making available ‘no frills’ account for the poor and unbanked people.

Rangarajan Committee

The Rangarajan Committee recommended various causes for lack of financial inclusion. According to the committee reports the deprived, vulnerable people did not use the credit

facility as due to their inability to provide the collateral, and as a result it led to poor credit absorption among such masses. For many the financial institution or the banks were far beyond their reach in terms of distance which also led to poor uses of banking services and therefore RBI focused and mandated NABARD to extend in rural areas.

The report says:

- As per NSSO data, there are a total of 89.3 million households in our country, 45.9 million farmer-family (51.4%), out of which do not access to credit, either from formal or non-formal institutions.
- Around 27% of total farm-households, are obliged/indebted to formal sources (which reflects clearly that one-third also borrow from private lenders/informal sources).
- Farm oriented families are not accessing loan/credit from formal sources as a proportion to total farm-households, credit availed from informal sources is high especially at North Eastern (95.91%), Eastern (81.26%) and Central Regions (77.59%).
- The report says that financial-exclusion in general is large among the masses, exists widely across various regions, different social groups and also based on asset holdings. It has been concluded that poorer the people, the larger is the exclusion.

2nd Administrative reforms commission (ARC) report on Financial Inclusion lays emphasis on various aspects which can promote financial inclusion which are as follows:

- It laid emphasis on Innovation of products. Innovation is considered crucial for financial inclusion, which means that developing new financial products and services that are more tailor-made customised according to the different groups of deprived people so that they can then avail banking services.
- At present mostly the public-sector Banks and also micro-finance institutions have a narrow approach of product offering, which confines the customers of the choice of Self Help Groups (SHGs) and also hamper them in terms of utilizing the credit availability and productively.

- It laid emphasis on Regional Rural Banks (RRBs) to expand their network to unbanked areas, which would clearly ensure to initiate and speed up the process of inclusive banking and would help in supporting/ expanding the micro finance to the local SHGs.
- It also stated that promotion and penetration of telecom connectivity, with the latest devices (mobile phones) could be used to reach the banking customer every nook and corner of the country and could help them stay connected with banking and would encourage financial inclusion.
- The Micro Finance Institutions (MFIs) are directed to handle with care their deposits/saving and money transfer only as business correspondents(BCs) of Scheduled Banks, as it involves their hard-earned money/savings of the poorest of the class/society.

4 models of SHG-Bank Linkage:

- SHG-Bank linkage programme got endorsed by a mentor institutes like Self-Help Promotion Agencies & NGOs. Which focused on providing the seed-money. The report of 2nd ARC committee believed that this could be an appropriate model to be expanded on a larger scale
- The SHG-Bank direct linkage are very less frequent used because of inadequate initial savings of SHGs
- The SHG-Federation model emphasis on forming Cluster of SHGs federation/alliance to attain maximum economic sustainability.

The Nachiket morcommittee Report:

In Sep 2013 RBI set up a committee on Comprehensive/ Inclusive Financial Services focusing Small Businesses and Low-Income Households, under the chairmanship of Nachiket Mor committee.

Key Recommendations out of this committee:

- To provide a universal banking system, by providing a bank account to each and every individual of the country above the age of 18 years (by January 1, 2016) and to achieve

this RBI directed banks to open accounts as many as possible and to make the unbanked to come under the banking system.

- Aadhaar has been considered as the prime driver towards rapid expansion of financial inclusion aspect by opening number of bank accounts and could be monitoring at the district levels, such as deposits and withdrawals (as a percentage of gross domestic product).
- **Formation of wholesale banks (for credit outreach).** The new banks are applicable for the licenses, when they have Rs.50 crore of capital.
- The Mor committee has recommended and suggested that the priority-sector lending banks should be augmented from 40 to 50 % of the current branches and simultaneously, the banks must be freed from all kind of pricing and other restrictions.
- The committee had put forward a proposal that new categories of banks should be allowed, namely for payment, wholesale-consumer and wholesale-investment and also at the same time, the regulations/policy for non-banking financial companies (NBFCs) should also be updated .One instance of differentiated banking license is RRBs, which started- on with great promises, but eventually broke down.
- The Nachiket Mor committee has recommended two specific district-level penetration approaches i.e. The credit- GDP and life cover-GDP ratios which would be helpful to monitor financial inclusion.

DEEPAK MOHANTY

- The Reserve Bank of India constituted a committee on 15 July 2015, to work out a five-year action plan (medium-term) for financial inclusion. It was a 14-member panel, which was headed by RBI executive director Deepak Mohanty.
- The Committee ensured to expand the reach of financial services to the unbanked population.
- It ensure to review the existing financial inclusion policies, that are supportive in payment system and will secure customer protection framework.
- The committee set itself to study and analyse cross country practice for financial inclusion in order to identify the key issues mainly in the area of technology-based

delivery models which could be rectified and practised in our country so that financial inclusion could make roots.

- It laid more emphasis than ever before on financial literacy programmes, through which small business and households could avail credit delivery easily.
- It also suggested monitoring the action plan for financial inclusion in terms of its varieties of services such as like deposit, payments, credit, insurances and other social security transfers.

1.8 Crucial Milestones of Financial Inclusion in India

Year	Details of event
1904	Setting up for rural cooperatives
1954	Rural credit survey committee
1955	1955 State bank of India created
1956	Imperial Bank of India was nationalized.
1968	National Credit Council was set up.
1969	Lead bank scheme was introduced
1971	Priority sector lending norms were laid down.
1975	Regional Rural Banks (RRBs) were established.
1982	National Bank for Agriculture and Rural Development (NABARD) was established
1990	Self help group
1992	Self Help Groups Linkage Program me was launched to support females of rural areas.
1998	Kissan credit card introduced
2000	SIDBI foundation was established for making provisions of micro credit.
2004	Khan Committee was set up by Reserve Bank of India.
2005	Pilot project on financial inclusion was introduced in Mangalam village of Pondicherry by Chairman of Indian Bank Dr. K.C. Chakra barty
2005	RBI advised banks to open no-frill accounts
2006	RBI allowed BC/BF to act as agents of banks
2007	Bill on Microfinance Regulation was proposed in parliament.
2010	RBI allowed for –profit companies(excluding NBFC) to act as business correspondent
2011	National Payment Corporation of India (NPCI) launched interbank Mobile

	Payment system(IMPS)
2012	Finance Department of Government of India passed Microfinance Institutions (Development and Regulations).
2012	Revised Guidelines on Financial Literacy Centers were introduced.
2014	Pradhan Mantri Jan Dhan Yojana launched
2016	PSL target for RRBs increased from 60% to 75% of total outstanding

1.9 Recent Extensive shift in Financial Inclusion 2014

An extensive shift in financial inclusion recently came with the roll out of ‘Pradhan Mantri Jan Dhan Yojana, (PMJDY)’ in August 2014. This financial inclusion program has been designed, to ensure speedy access to various financial-services, to the financially deprived people like basic savings bank accounts, affordable and need-based credit also facilities such as insurance remittance and pension.

With the launch of this program a large number of new savings bank accounts were opened by the banking system throughout the country and has brought a phenomenal change no doubt by proving the excluded people the opportunity to connect with the safe banking practices.

1.10 Progress by PMJDY program (up to 9 May 2018)

Group of banks	Number of new savings bank accounts opened (in millions)	Deposits accumulated (in Rs. millions)	No of debit cards issued (in millions)
Public sector banks	255.3	652182.50	192.00
Regional rural banks	50.7	137170.30	36.80
Private sector banks	09.9	22681.30	08.20
Total	316.6	812035.90	238.00

PMJDY website

Through PMJDY program an attempt has been made to bring a huge population in the banking eco-system and as a consequence a huge amount of bank accounts were opened to facilitate the people in need to access, its variety of banking services. Remarkable initiations has been made from the supply side since years and also recently no doubt but the condition actually prevailing at the bottom level (the demand side) tells a different story and hence

arises a many questions and grab the attention of the researchers to find, measure and the root problem and fix it.

1.11 Status of financial inclusion in India

Financial inclusion is certainly not a recent phenomenon. In India, the earliest effort at financial inclusion can be traced back to 1904, to the beginning of the co-operative movement.

The agenda for financial inclusion was galvanised in the early 2000s in India following the publication of a spate of findings about the lack of financial inclusion and its direct correlation to poverty. Varied studies have proved that exclusion from the banking system results in a loss of 1% to the country's gross domestic product (GDP).

Policymakers in India are acutely aware of the ramifications of leaving a huge section of the population out of the development process, and, hence, are designing appropriate policies for financial inclusion.

Financial inclusion is about ensuring that a wide range of appropriate financial-services are available to each and every individual and that the individual is aware of it and accesses the required services. These include basic, no-frills banking account for making and receiving payments, savings products suited to the cash flows of poor households, money transfer facilities, small loans, overdrafts, and insurance (life and non-life).

An inclusive financial system is among the top priorities for many countries, and considered to be instrumental in achieving equitable growth. Although India has adopted several measures to advance financial inclusion, a significant percentage of its population is still without access even to basic financial services. Financial inclusion, therefore, isn't just an economic imperative for India, but also a socio-political one.

One of the critical factors in the successful implementation of any programme is to measure it by effectively tracking its progress so that course corrections can be undertaken if necessary.

To measure the extent of Financial Inclusion in India, CRISIL was incorporated in 1987, became India's first credit rating agency. It defines the concept of Financial Inclusion as

“The extent of access by all sections of society to formal financial services such as credit, deposit, insurance and pension services”

CRISIL Inclusix, is a unique index which is used to measure the coverage and extent of financial inclusion in India across its 666 districts. CRISIL uses a statistically transparent, and very easy-to understand methodology. It is based on a modular and scalable architecture.

It is a relative index which measure on a scale of 0 to 100, and it combines and focus on four significant parameters which are believed to reduce disparity, measure and improve the “extent” of financial services on the basis of four key dimensions i.e. (i)branch penetration, (2)deposit penetration, (3)credit penetration, and (4) insurance penetration, into one metric.

Objective: The objective of the rating agency i.e. CRISIL Inclusix is to measures the level or the extent of financial inclusion at a geographical level, starting from the district, aggregating across state, region and then national levels.

Coverage: CRISIL Inclusix cover up all the 666 Indian districts, all the 36 states/union territories and five regions in the country, as of the end of March 31, 2016.

It also measures financial inclusion for different periods, to facilitate inter-temporal comparison. CRISIL currently measured financial inclusion on an annual frequency basis from 2009 to 2016 which depending on the availability/accessibility of data, the frequency can be increased if required the policymakers.

Crisil Inclusix for fiscal year 2011, indicates financial inclusion status district wise as shown in the map below.

The Districts which are coloured Green in map shows High Financial inclusion, Districts coloured yellow in map shows Above Average Financial inclusion, Districts which are coloured Blue in map shows Below Average Financial inclusion and the Districts which are coloured Red in map shows Low Financial inclusion.

The Basic Parameters CRISIL took here to measure Financial Inclusion here was, Branch Penetration, Deposit Penetration, Credit Penetration. Insurance Penetration was later considered as another important dimension for fiscal 2016 to study the extent of Financial

Inclusion. CRISIL Inclusix exercises six parameters, as proxy to measure the four key dimensions of financial inclusion as shown in the table below.

1.12 Dimensions and Parameters used to measure Financial Inclusion

	Parameters	Significance	Interpretation
Branch Penetration (BP)	No. of branches per lakh of population in a district	Measures the ease with which people in a particular territory can access financial services	higher the better
Credit Penetration (CP)	No. of loan accounts per lakh of population in a district	Measures the extent of access to loan products offered in (particular territory)	higher the better
	No. of loan accounts classified in “personal loans” occupation group as per the RBI’s definition or number of micro finance loans per lakh of population in a district	Measures access to credit for retail borrower who typically face financial non inclusion	higher the better
	No. of agricultural advances per lakh of population in a district	Measure farmers access to credit	higher the better
Deposit Penetration (DP)	No. of deposit accounts per lakh of population in a district	Measure the extent of access to deposit products offered by banks (in a particular territory)	higher the better
Insurance Penetration (IP)	No. of life insurance policies per lakh of population in a district	Measure the extent of access to insurance services offered by the insurance companies(in a particular territory)	higher the better

1.13. Financial inclusion recent status in India, as per CRISIL’s latest report currently is for Fiscal 2016, released on Feb 2018.

The Report reveals that India score 58.0 on a scale of 100.

The total bank branches in India are 1.35 Lakh.

The total deposit accounts in India are 164.6 crore.

Total deposit accounts opened under Pradhan Mantri Jan-Dhan Yojana (as on February 14, 2018) are 31 Crore.

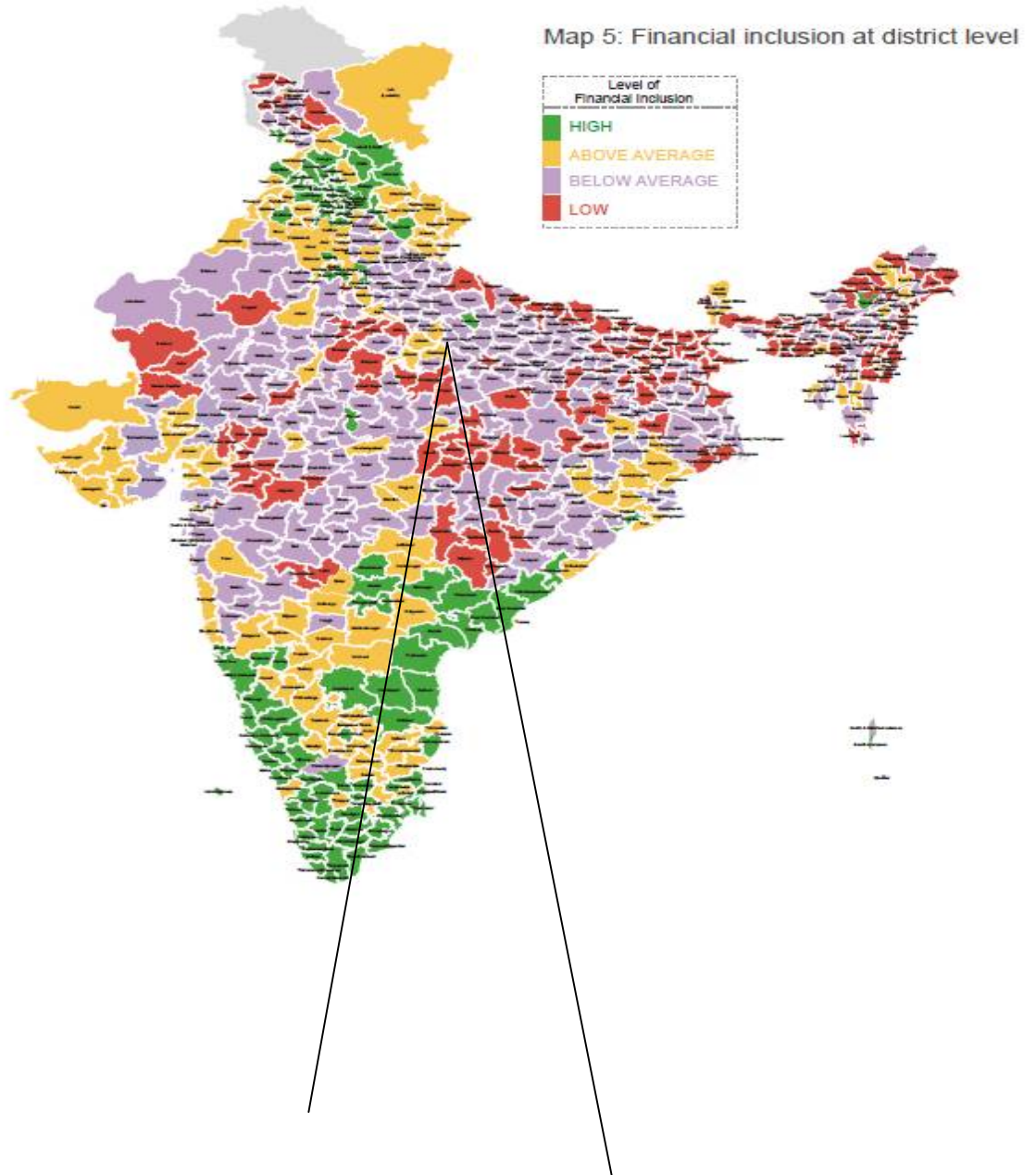
The total credit accounts in India with banks or MFIs are 19.6 crore.

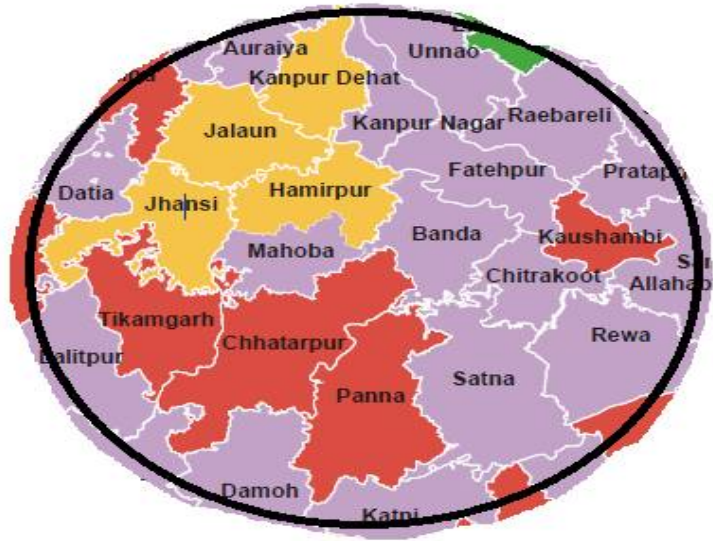
Total Life insurance accounts 34.4 Crore.

Total NPS subscribers are 1.23 Crore.

Number of districts with CRISIL Inclusix score of 100 are 14

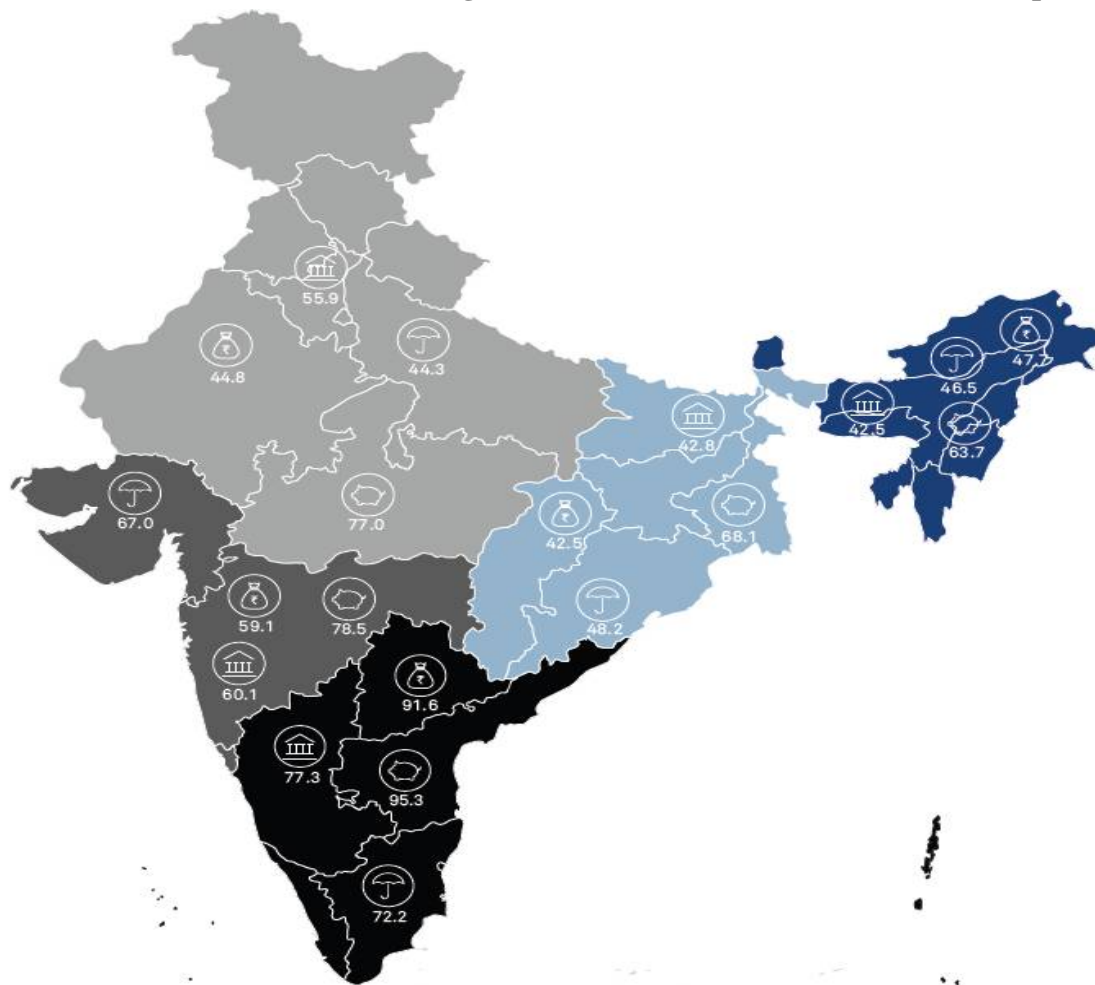
1.14 Level of Financial Inclusion District wise (Map1)





Source: CRISIL Inclusix, district-wise Financial Inclusion, fiscal 2011

1.15 Level of financial inclusion region-wise across four dimensions, 2016(Map 2)



Region	BP		CP		DP		IP	Inclusix	
	2016	2013	2016	2013	2016	2013	2016	2016	2013
South	77.3	69.7	91.6	88.7	95.3	83.1	72.2	79.8	76.0
West	60.1	54.1	59.1	37.3	78.5	60.5	67.0	62.8	48.2
North	55.9	49.0	44.8	32.8	77.0	59.1	44.3	51.7	44.0
East	42.8	43.1	42.5	35.1	68.1	44.8	49.1	48.2	40.2
North-east	42.5	41.2	47.7	35.8	63.7	45.9	41.5	46.5	39.7
India	57.2	52.4	56.0	45.7	78.3	60.3	54.3	58.0	50.1

1.16 Status of states according to CRISIL Report of fiscal 2016

(Released on February 2018)

CRISIL Inclusix measures the extent of financial inclusion at the geographical, district and state level. It measure on a scale of 0 to 100, where 100 is the maximum score achievable. It has a comprehensive coverage, which ensures greater accuracy and transparency. It covers 666 districts in all the 36 states and the union territories.

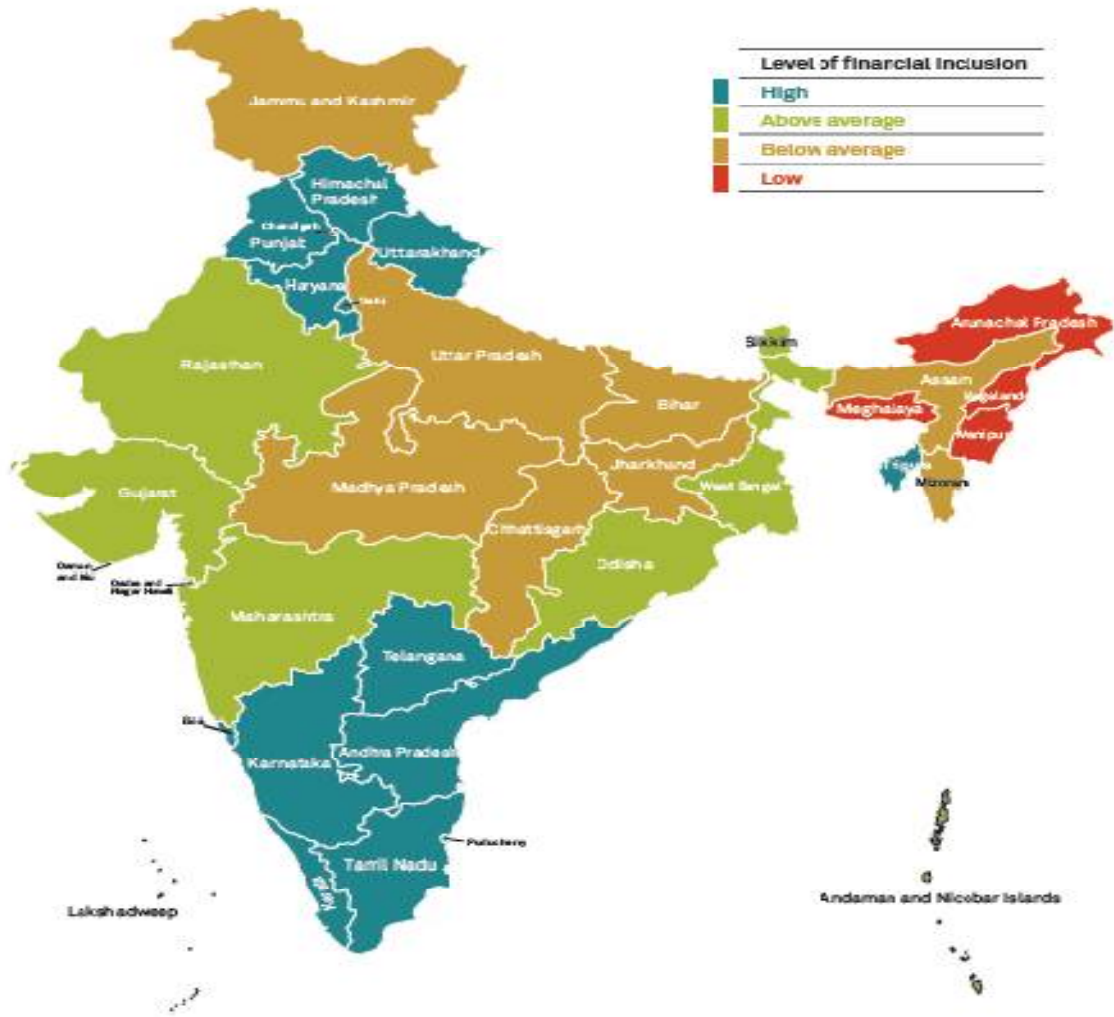
According to the latest report the all-India CRISIL Inclusix, registered a score of 58.0 at the end of fiscal 2016 and Uttar Pradesh the most populace state and so which has a large potential for Financial Inclusion comes under the bottom scoring states on Crisil Inclusix as seen in the table below:

Large states	Small States/Union territories
Top Scoring States on CRISIL Inclusix	
Kerala	Goa
Karnataka	Puducherry
Andhra Pradesh	Chandigarh
Bottom Scoring States on CRISIL Inclusix	
Bihar	Manipur
Uttar Pradesh	Nagaland
Assam	Meghalaya

The Crisil had created a bench mark for high, above average, below average and low level of financial inclusion which is shown as under:

CRISIL Inclusix score	Level of Financial Inclusion
>65.0	High
Between 50.1-65.0	Above average
Between 35.0-50.0	Below average
<35.0	Low

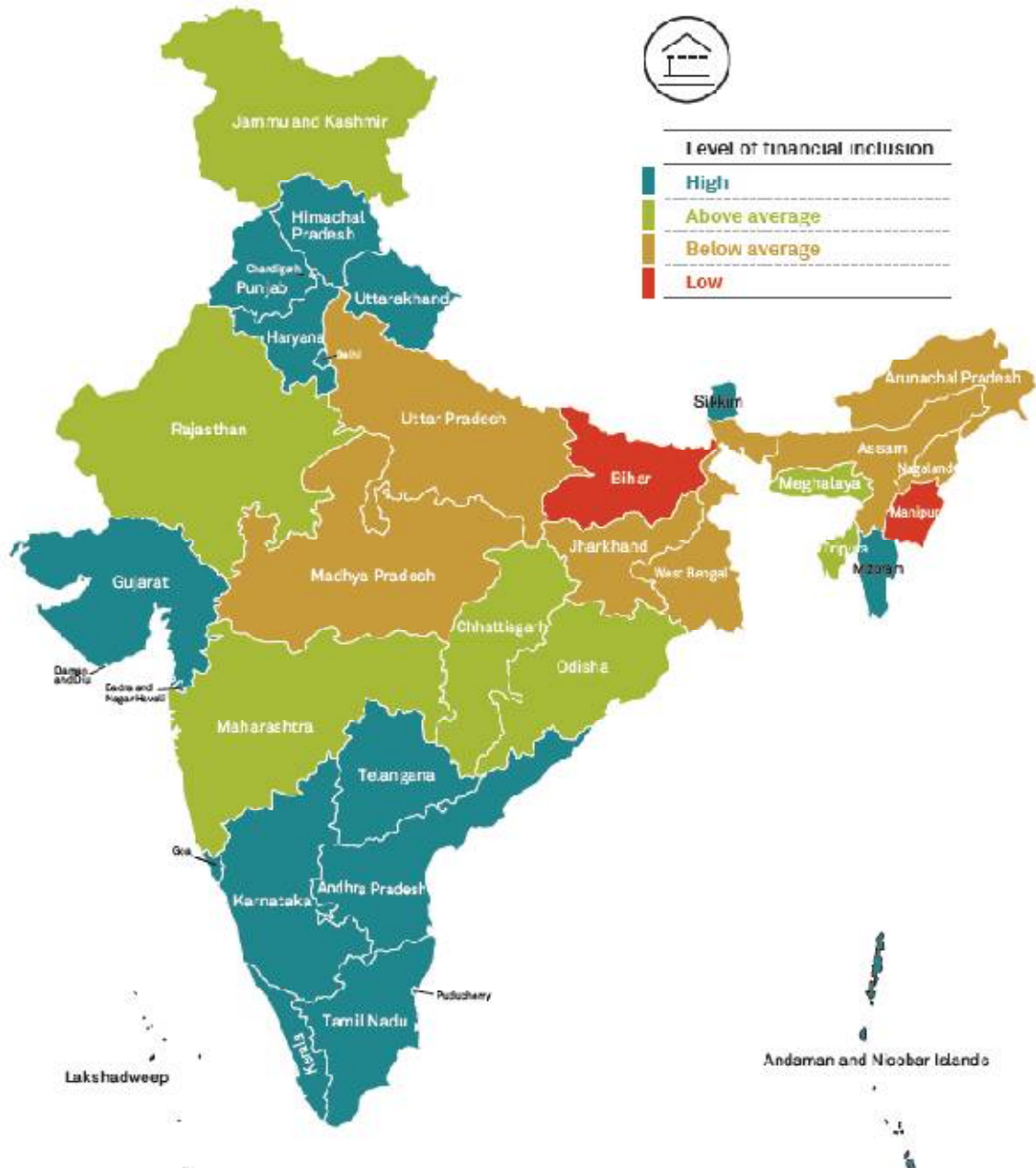
1.16.1 Level of Financial Inclusion state-wise, 2016 (Map 3)



CRISIL Inclusix score	Level of Financial Inclusion
>65.0	High
Between 50.1-65.0	Above average
Between 35.0-50.0	Below average
<35.0	Low

Source: CRISIL Report February 2018, Volume 4

1.16.2 Level of Financial Inclusion, Branch Penetration, state-wise, 2016 (Map 4)

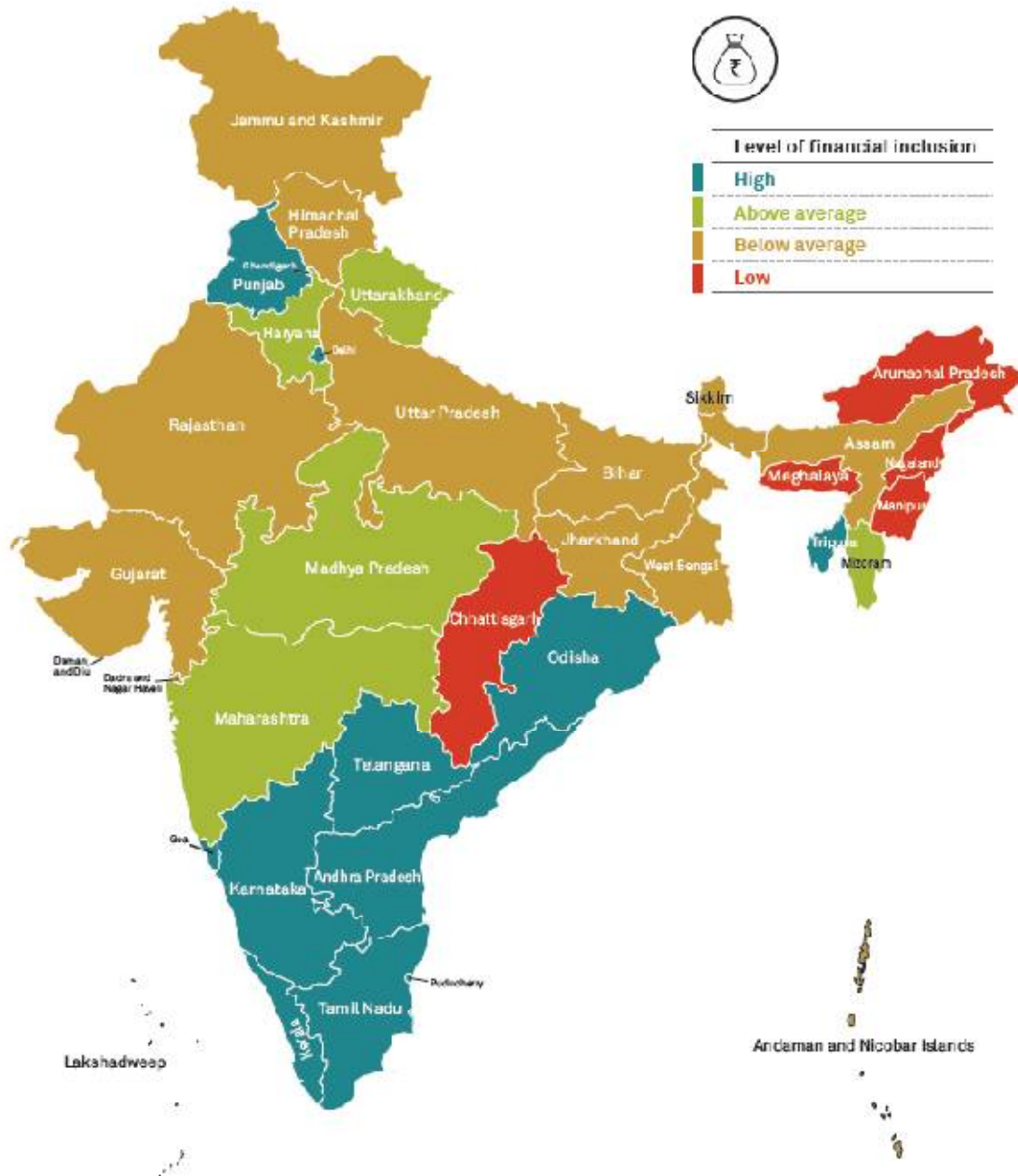


CRISIL Inclusix score	Level of Financial Inclusion
>65.0	High
Between 50.1-65.0	Above average

Between 35.0-50.0	Below average
<35.0	Low

Source: CRISIL Report February 2018

1.16.3 Level of Financial Inclusion, Credit penetration, State-wise, 2016 (Map 5)

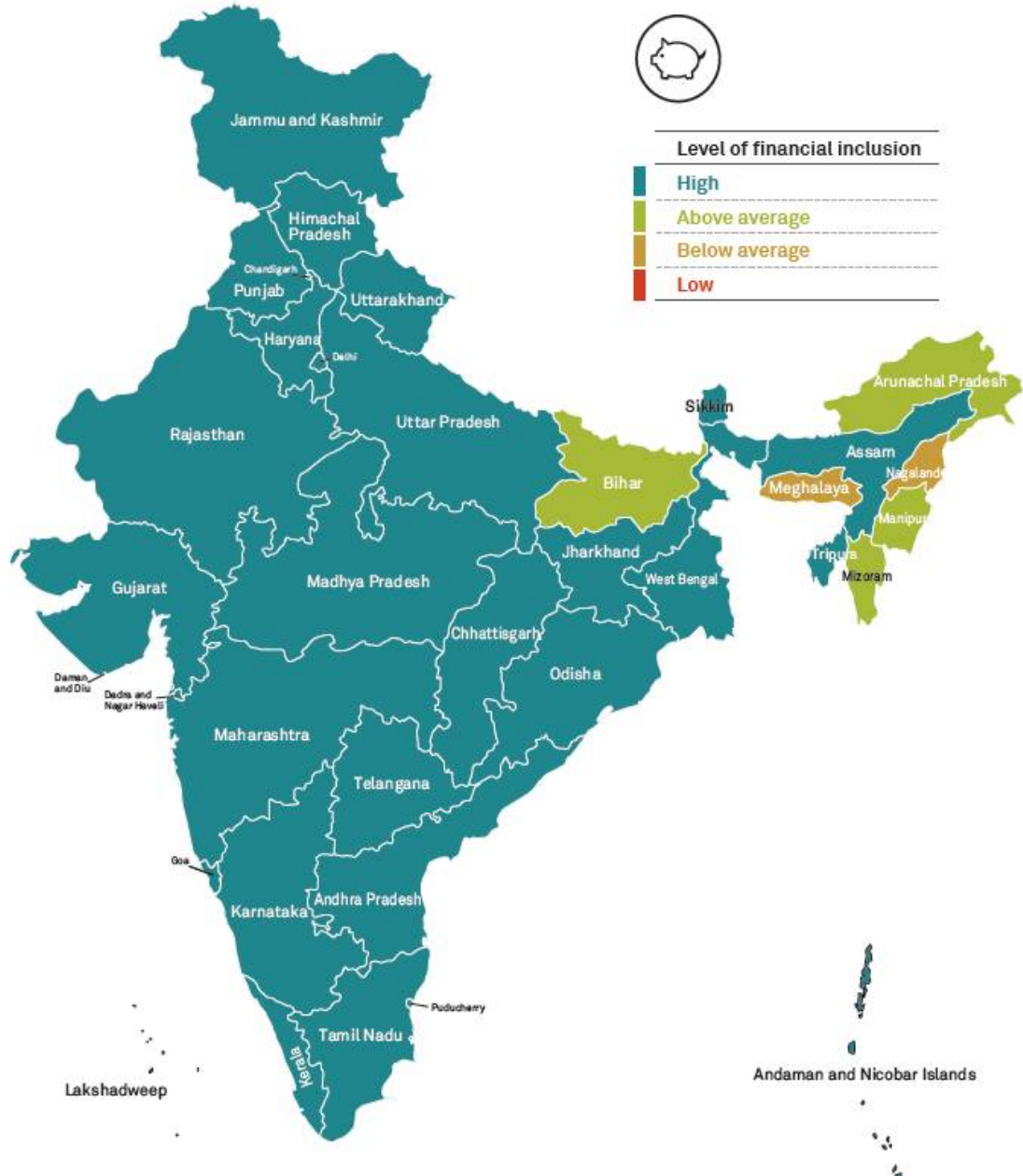


CRISIL Inclusix score	Level of Financial Inclusion
>65.0	High

Between 50.1-65.0	Above average
Between 35.0-50.0	Below average
<35.0	Low

Source: CRISIL Report February 2018

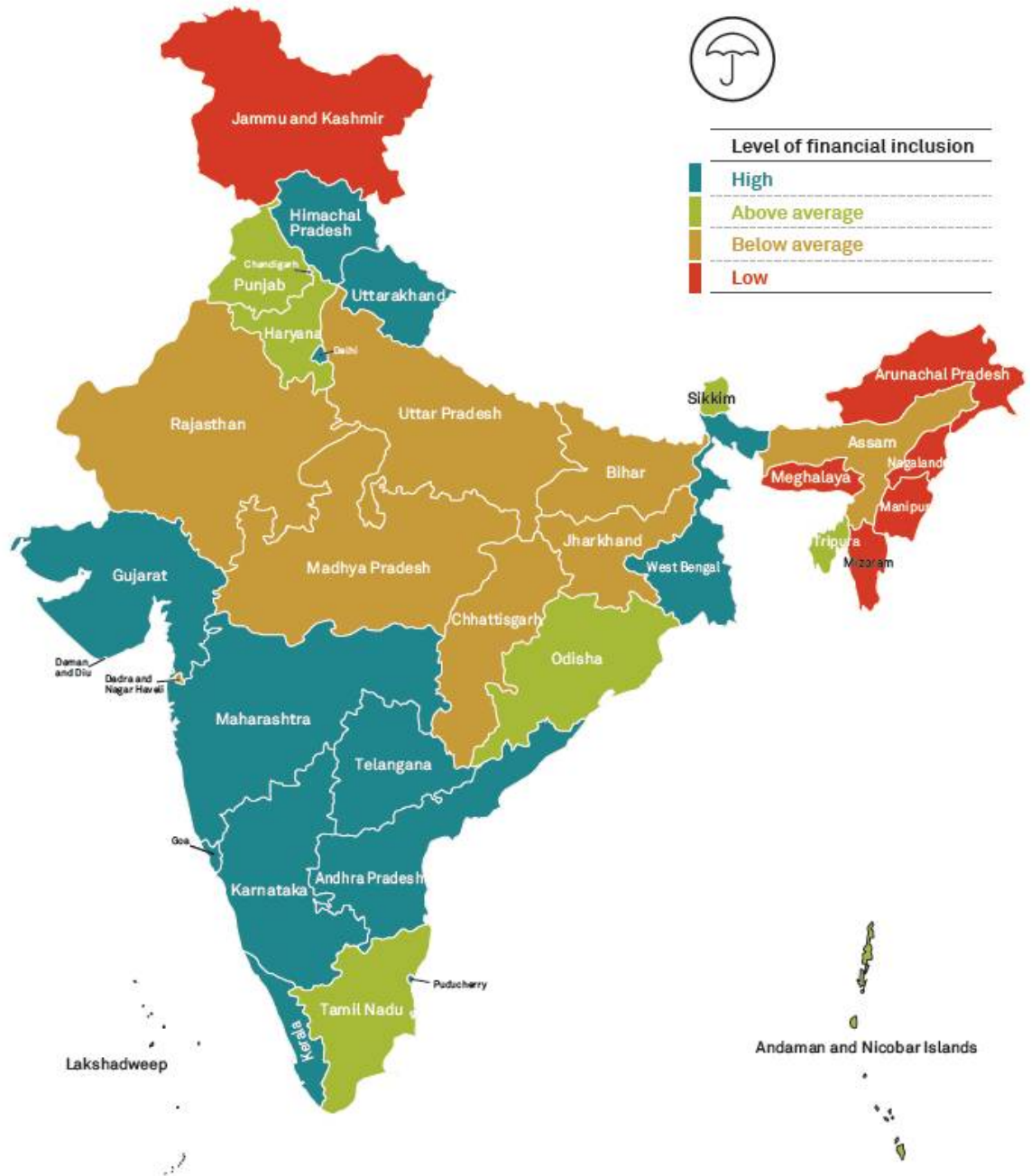
1.16.4 Level of Financial Inclusion, Deposit Penetration, State-wise, 2016 (Map 6)



CRISIL Inclusix score	Level of Financial Inclusion
>65.0	High
Between 50.1-65.0	Above average
Between 35.0-50.0	Below average
<35.0	Low

Source:CRISIL Report February 2018

1.16.5 Level of Financial inclusion, Insurance penetration, state- wise, 2016 (Map 7)



CRISIL Inclusix score	Level of Financial Inclusion
>65.0	High
Between 50.1-65.0	Above average
Between 35.0-50.0	Below average
<35.0	Low

Source: CRISIL Report February 2018

1.17 Status of Uttar Pradesh

Uttar Pradesh is the most populous state in the country with more than 199 million people living here (According to Reserve Bank of India report), which is approximately equal to the population of Pakistan, the nation which is fifth most populous country, in the world. Uttar Pradesh accounts for 16.50% of the total country population 1,210,854,977.

The state has the total population of 19,98,12,341 (Census 2011) out of which 77.73% of the total population lives in the rural area and 22.27% lives in the urban area. (Office of Registrar General of India, Ministry of Home Affairs, 13 Feb 2015). Uttar Pradesh comes under the bottom scoring states on CRISIL Inclusix.

Uttar Pradesh is a hub of largest population among all the Indian states and it has a large part residing in rural.

Table 1.1 below shows top ten states with highest population rank wise

Rank	State Or Union Territory	Population (% of population of India)	Rural pop. (%)	Urban pop. (%)
1	Uttar Pradesh	199,812,341 (16.49%)	155,317,278 (77.73%)	44,495,063 (22.27%)
2	Maharashtra	112,374,333 (9.28%)	61,556,074 (54.77%)	50,818,259 (45.23%)
3	Bihar	104,099,452 (8.58%)	92,341,436 (88.70%)	11,758,016 (11.30%)
4	West Bengal	91,276,115 (7.55%)	62,183,113 (68.11%)	29,093,002 (31.89%)
5	Madhya Pradesh	72,626,809 (6%)	52,557,404 (72.37%)	20,069,405 (27.63%)
6	Tamil Nadu	72,147,030 (5.96%)	37,229,590 (51.55%)	34,917,440 (48.45%)
7	Rajasthan	68,548,437 (5.67%)	51,500,352 (75.11%)	17,048,085 (24.89%)
8	Karnataka	61,095,297 (5.05%)	37,469,335 (61.43%)	23,625,962 (38.57%)
9	Gujarat	60,439,692 (5.00%)	34,694,609 (57.42%)	25,745,083 (42.58%)
10	Andhra Pradesh	49,577,103 (4.08%)	34,966,693 (70.53%)	14,610,410 (29.47%)

Source: (2011 Census)

1.18 Financial inclusion in Bundelkhand Region of U.P.

Bundelkhand is located in central part of India and is composed of two different parts from two different parent states i.e Madhya Pradesh and Uttar Pradesh with an approximate area of 72,000 km. This region is considered as the backward region of not only the two parent states but it is also amongst the most backward regions of India.

The region of Bundelkhand is comprising of 13 districts, i.e 7 districts of Uttar Pradesh and 6 districts from Madhya Pradesh and is located in north-central India. The U.P Bundelkhand district comprises of two divisions namely Jhansi division which comprises of three districts i.e Jhansi, Lalitpur and Jalaun(Orai) with its headquarters in Jhansi itself and the Chitrakoot division which comprises of Hamirpur, Banda, Mahoba, and Chitrakoot with its head quarters at Banda.

The present scenario that can be seen in Bundelkhand Region clearly reflects that the region is poor, undeveloped and remote, and demands a need to study and analyse the cause of it, so that with proper strategy financial inclusion process could not only be introduced in a new frame but how that could be sustained is a matter of concern.

The table 1.2 given below shows the financial inclusion scores (i.e Crisil Inclusix score) and Financial inclusion rank of indian districts which come under U.P bundelkhand region.

Uttar Pradesh			CRISIL Inclusix scores				CRISIL Inclusix ranks			
			2016	2015	2014	2013	2016	2015	2014	2013
Bundelkhand Districts	1	Jhansi	51.4	55.3	51.0	51.3	324	274	277	238
	2	Lalitpur	40.1	43.8	38.6	41.2	468	400	424	365
	3	Hamirpur	53.8	49.7	47.6	54.3	296	329	313	216
	4	Banda	39.8	40.3	38.0	44.0	475	440	434	328
	5	Mahoba	32.0	39.3	38.9	44.5	556	454	420	324
	6	Jalaun	45.1	41.7	40.7	46.1	404	423	395	307
	7	Chitrakoot	36.5	39.6	38.9	40.9	519	450	418	368

Source: Report of 2018, CRISIL Inclusix, February 2018 / Volume 4.

Even today a vast Indian population is unbanked and are majorly found in the remote areas. Financial inclusion is very low in all the districts of Bundelkhand and Chitrakoot is the most

rural, backward district not only in Bundelkhand and in Uttar Pradesh but it is also amongst the most backward districts of India (according to NITI Aayog).

Agriculture and related activities are the main source of occupation here but because of being drought hit many people are engaged in labour related activities to earn their livelihood. Because of low productivity in agriculture and industrial backwardness, it has kept the region as most poverty stricken region of the nation.

For poor class people and people belonging to lower caste communities especially women the situation is far worse. Women are living in a strong patriarchal society, looking after the affairs of home and outside of home at the same time, in many backward regions women are paid less for same work/labour as compared to men. Sex ratios are also significantly low as infant female mortality rate is higher, women are suppressed and denied equal rights in parental property, leave alone husbands property. The violence and rough treatment is high against women in Bundelkhand region as rest of the parts of parent states.

1.19 Scope of Financial Inclusion

The scope of financial inclusion is far beyond, mere just opening an account. It extends to other related financial services, such as insurance, pension and equity products. Coming to life cover policy insurance issued in India, is 34 crore, which is hardly a fifth of the 165 crore deposit accounts, and over 90% of these, are the savings-related insurance products. Clearly, there exists large prospect for more financial inclusion.

Even though strong growth in credit accounts was registered in fiscal 2016, even then only 20 crore borrowers have access to credit facility. Hence Credit Penetration remained low at 56.0, when compared with 78.3 for Deposit Penetration. It is vital to deepen credit penetration in order to improve the overall financial inclusion score.

1.20 Financial inclusion benefits to women

- Primary role of financial inclusion is that it helps women inculcate the practice to save money, thus giving them secured method to save their money, to earn interest on that and enable them to secure their future.

- Through holding a bank account, women gets connected directly to the government's subsidy-incentives.
- Women / beneficiary can avail "Direct cash transfers" to their bank accounts, instead of receiving physical cash payments which ensures that the fund, money reach to the actual intended recipients and so decreasing the corrupt practices.
- Women will have a formal financial system and they can transact with banks which helps them to escape the private money lenders.
- Women, can get great benefits, they can keep their hard earned or saved money in their bank accounts, in their authority and they do not need to beg anyone in their crises.
- The habit of saving money gives women self-confidence and empower them to take their own decisions.

1.20.1 Benefits to society

- The rural masses (customers both women and men) gets accessibility to banking services like cash receipts and cash payments, balance enquiry , statement of account, transfer of fund, can use ATMs instead of carrying cash, can avail credit, insurance and pension facilities.
- It provides adequate and transparent credit to the masses from formal financial sources, banking channels also foster in them the entrepreneurial -spirit and helps them achieve prosperity.

1.20.2 Benefits to Economy

- Enhance the money flow in banking ecosystem
- It also gives a push to the capital-formation in the country and thus giving it an economic boost.

Benefits to Government

Financial inclusion also assists the government to plug the gaps and leakages in public subsidies and also the welfare programmes, The government gets ensured that the benefit/ assistance of the subsidy reaches to the actual beneficiary.

At large more financial inclusion means more benefits to individuals (thereby protecting basic human right to financial access) and firms, more money flow in financial ecosystem, more growth opportunities, and more GDP growth.

1.21 Conclusion

Financial inclusion is today the most sought after topic in most of the nations as it is considered to raise the economical and social status of an individual, which helps eliminate poverty and boost the country's economy at large.

1.21.1 The Financial inclusion objectives could be categorised as follows:-

A. Primary (Apparent) Objective

The primary and main objective of Financial inclusion is to provide with banking services to the unbanked populace, to provide credit facility to the needed, vulnerable people of the society so that they could avail the opportunity to grow themselves out of poverty. To make them connected to various other financial services related schemes to ensure their future prospect secured.

B. Secondary (Broader) Objective

Financial inclusion attempts to extends and reach to each and every individual to cater their needs, it thus acts as a keystone to enhance the individual economically, improve their standards of living, and thus improve social status. It helps bridging the urban-rural divide. Therefore financial inclusion acts as a tool for Inclusive growth and development of the people and nation at large.

C. Tertiary (Absolute) Objective

Financial inclusion help banks connect with more and more people and enhance the money inflow in banking ecosystem for business growth. It thus gives a boost to the capital formation of the country's economy.

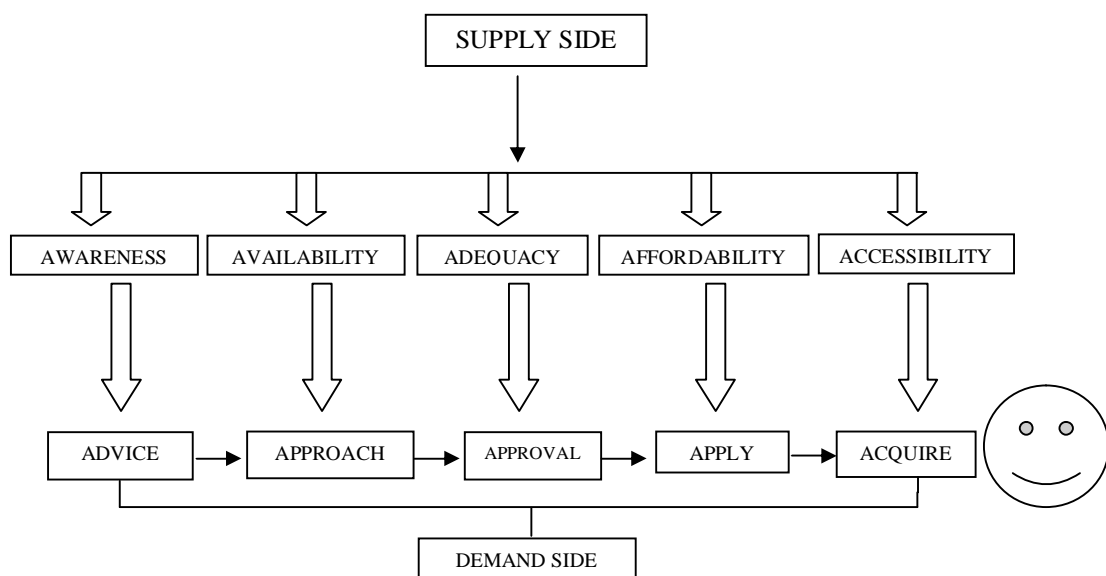
1.22 Mechanism of successful financial inclusion

The approach of Financial Inclusion is based on five fundamental principles, i.e 5A To ensure Adequacy and Availability of financial services to all the sections of the society irrespective of rich or poor, urban and rural divide and at the same time to increase the

Awareness of Financial services and to ensure Affordability and Accessibility of the suitable financial products or service. (Source: Shri Harun R Khan, RBI)

After studying and analysing financial inclusion concept, and the fundamental principles of 5A given by (Shri Harun R Khan), the concept could be further modified, further addition of 5A could make financial inclusion agenda a success. Financial inclusion can be studied from two aspects which are as follows:

- i) Supply side (financial institutions, Banks)
- ii) Demand side (customer)



Mechanism of successful Financial Inclusion

Source: Based on the keynote address delivered by Shri Harun R Khan, Deputy Governor, Reserve Bank of India at the symposium on “Financial inclusion in Indian Economy”

1.22.1 Explanation:-

When the financial institutions ensure to create Awareness the customer will take Advice regarding financial services.

When the financial institution/system ensure Availability of financial services the customer could Approach according to his requirements.

When the financial institutions ensures Adequacy of financial services then the customer Approves to get it.

When the financial institutions ensures the Affordability of financial services then the customer Applies for the financial products or services.

When the financial institutions ensures the Accessibility of financial services then the customer finally Acquires the financial products or services.

And acquiring of financial services such as Credit, Insurance, and Pension which are the important dimensions of financial inclusion, the customer receives gets an opportunity to grow themselves economically and could make their life secured.

Many government oriented research organisations reports till today, indicates that India still needs to do a lot at the ground level to bridge the gap between rich and poor, to remove gender disparity and to demolish urban-rural divide.

Women's need to be safeguarded not only nationally but internationally, as they make up to half of the world's population and they are more vulnerable and mostly discriminated than their male counterparts especially in the backward regions and so their progress cannot be overlooked.

Even today the gender gap largely exists they are denied from their parent's property, and from their husband's property, they are not the decision makers in their home. Women are worst affected by the poverty and regional backwardness. Hence Women Financial inclusion is a matter of great concern and currently receiving increased global attention. InG20 progress report, the World Bank and OECD emphasized the importance of financial inclusion for the growth of economy and poverty reduction, and greater Financial inclusion should be introduced as a priority for women.. Women need to be helped in overcoming the cultural, traditional, societal and other constraints to grow themselves.

It is not that government needs to take new measures, because hefty measures have already been taken but what really matters is to ensure that the measure taken are really working for the people at the lowest level. If the results are not seen then it's clear that some hindrances are there, and to understand the root problems the researchers needs to study it and

government needs to fix it by taking innovative additional steps so that people especially women at the bottom level can earn benefits of government programs.

Bundelkhand has nearly half of the total female workers as 'main workers'(engaged in economic activity for the major part of six months or more in the year to earn their livelihood).

This study is to find out the impact of financial inclusion initiatives on female main workers. Whether or not they are availing the benefits of Financial Inclusion, if yes what is its overall impact on their socio economic conditions.

1.23 Background of the Study

Financial inclusion is all about providing financial services to the people who are hitherto untouched by such system and therefore it could be said that it promotes financial development which in turn enhances human development, and access to financial services makes a positive impact on people's lives particularly poor people. In addition, financial development reduces income inequality and boosts incomes. Over the last few decades, the government is putting in lot of effort towards financial inclusion.

Financial inclusion helps in getting formal credit, and greater number of population are invisible in the main, stream of formal credit system. This causes a major hindrance in the country's health progress.

Financial inclusion improves the economic condition of the country. It facilitate in the empowerment of women of the society especially women at bottom level, The objective of inclusive process is to provide services that helps people to avail opportunities such as education, insurance.

The basic reasons for low financial services used could be little income, shortage of financial accessibility also literacy and ignorance etc. Women play a crucial role in the family and in building the nation's future. Hence women empowerment is always a subject of great concern. Women from rural areas can be easily seen in a worst condition; they are often exploited by family, society and are vulnerably helpless.

Women especially in rural areas are illiterate, poor and are often seen in a disadvantaged position. Rural livelihood is complex and women are most affected by it. They are poor, malnourished, burdened with all the household chores and raising the children, they are involved in agricultural activities and are also labourers. They have pitiable living standard and are utterly poor and are deprived of the basic facilities such as proper sanitary, hospitals etc.

Hence, poverty reduction and strengthening the poor the unbanked, especially the women whether urban or rural area is the prime objectives of the financial inclusion programs launched by government.

“The human race is a two-winged bird. One wing is female the other is male. Unless both wings are equally developed, the human race will not be able to fly .Now, more than ever, the cause of women is the cause of mankind.” - Boutros Boutros Ghali- erstwhile Secretary General of the United Nations

Financial inclusion is the key to women participating in the economy. Given the important role of women in shaping the next generation, financial inclusion will lead to greater security and prosperity for women and men, their families, enterprises and communities. And also when we talk of the growth and development of a country we need to check it at the grass root level and as the large population of India resides in rural/ rurbun areas and is poor and still devoid of financial opportunity, therefore the large section of the society cannot be ignored. And so it is said that if we want to check the success of any program/ policy, we need to check it at the bottom level.

Since a decade the government is at great concern towards inclusive growth and for which a very vital aspect is financial inclusion. The Government through the financial inclusion schemes is making efforts to provide all household in the country with financial services with particular focus to empower the weaker sections of society, including women, small and marginal farmers and labourers, both rural and urban so as to include the financially excluded people.

The research attempts to study the female (main workers) in Bundelkhand Region of Uttar Pradesh and how it's beneficial in meeting the needs of rural women and helps improving their lives, and its linkages with the women financial empowerment.

The study is an exploratory and empirical in nature, it attempts to study the Impact of Financial Inclusion initiatives on Socio-Economic status of women, it also tries to identify the issues and challenges that hampers the participation of the women in the main stream of financial/ banking ecosystem and which impede the inclusive growth and development of the women and the nation at large. When we talk of the growth and development of a country we need to check it at the bottom level.

1.23.1 Research Problem

India has sufficient schemes, rules, and directives that aimed towards enlarging the banking cover. There are unlimited schemes or initiations that have been taken to bring financial services to the reach of poor people.

Various researches till date have been undertaken on financial inclusion as impact of financial inclusion on poverty eradication, employment generation and growth acceleration. There are lots of researches which focus on inclusion of excluded people, barriers in financial inclusion etc. Reviews also perceive effectively the importance of access and usage of financial services for the unbanked people.

Still there is a long way for further studies to assess the impact of financial inclusion on rural people. Against this backdrop as a researcher I had chosen the topic entitled "Impact of Financial Inclusion on Socio- Economic Status of Women in Bundelkhand Region."

Financial inclusion is one of the most reliable and effective tool to attain inclusive growth. Economy cannot be develop as a whole by excluding poor and marginalized people whose contribution strengthen the pillar of the economy.

Manifold of socio-economic hindrances exist in India. In this context, financial inclusion can play an important and noteworthy role in improvement of economic status of the rural poor's by providing the financial services.

Therefore it is identical momentous to study the impact of financial inclusion on the economic status of rural poor. The present research work will be useful for bank officials, government policy makers in framing future strategies for deeper percolation of financial inclusion benefits in rural area.

The government had taken plenty of initiatives and had launched many financial inclusion schemes that facilitate the low income, poor people with many kinds of financial products and services, so that the people at the bottom level could be benefited and could avail the opportunity to empower themselves. The financial inclusion schemes also help channelizing the financially excluded people in the banking ecosystem, which contribute the development of the economy at large.

Empowering rural people is an essential first step to eradicate poverty. Poverty reduction and strengthening the poor the unbanked people especially the women is the prime objectives of the financial inclusion programs launched by government as stated by our Prime Minister while launch of the recent financial inclusion scheme i.e. PMJDY. It is difficult to reach all the rural poor people through a single scheme who are short of funds to take up some of the economic activities. Hence the government through various schemes is making attempt towards helping the people (especially the poor and excluded) towards empowerment and economic uplifting.

The poorest of the rural poor are always difficult to target for governments specially women often illiterate and isolated, they have such great needs that reaching them on a significant scale remains a challenge. Reaching the poorest and the excluded is the main aim of the government inclusive policies. The women are found to be at the most disadvantaged position in the society. They are most vulnerable and have pitiable living standard.

The study focused on the awareness among women towards financial inclusion initiatives taken by the government.

1.23.2 Need of the Study

Women in Bundelkhand's Workforce

The proportion of women in the workforce in UP Bundelkhand and MP Bundelkhand is generally higher than the India average, and much higher than the UP average.

(The proportion of women in the workforce is also called female work participation, and is calculated as percentage of main+ marginal female workers in total female population.



The proportion of women in the workforce Bundelkhand is generally higher than India average

While discussing Census data, we refer to 'females' rather than 'women', as working persons below the age of 15 also come under the Census definition of 'workers'.)

While, according to Census 2001, female workers constituted around 25% of the total female population in India, and only around 16% of the female population in UP, in all Bundelkhand districts except Jhansi and Jalaun, they constituted over 30% of the female population (see table below).

This may indicate that cultural norms which discourage women from working in UP are not generally as deeply rooted in Bundelkhand. However, higher female work participation could also be seen as sign of higher economic vulnerability.

However, as the table shows, generally less than 50% of female workers in Bundelkhand are 'main workers' - engaged in economic activity for the major part of six months or more in the year. The women are in vulnerable conditions, the aim of this study is to find out whether the women (main worker) are aware of the Financial Inclusion Initiatives of the government and are they taking the benefits of it and how it's affecting their life.

Table 1.3 Female workers in U.P Bundelkhand Districts (Census 2001)

	Female population	Female (main+ marginal) workers	Femaleworkers as % of female population	Female main workers	Female main workers as % of all female workers
Jalaun	667811	135707	20.3	38456	28.3
Lalitpur	458321	160359	35	49363	30.8
Hamirpur	479923	131389	27.4	41090	31.3
Mahoba	328756	107506	32.7	39307	36.6
Banda	710790	215053	30.2	80037	37.2
Jhansi	812113	187729	23.1	73720	39.3
Chitrakoot	357047	128755	36	57860	44.9
<i>UP Bundelkhand</i>	3814761	1066498	21.8	379833	35.6

Source: Bundelkhand region census 2001 female workers

1.4 Female workers in U.P Bundelkhand districts (census 2011)

	Female population	Female (main+ marginal) workers	Female workers as % of female population	Female main workers	Female main workers as % of all female workers
Jalaun	783,882	149795	19.10	60223	40.20
Lalitpur	464,009	176568	38.05	78534	44.47
Hamirpur	510,748	135128	26.45	57317	42.41
Mahoba	409,600	112523	27.47	53875	47.87
Banda	833,534	216375	25.95	98836	45.67
Jhansi	941167	249557	26.51	116396	46.64
Chitrakoot	464,009	139220	30.00	73718	52.95
<i>UP Bundelkhand</i>	4,406,949	1179166	193.53	538899	320.21

Source: A - 5 STATE PRIMARY CENSUS ABSTRACT – 2011

The Bundelkhand Region of U.P is divided into two divisions i.e. Jhansi Division and Chitrakoot Division. In which Jhansi, Jalaun and Lalitpur is currently part of Jhansi Division and Chitrakoot, Banda, Hamirpur and Mahoba is currently part of Chitrakoot Division.

1.23.3 Urban and Rural population according to census 2011 of the U.P Bundelkhand Districts are as given below in the table.

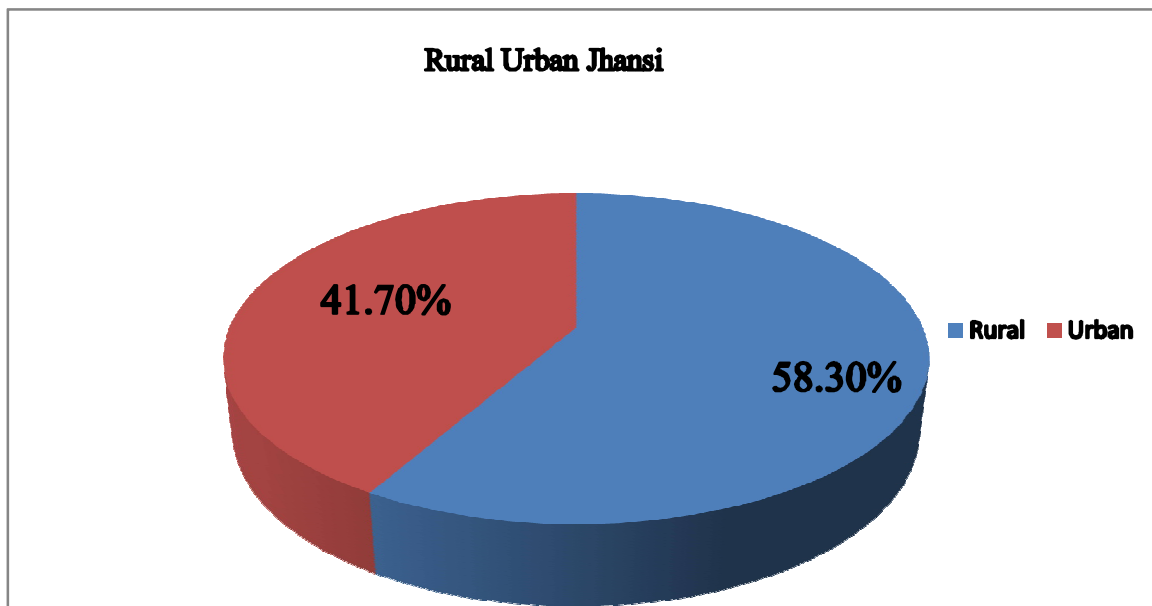
Table 1.5: Showing most urban region and most rural region of U.P Bundelkhand districts.

U.P Bundelkhand Districts	Region	
	Urban	Rural
Jhansi	41.70	53.30
Jalaun	24.79	75.21
Mahoba	21.16	78.84
Hamirpur	19	81
Banda	15.32	84.68
Lalitpur	14.36	85.64
Chitrakoot	9.71	90.29

In the table above Jhansi shows that it has maximum urban region and Chitrakoot has the maximum rural region

So in my selected sample Jhansi District:

Fig 1.1 Jhansi Rural and Urban Population Chart



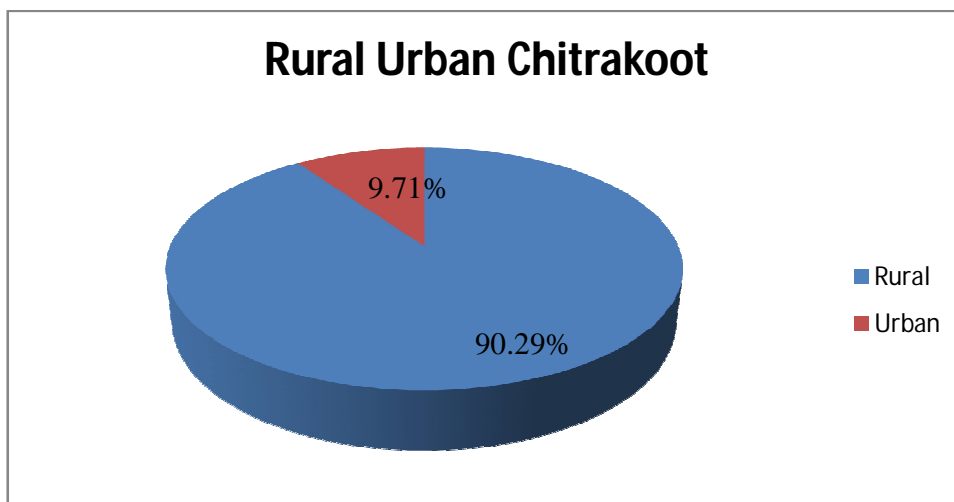
Source: Census 2011: Jhansi Rural and Urban Population Chart

Out of the total Jhansi population for 2011 census, 41.70 percent lives in urban regions of district. In total 833,484 people lives in urban areas of which males are 441,807 and females are 391,677

As per 2011 census, 58.30 % population of Jhansi districts lives in rural areas in villages. The total Jhansi district population living in rural areas is 1,165,119 of which males and females are 615,629 and 549,490 respectively. Gender wise, male and female literacy stood at 83.19 and 55.71 percent respectively. In total, 702,993 people were literate of which males and females were 439,201 and 263,792 respectively.

And in Chitrakoot District:

Fig 1.2 Chitrakoot Rural and Urban Population Chart



Source: Census 2011: Chitrakoot Rural and Urban Population Chart

Out of the total Chitrakoot population for 2011 census, 9.71 percent lives in urban regions of district. In total 96,332 people lives in urban areas of which males are 50,927 and females are 45,405.

The Average literacy-rate in Chitrakoot district according to census 2011 is 76.28 % out of which, males and females are 84.01 % and 67.65 % literates respectively. In actual number 63,380 people are literate in urban region of which males and females are 36,837 and 26,543 respectively.

As per 2011 census, 90.29 % population of Chitrakoot districts lives in rural areas of villages. The total Chitrakoot district population living in rural areas is 895,398 of which males and females are 476,794 and 418,604 respectively.

1.23.4 Gloomy picture of Uttar Pradesh

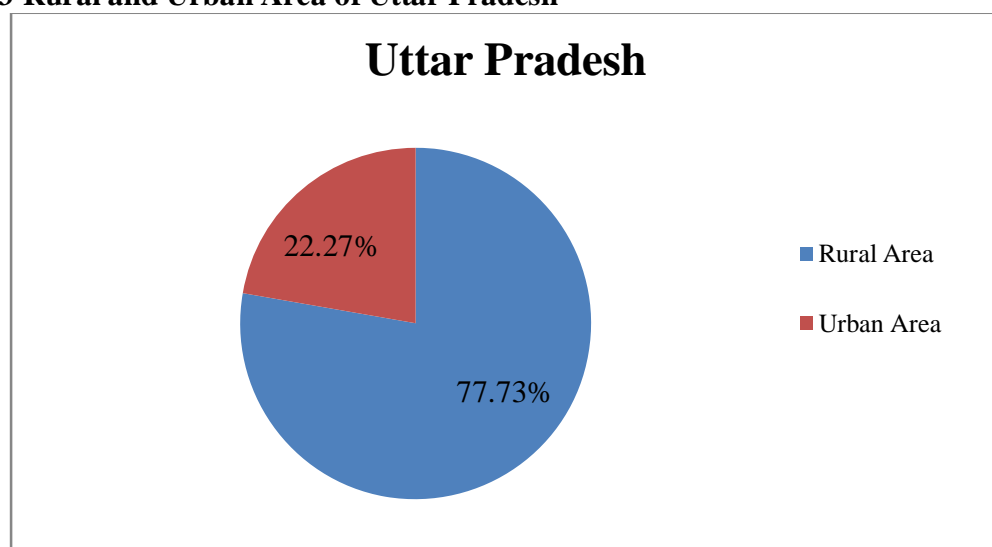
One third of the world's poor live in India (according to the Millennium Development Goal Report, 2014, United Nations). The number of poor in India is now estimated at 148 million in 2014.

The World Bank reviewed and proposed revisions in May 2014, to its poverty calculation methodology and purchasing power parity basis for measuring poverty worldwide, including India. According to this revised methodology, the world had 872.3 million people below the new poverty line, of which 179.6 million people lived in India. The people are poor and are also financially excluded and because of which they have no scope to come out of the miserable conditions. As finance provides the people with the opportunity to grow and develop.

According to Reserve Bank of India report, Uttar Pradesh is the most populous state in the country with more than 199 million people living here, which is approximately equal to the population of Pakistan, the fifth most populous country in the world. Uttar Pradesh accounts for 16.50% of the total country population 1,210,854,977.

The state has the total population of 19,98,12,341(Census 2011) out of which 77.73% of the total population lives in the rural area and 22.27% lives in the urban area. (Office of Registrar General of India, Ministry of Home Affairs, 13 Feb 2015).

Fig 1.3 Rural and Urban Area of Uttar Pradesh



The Bundelkhand Region which consists of Seven Districts of U.P Bundelkhand and Six Districts of M.P Bundelkhand which ranks among the least developed regions of either state, with low industrialisation and low urbanisation. Occupation related to agriculture and labour is predominant in the region and was higher than 60, and much higher than state and national averages, in all districts of Bundelkhand.

Table 1.6: Basic demographic data (Census 2011) of Bundelkhand districts

District	Population	Persons per sq km	Rural Pop (%)
Jhansi	17,44,931	347	59.2
Lalitpur	9,77,734	192	85.5
Jalaun	14,54,452	319	76.6
Hamirpur	10,43,724	232	83.3
Mahoba	7,08,447	263	78.1
Banda	15,37,334	337	84.1
Chitrakoot	7,66,225	250	90
Total UP districts	82,32,847		
Datia	6,28,240	224	78.1
Chhatarpur	14,74,723	171	78
Tikamgarh	12,02,998	238	82.3
Panna	8,56,558	122	87.4
Damoh	10,83,949	148	81.1
Sagar	20,21,987	197	70.8
Total MP districts	72,68,455		
Total UP + MP districts	15,50,1302		
UP state average		690	79.2
MP state average		196	73.5
India average		325	72.2

According to the Census 2011, as shown in the above table Bundelkhand has a population of around 15.5 million. The total population of UP Bundelkhand districts was

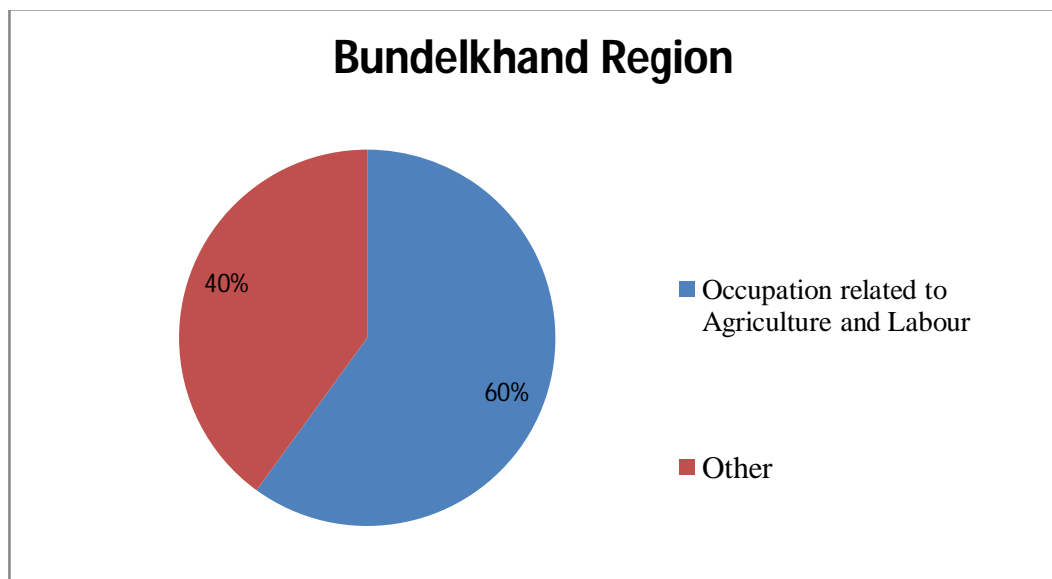
around 8.2 million and the population of MP Bundelkhand districts was around 7.3 million.

In all districts of U.P Bundelkhand Region over three-fourths the population was living in rural areas, according to Census 2011. In Chitrakoot district, less than 9.71% of the population resided in urban areas, and 90.29% of the population resides in rural areas. In all districts of Bundelkhand region the highest population residing in Rural area is in Chitrakoot and the lowest population residing in Rural area is in Jhansi district or it could be said as that the highest urban population is residing in Jhansi district.

In Jhansi district 58.30% of its population resides in the rural and 41.70% lives in the urban area.

Bundelkhand Region

Fig 1.4 Occupations in Bundelkhand Region



Source: Census 2011

Jhansi is the largest city/ district in Bundelkhand and it has the highest urban population. It is a major educational, transportation, cultural and economic hub and Chitrakoot is the district which has the highest rural region in all the districts of Bundelkhand region (refer table 3.1)

The current research is an offshoot to the existing initiatives in the field of exploratory research in the domain of financial inclusion. The entire essence of the research has been to explain the modalities of the framework in the context of women in the Bundelkhand region. The outcome of research and its results reflects clearly and concludes thereby that, a lot has to be done with respect to the socio economic profile of the women in the region by speeding up the financial inclusion initiatives. The research indicates that it's not about the number of initiatives taken officially unless it leaves a positive impact in the lives of the most deprived ones. It's not that more initiatives are required to be formed but it's all about the proper implications. It's the responsibility of the supply side to check why the ones on demand side are still lagging behind in so many respect, even after such good opportunities are made in their reach. Many of them are still ignorant of the financial initiatives. Women who can afford to use the banking services are nervous to approach. Many women are found that their financial position is too puny but they can't afford to avail the credit as they lack in collateral. Hence the government and policy makers still need to study the problems from the demand side, in order to fix it.

The research hypothesis, research methodology, analysis and findings and recommendations all are further provided in thesis in detailed chapter form.

CHAPTER 2

REVIEW OF LITERATURE

CHAPTER 2

REVIEW OF LITERATURE

“If the misery of the poor be caused not by the laws of nature, but by our institutions, great is our sin.” - Charles Darwin

Financial Inclusion is a process by which the government tries to bring all the citizens of the nation be it from any segment of society, any gender, religion or region, to cherish the advantages of formal financial system and can earn a decent living, as prosperous citizens act as a skeleton for a healthy nation.

Hence financial inclusion has today become one of the most sought after topics, when it comes to inclusive growth of each and every person be it men and women. It provides credit opportunities that encourage and help the deprived sections, especially women to start their own gainful avenue which could help them grow financially and empower them. It has the potential of promoting equitable growth, and can also reduce the gender gap. Many researches till date have been done by various researchers regarding financial inclusion and it has been a subject of keen interest to academicians, researchers and policymakers.

2.1 Advent of Financial inclusion in Indian context

Financial inclusion could be measured at different points of time. Like the **term** Credit channelling was initiated in **India** in late 1960s, the first phase i.e starting from the late 1960s to the 1980s, the major focus was only on channelling of credit to the neglected sectors of the country.

The term “Financial inclusion” in **Indian** context, was first time used in April 2005 in the Annual Policy Statement presented by **Y.Venugopal Reddy**, the then governor, Reserve Bank of **India**. Later on, this model grew and came to be extensively used **in India** and abroad.

Galor & Zeira (1993), said that alleviation of poverty results in positive growth of the economy and that can be achieved by providing broader access of financial services to the masses.

Jafferey (1997) found in her that if women are educationally empowered; they cannot attain the goal of political & economic empowerment. She said that only learning can enable women to get or else snatch away the opportunities, that the other section of the society specially men enjoy. with no education the hidden values as well as abilities of women cannot be fully realised.

The former Director General (Securities and Exchange Commission), Nigeria **Arunma Oteh** assured: that “Womens need to have on the global agenda as the inequality of women’s potential to contribute to the economy and to change society, for present and also for future generations.” As his recent research provides concrete evidence that when women who are half of the world’s populace would participate in the financial system, then there would be considerable benefits in terms of economic growth, better equality and societal well-being. He though said that , despite major progress in financial inclusion for both, men and women between 2011 and 2014, women still lag behind in access and usage of financial products and services.

Leyshon et.al. (1998), described the accessibility of an organized financial system as the availability of uniform financial products and services from formal/ regulated institutions. They said that financial products such as Savings, remittances, insurance and credit makes financial planning easier. Savings enables a customer towards consumption smoothing over time. Remittance products are considered safer than the cash payments, not only does it prevent theft, but also it provides document proof of the payment. More importantly credit histories are saved, which enable the customer to borrow at more positive terms in the future. With increased computerization, the providers of financial service rely on existing databases rather than personal communication in order to make offers to clientele but this puts financial-excluded persons at a clear disadvantage as they are unlikely to get featured in such kind of databases.

Honohan, (2004).Financial inclusion refers to the timely delivery of financial services to disadvantaged sections of society. Research in the past few decades lead us to believe that a well-functioning and inclusive economic system is linked to faster and equitable growth.

Financial Inclusion as “the process of ensuring access to timely and adequate credit and financial services by vulnerable groups at an affordable cost”, **India Finance Minister’s (2006-07)** budget speech. Report of the Union Budget Committee for Financial Inclusion (2008) defines financial inclusion as “The process of ensuring access to financial services and timely, adequate credit where needed, to vulnerable groups such as the weaker-sections and low income groups, at an affordable cost,”

Rao’s Qualitative studies in (2014), Zwarteven, Neupane (1996), Joshi (2014) and Guerin et al. (2013) exposed certain assumptions, like economic empowerment leads to the overall empowerment, also the empowerment of the participation in decision-making process will empowers women.

Though vigorous attention has been paid to financial inclusion agenda and many policies framed and dedicated tried to work on ground to enhance the accessibility of it, still there is a shortage of information regarding its usage. The problem existing on the ground level indicated that easy accessibility does not necessarily means it leads to usage.

This knowledge gap creates a significant challenge for the researchers and policy makers to effectively design customised policies paying attention n to other problems as well which are existing with the lower class poor people.

Since **2005, the Reserve Bank of India (RBI)** has disseminated a drive for financial inclusion, whereby the banks endorsed the participation of each and every household at the district-levels through savings accounts for the ‘unbanked’ population.

Financial inclusion, according to the the Finance Minister’s Report 2006-07,in budget speech, was defined as “the procedure of ensuring timely and easy adequate credit

Report of the Committee for Financial Inclusion(2008), In a similar way, the Committee on Financial Inclusion has defined it as the process which ensures access to financial services and timely and adequate credit where needed, to helpless groups such as weaker sections and low income groups, at an reasonable cost,”

Regan and Paxton (2003) note down that the knowledge of Financial Inclusion is not just about access to products but also the level of usage and quality of engagement, with those products and services, which gives the individual not only the skills to develop but also confidence to make independent decisions.

Rutherford (2003), the financial services through micro finance used by the tribal contains less than 15%. **Singh(2004)**, said that the informal sources forms a major source/channel for tribal population to acquire finance. It forms a major source for ethnic people for managing their living. These informal sources are either from friends or relatives or sahuikars.

Peachy and roe, (2004) According to them the various types of financial services provided by the financial institutions such as banks have reached to the majority of the population in the developed countries.

Leeladhar (2005), says that there could be multiple levels of Financial Inclusion and Financial Exclusion. At one side, we have users/customers, who are persistently in availing financial services and on the other side we have people who have been far away from the most basic level of financial service. And in the middle we have under-banked people who are simply using banking only for cash deposit and withdrawal, there access towards the financial products is restricted.

Basu Priya (2006), states that rural people face several kinds of barriers when they attempt to borrow from banks. Firstly, banks demand collateral which poor people are unable to provide. Secondly, bank transactions tend to be time consuming and expensive. Bribes amounting to 20 per cent of the loan amount are not unheard of. On an average, bank loans take several weeks to be approved. Consequently, the share of informal sources of credit has jumped.

Mahendra (2006), defined “financial inclusion” as the ease of use of banking services at an reasonable rate to the huge segment of the weak and low-income groups. He stated that even though credit is the most important component of financial services, financial inclusion covers a variety of other services such as savings, insurance cover, and payments and also remittance facilities through formal financial institutions to those who are perceived to be financially excluded sections of the society.

Leeladhar(2006),Subbarao and Thorat(2007).Indian banking industry has developed at a very fast pace, still the banking service has not reached the low income and poor people. Efforts are taken as financial inclusion can really improve the standards of the disadvantaged people.

Shetty (2006),insists that FI rests on three pillars, viz: access to financial services, affordability of such services and actual utilisation of such services. FI can only be achieved when all of the three pillars of FI i.e Advice, Banking and Credit work strongly together.

Bluebook (2006), says that the essence of FI is to ensure the accessibility and availability of appropriate financial-services to each individual and to enable them to be aware of and access those services. FI does not say that every individual who is eligible uses its each of the services, but they should be able to choose and use it, if they need and desire it.

Usha Thorat (2006)views that establishment of a relationship with the banking organisation through holding a bank account paves a way to the customer to avail any required need by him, whether it's a savings products, loan for consumption of livelihood or housing requirement. The account can also be used for making remittances at low cost and also making purchases on credit. The user can also use same bank account to access governments social security services like pension, health insurance or for direct benefit transfer or for various other social security schemes.

Ageba and Amha (2006), in a study conducted by them founded that generally the small and medium enterprises uses informal source of finance, such as friends and relatives and not borrowing from a bank.

Littlefield et al, (2006) Usage of financial services by the family unit should be determined by access to bank account.

Kemp son (2006), observed that payment to the people has resulted in non-usage of bank account as the account holders just withdraw the money from their accounts.

Mohan (2006), says that it is commonly said that financial inclusion as a whole payback to the economy through financial inclusion. It is firstly a vital tool to reduce the inequalities in the economy of the nation. Usually the low income people are the ones as understood are who do not avail the financial services but ones after having the accessibility the individuals are having more opportunities to grow them

Secondly, it provides the institutions with more resources and offer it's available for efficient intermediation and also allocation stated by Savita Shankar

A study that was conducted by **Calderon and Liu** using data on 109 developing and developed countries (2003), showed financial development leads to economic growth. Furthermore, economic growth is known to be a beneficial benefit to the deprived low segment of the populace.

As also indicated by the study conducted by **Beck, Demirguc-Kunt and Levine (2007)**. They even used data from 72 developed and developing countries (for the period 1960-2005) and found a positive connection between financial depth (as deliberated)by the ratio of private sector loans to gross-domestic-product (GDP) and also the transform in the share of the least quintile in total national personal profits.

With a large population of a nation like India, financial exclusion has a geographic aspect as well. The most common known facts are lack of accessibility, long distances, and also lack of proper transportation contributes to financial inclusion hindrance.

Sinha and Subraniam (2007) according to Census 2001, in India there were only 36% of the total population who used some kind of banking services. The Boston Consulting Group report says on financial inclusion, that India also asserts that financial exclusion is a sign of the stark socio-economic division.

Fernando(2007), Use of financial services denotes to the usage of formal or semi-formal financial services in a suitable manner at rational prices when required.

Devendraprasad Pandey (2007) finds that the concept of Financial Inclusion has been develop on Surface as a consequence of the financial-sector reforms that took place in 1990s. Earlier many regions were neglected from the rural credit system, and a vast population left excluded like rural artisans, labour workers, farm community and micro enterprises members.

Anderloni et al. (2007) share his view that ownership of a bank account does not necessarily promote the real meaning of inclusion, as an account may not be kept active by the account holder for any reason and which in-turn creates a case of "exclusion within inclusion".

Rao(2007), recommend that, the status of debt owned by household either from institutional or from non-institutional sources, are the barometers of Financial Inclusion.

World Bank (2008) reports that because of the absence of inclusive formal financial system, the poor individuals and micro entrepreneurs have no option except relying on the informal sources as it is available there to provide timely availability and easy accessibility even though at higher rate of interest. Financial Inclusion can help in eliminating this impediment. The report also says that achieving FI in India, which has a large and diversified population and also has large rural and unorganised sectors have a need of high-level of penetration by the formal financial institutions.

Vijay Kelkar (2008), affirm that FI has to be looked upon as a basic business-strategy for Growth, FI will not only help farmer's indebtedness but will also provide them better risk management. FI provides credit facility which could be used for meeting various needs including education, to all the sections of the society which promotes uniform growth of a nation in all respect. The agenda of FI is to provide equal opportunity for the different regions of the nation to grow and also helps in endorsing innovation and entrepreneurship at the grass root level.

Suryanarayana, M.H. (2008), has provided empirical evidence to illustrate that the growth process that took place in 1993-94 and 2004- 05, has bypassed the majority of the population and so it could not be said as inclusive. The inclusion coefficient is higher at the national level for the rural than for its urban sector. As observed the rural sector, inclusive-coefficient is much lower in rural Kerala. He said that exclusion is much higher in the states like Bihar and Karnataka(>90%) and lowest in Kerela.

Mandira Sarma (2008), asserts that it is widely believed view, that Non Performing Assets (NPA) are a result are a result of providing the loans to the low income people from direct lending programs such as 'priority sector lending' is not true to a large extent. She said that if providing small credits to the poor's leads to NPA at the end, then it means that higher level of NPA is associated with the higher level of FI on the other side.

Thyagarajan and Venkatesan (2008).His study reveals that in many districts, there are at least near to 85 % of no - frills accounts which are dormant, chiefly because of the few

reasons like poor financial-literacy level, poor marketing by banks and also because of large distance to reach banks.

Mas Ignacio and Kabir Kumar (2008), says that branchless-banking concept can be viewed as positive approach to speed up FI, as mobile banking is far easier to the poor people, who can stay connected with the banking facilities without visiting a branch. It saves the poor from travelling time and cost, queuing at branches.

Dr.U.Jerinabi & Dr.P.Santhi(2009), conducted a study among tribals in the district of Nilgris, and found out that nearly about 33.2 percent of the total respondents are not having a bank account. The reason is that they don't even have the money to go and open a bank account, almost 71.4 % of the total respondents were not knowing the concepts of deposits and withdrawal before having an account

Drabu, H.A. (2009), assets that in Indian policymakers have been for years since mid 1970s, trying towards the financial inclusion of the nations populace, through various initiatives be it micro-financing or priority sector lending etc.

Bhave, C.B. (2009) view FI as it is not something deciding things for the people, it is about giving them opportunity to make a choice for themselves. FI is not something that should be done in future, it is so vital aspect that it should be done now.

Minakshi Ramji (2009) identifies, that there is a pressure on banks to cater the needs of low income people especially in developing countries like India. Many countries need to require FI agenda in order to grow the nation's economy and so since 2005, many financial institutions in India offered basic bank accounts, no-frill accounts. The Indian public and private banks had opened near about 15.8 million bank accounts and tried to penetrate the rural areas.

Sameer Kochar (2009) states that the agenda of FI is to promote growth, which is not just opening a bank account, but to also promote regular saving habit and building a relationship with banks which would enable them to access credit.

Subbarao (2009), according to him financial inclusion is an essential condition for a continuous and equitable growth pattern. He argued that rarely economies transit from an agrarian system, to a post-industrial modern society lacking a broad-based financial inclusion-strategy. According to him the past experiences has shown that financial

opportunity is robustly entangled with accessibility to financial services and that such accessibility is chiefly influential over the deprived as it enables them to grow savings, can make investments and benefit them from credit. He further said that financial inclusion will make it likely for governments to make payment such as the social security transfers, Credit (Guarantee) Funds, subsidies and also wages directly to the bank accounts of receiver through electronic transfer. This will not only minimize transaction costs but will also fix the leakages.

He thus concluded that financial inclusion offers an opportunity for bringing together the savings of the underprivileged into the formal financial system and channelize it towards investment, further adding that the vast number of low cost deposits will help banks to avail an opportunity to cut their dependence on massiveness deposits and help them manage them both liquidity risks and asset/liability inequity more capably.

Sarma and Pais (2010) asserted that financial inclusion is a procedure that ensures the ease of accessibility, availability and its usability through formal system to all the segments of an nation. They further stated that it also helps in enabling allocation of productive possessions efficiently and in the due process it reduces the cost of capital. They also said that it also improve the everyday, it also reduces the prevalent informal financial lending system that in most cases found to be exploitative. They also said that an inclusive system augment efficiency and also welfare by offering avenues for secure financial practices.

Usha Thorat (2010), views that financial inclusion primarily is access to a bank account and backed by other products such as deposits, payment transfer system, insurance and credit.

Pranab Mukherjee (2010),insist that for Governments financial inclusion policies be its innovative policies responses or implementation efficiency, it first need prioritise the basic thing that is promote Financial literacy and financial products awareness.

Subha Rao (2010), remarks that a modern, efficient and open and society is always characterised when the un-restrained access to public goods and services are available and accessed. As banking services are considered to be of public good, hence FI should be viewed as making available the banking and other related services to the entire population without any kind of discrimination.

Rajalakshmi et al. (2010) demonstrate that despite the fact that a bank account is a prerequisite condition to be included, but it is not sufficient enough until it provides easy access

to credit, to affordable insurance, remittance and credit education. A study conducted illustrates that to find out the use of financial services, the size of institutional-debt outstanding for a house hold should be determined, rather than the total number of bank accounts.

Chakraborty, K.C. (2010) illustrates that FI is at times treated as a synonym for rural poverty. The concern of urban poverty also needs to be focused as there are various groups of workers working in both rural and urban areas such as the construction workers, migrant workers, rickshaw pullers, main and marginal workers etc and their needs could be varied, as a policy maker the banking system should address their individual group need and should craft and cater them with their requirements.

Suniti Nagpurkar (2010), carry out an empirical study in Mumbai, among the urban poor people, both migrants and non-migrants were considered, to recognize the banking exposure and also banking outcomes among these sections of the society and the study reports that they feel difficult to deal with the bank-staff and admit that they do not seems to be making out efforts to help them reach the institutional support.

Nageswara Rao (2010), states that the banking to the poor is not just only about poor's banking, its not always just social banking, its also about doing business from the people at the bottom. Its high time for the government to take up inclusive approach in driving up FI movement.

Khan (2011), viewed financial inclusion is a vital overall economic inclusion should happen as it has the ability to improve the economic status and also standards of living of the poor and the weak class of the society. He said that access to the basic financial services would increase economic activities and employment prospect for rural households as well. He said that this has a positive effect on the country's economy, as it leads to elevated disposable income for the rural households which in turn will lead to more savings and a vigorous deposit base for the banks and other financial institutions.

Hariharan and Marktanner (2012), describe financial inclusion as accessibility to formal financial services eg. Savings, credits and insurance opportunities. They said that lack of financial inclusion is a comprehensive socio-economic occurrence that results from various factors such as geography, history, culture, religion, socio-economic inequalities, and also the structure of the economy and the economic policy. Though they noted that financial inclusion could be a strong foundation for economic growth and development, in addition to it a significant associate of a country's total factor output and, therefore, acquire the ability to generate capital. The study concludes that financial inclusion not only has the potential to augment the financial sector savings (portfolio), but the effectiveness of financial intermediation, also allows for tapping of new trade opportunities.

Amidzic Goran, Massara Alexander, Mialou Andre (2014, February), said that the general notion is among the nation's policy makers is that the financial inclusion plays a important role in generating employment, growth of economy and financial stability.

Chakroborty. K.C (2013, February), said that a large amount of measures have been taken since independence across the country, given the vastness of the task, a lot of ground survey still need to covered and exposed. He said that apart from the government's regulatory system, there is an urgent need for the civil society involvement and also other stakeholders require too, extending help and spreading financial literacy.

Das Prasun Kumar (2010, June), alleged financial inclusion's objective is to expand the scope of activities of an organised /formal financial institutions to reach the poorest of the unreached people and to ensure they participate in the economies development.

Chandrakumar (2009), found in his study conducted in Madurai district to understand the banking behaviour on the financially included people of the rural areas and came to a conclusion that economic-viability and social-acceptability are the two major pillars for the maintainence of the system.

Thyagarajan and Venkatesan (2008), conducted study in Cuddalore district and found a large variation regarding willingness and unwillingness by the banks to participate in the household survey related work.

Minakshi Ramji (2009), in his study conducted in Gulbarg district, emphasized that accessibility does not always means usage and pushing unbanked masses towards opening of bank account without proper training only means an additional cost for the banks account to bear and which would yield no benefits to the community.

Beck & de la torre (2006), emphasizes that link between financial depth and financial growth is well known to all, but the link between the breadth of financial services and growth is not appropriately (less).

Subbharao, (2009), stated that there are many hindrances which stops the lower poor people i.e bottom of the pyramid, to avail the financial services and the barriers have become huge both from demand as well as from supply side.

Thorat (2007), Agrawal (2008) stated that demand side barriers factors are illiteracy and unwillingness and from supply side the barriers are commonly the difficult procedures, unsuitable products and services, and bank staff attitudes towards the poor underprivileged.

RBI since 2005, has propagated banks to drive a mission for financial inclusion and banks where directed to take participation and to include each and every household from district level, in the banking ambit through opening their bank account.

Kempson (2006). According to a study conducted by bank managers in a state of Madhya Pradesh, found that women are more responsible and they remit money taken on time. They also found that the rural people have a perception that banks and its services are only meant for educated and elite individuals.

Human Development Report (2006) had reported that India has the biggest number of the world's poor (as reported in the Rangarajan Committee ,held in 2008 also).Financial inclusion was again described as the timely, adequately and easy accessibility of financial services to the deprived sections of the society.

Vivekanandan, N.R., (2013) found in his study entitled “Financial Inclusion in India- A Path towards Inclusive Economic Growth”, says that India achieved rapid growth in last decade, but the conditions prevailing clearly depicts that the growth was not inclusive. Majorly varied kinds of financial services are enjoyed by the lesser population of the country, the majority of the population is living in rural areas and are not even enjoying the

basic financial services such as such as savings, loans and insurance, and are largely financially excluded, even after the government has took so many initiatives till date the population is even today financially excluded.

Neha Dangi and Pawan Kumar(2013), in his study tries to explains that study and dynamic financial-institutions are the main pillars of economic escalation. Lack of easy reach, of affordable and appropriate services has been the major problem in many nations. Therefore financial inclusion is not only significant in India but across the globe. They say that financial inclusion has the potential to really boost the economy of a nation and can develop the poor and disadvantaged people and therefore RBI had been constantly encouraging the financial institutions to develop a strong banking network in rural areas also, as a result new branches has been set up, ATMs installed and Banking correspondents has been launched. They asserted that financial inclusion shows positive and valuable changes therefore the poor's needs to be ensured that they are not driven away by the financial inclusion process and for which it is necessary that the bank staff are properly trained and polite to help the people coming to them for opening a bank account or to gain some knowledge.

Shashikumar, T.P. Rangaswamy K. and Kiran, S.P. (2013) explains through their study that Accessibility to finance by the poor and vulnerable people is a pre-condition towards their poverty reduction and sustainable equitable growth in an economy. Financial inclusion is considered to be the most important feature as nearly three billion people all across the globe are financially excluded recently. They said that despite the laudable efforts made by the banking industry the results are not that fruitful. Therefore the key point now is that the rural credit facility may expand to help the rural excluded underprivileged population.

Kabita Kumari Sahu (2013), made a study trying to understand the association between Financial Inclusion Index and the Socio-economic Variables and found that 72.7 percent of our country's 89.3 million farmer/cultivators households are excluded from formal financial system. The Credit-Deposit ratios of foreign banks in India are 85.0 per cent, that of regional rural banks is 59.9 % and of the Private sector banks is 74.7 % which have slightly increased in the year 2011. It has been recorded that no state

till now has achieved high Financial inclusion index. Chandigarh and Delhi are the two Indian states that achieved medium Financial inclusion, and other states have been recorded with low index.

Sachin Napate (2013),in his study says that financial inclusion has been viewed at only from the point of making available financial services, like opening of no frill accounts, providing with smart cards so on and so forth. The aim should be to considering financial inclusion from the point of consumption of credit for income generation purposes.

Anupama Sharma and Sumita Kukreja(2013),in their study says that financial inclusion or inclusive financing is the same term which means delivery of financial services at an affordable cost to a large segment of unbanked population. There are various challenges that are quite important to bridge the gap so that the excluded can become included in the inclusive growth process. They emphasized that financial literacy needs to be delivered to strengthen the credit mechanism penetration. The nation can only grow economically and socially when its weaker section people can be financially independent. They highlight the importance of financial inclusion towards the social and economical development of the society and will strengthen the india's position at large.

Gandhi, M.M. (2013),In their study concluded that financial inclusion is a prerequisite towards elimination of poverty on one hand and economy growth on the other hand. They said that large population didn't have accessibility to formal financial system and as a consequence they borrowed money from the private money lenders at exorbitant prices(Rate of interest) which led to their exploitation. He said that the main reason behind the poverty is the exclusion of the people from financial resources services and which became the obstacle towards India's progress. He says that in 2005 banks were directed by RBI to adopt national policies towards financial inclusion. He stated that various RBI reports and other empirical researches shows that lack of access to financial opportunities, financial literacy, negative approaches of the banking personnel's towards the rural illiterate people. He lays emphasis on the need for matured, sound strategy and positive approaches to achieve complete financial inclusion.

Chirodip Majumdar and Gautam Gupta (2013), made a study in Hooghly district of West Bengal in 2008, and found that the policy launched by banks of “no-frill-accounts” to each and every household, was highly unsuccessful in bringing the excluded people of the district under the ambit of formal financial system, and all the excluded people are left away from the benefits from financial services be it any category whether scheduled castes, scheduled tribes, Other Backward Classes who were not or less literate.

Laila Memdani and Rajyalakshmi, K. (2013), their article discusses about the policy of financial inclusion in India, its evolution and the progress achieved so far since then.

Their article also compares the financial inclusion in India with that of the countries like US, UK, Russia, Brazil, China and Germany. They conclude that considering the India’s vastness population wise, the progress is too small. They believed that banks and other financial institutions needs to synchronise and come up together and focus on financial inclusion mission with full energy because the nation’s development largely depends on the development of financial inclusion in the country.

Neha Kumar, Akhil Mathur, and Siddhartha Lal (2013), according to their study states that mobile financial services in India is rising progressively, with 41 % of India’s adults financially excluded people, they said nevertheless, promoting financial literacy needs a serious attention. Mobile banking financial services offerings can bring a holistic change to the problem of financial exclusion.

Shivani (2013), according to her study financial inclusion is to make available the financial services to low income group at a reasonable rate. In India the basic concept of Financial inclusion was understood as just having a bank saving or current account. But it is a much wider concept, it includes not just opening of an account but to have other services such as loans, insurances (and pension also recently). She said that India needs to adopt well-built and urgent method in order to reach the unbanked section of the public and need to unlock their savings and also investment potentials.

Asli Demirguc-Kunt and Leora Klapper (2013), their study summarises the first datasets of publicly accessible indicators which measure how the adults of 148 countries

save, make payments, borrow and manage risks. The datasets are used as a bench mark for financial inclusion around the globe and examine the major country and individual-level difference in how the adults make use of formal and informal financial systems in order to handle their day-to-day finance and how they plan for the future. Where the data show that around 50 % of the adults across world have a bank account at a formal institution but the account penetration varies across country to country. Though around half of the world's population (adults) have remained unbanked, the barriers reported that caused them not to use banking are high cost, large distance and the documentation procedure.

Anirban Ghatak (2013) in his study says that there are various factors that contribute to financial exclusion, the factors may be both, the supply side or the demand side. The government of India and RBI has taken several measures to promote the supply of financial services to the excluded poor people. The demand factors attract by very little focus. The demand side factors need to be studied to boost the financial inclusion penetration.

Arulmurugan, P. Karthikeyan, P. and Devi, N. (2013) in his study found that the poor and helpless people need to be addressed first and which is also a prerequisite for poverty reduction and also for social cohesion. According to them more than 150 million deprived people have access to the collateral free credit. However no doubt that there are still huge population in the world that are excluded from the financial inclusion. In India half of the population are financially excluded from the country's main stream of financial sector. They say that Financial inclusion indicate that delivery of financial services are made at an affordable cost to the most disadvantaged vast sections of which are from low-income groups. The financial services are various, like credit, savings, pension, insurance and remittance facilities. Their study also intentional about the inter-linkages between social and economic welfare and financial inclusion. The socio-welfare programmes are like the NREGA, Direct Cash transfer to the beneficiary, National Old Age pension Scheme are focused on implementing the policy of financial inclusion.

Devendra Prasad Pandey and Amit Kumar Katiyar (2012), defined financial inclusion as adequate timely credit to the needy at reasonable rate. There are various essential financial services which should be used by the account holders such as loaning facility,

deposit-savings, insurance, payments and remittance facilities.” According to govt data in India out of 19.9 crore of total households, around 6.82 crore households, have the accessibility to banking services. Coming to rural areas, out of 13.8 crore households in India, only around 4.86 crore households have accessibility to banking services. In metropolitan areas only around 49.52% of households have accessibility to banking services, and around 41% of adult people in India do not have the formal bank account.

Manas Chakrabarti (2012), made an empirical Study in the state West Bengal and found that Financial inclusion has happened to be the top most priority and the most critical aspects in the context of nation’s inclusive growth and sustainable development. According to him financial inclusion is the procedure of ensuring suitable services to the needy group in a fair and transparent manner from main stream of financial players. Reserve Bank of India (RBI) had formulated the procedure of financial inclusion with a vision to provide basic banking services to the disadvantaged people at an affordable cost. Since 1975 Regional Rural banks (RRBs) are being considered as a major Rural Financial-institution for encourage sustainable economy growth.

Uma.H.R and Rupa.K.N, had emphasized on the Role of SHGS in Financial Inclusion system. The Social and the economical justice can be offered only with the inclusion process of the excluded/deprived section of the society. Lots of steps had been undertaken by the government and Reserve bank of India jointly to moderate the predicament of financial exclusion. Which particularly leads to the development and upliftment of all the sections of the society There are differential-different rate of interests, various Lead Bank Schemes, General credit card and Kisan credit card and so on are there to help overcome the financial hassle’s to get easy credit from formal institute. According to them the self help Groups (SHGs) and also the SHG- Bank Linkage Programme has helped comprehensively to build up the poor women specially folk. They say that SHGs is playing a vital role to improve the socio-economic situation of women by initiating thrift saving habit and also providing them micro finance at times and also promoting micro entrepreneurs. Their study showed that after the membership to SHGs there has been massive augmentation in the quantity of bank accounts by members, to the extent of 82.7% from 17.3 %t before membership. From that, the credit availed by the members of SHG the annual repayment, of the credit also showed optimistic trend.

Thus it is concluded that SHGs assist the deprived/vulnerable section of people to come into formal financial system and through it social and economic empowerment is possible.

Gayathri Band; Kanchan Naidu; Tina Mehadia (2012), “according to their study they state that access to funding by the poor and vulnerable people is a requirement for poverty reduction and social unity. Because of which it has become an essential component to promote inclusive growth. They state that providing accessibility to finance in fact is a tool to empowerment of the vulnerable section of the society.

Neha Awasthi, Omika Bhalla and Tewari, According to the research conducted by them around 30% of the total bank branches are operating in the rural areas and that address around 72.2% of the nation’s population. Further they added that, rural India accounts for just around 9% of the total deposits, 7% of total loaning, 10% of life-Insurance and around 0.6% of non-life businesses. Therefore they emphasized that there is an urgent requirement to fast-track financial inclusion process, adding that various technological innovative and financial-services initiatives are required to be taken. According to them unrestrained accessibility to public goods and services is a trait of an open, efficient and modern society. So according to them it is urgent to recognize the concept of “Demand Elasticity” of financial services in Rural India. It is found that people from rural background are conservative in nature, where as contrary to that, people in urban area are innovative and enterprising. It is also found that the major decisions of the household consumption are taken by the senior male member of the family especially in rural areas while every urban customer has his own choices and decisions.

Christabell. P. J. and Vimal Raj. A, (2012), in his study says that the major accountability of meeting the loaning requirements of rural India was basically assigned with the cooperative sector and also to the commercial banks. The major purpose nationalization of the commercial banks in 1969/1980 was to progress the flow of formal credit to rural households. Even though these steps taken were laudable, but bank credits did not arrived at the lower level. The banking sector has view a remarkable changes in recent times in terms of technological innovation, internet banking, online system of money transfers, etc, They said that “financial exclusion” is a today’s reality and It is

because of this context that the term “financial inclusion” had gained significance. In a nation with a large populace like India financial exclusion has a lot many geographical, social dimension. The geographic exclusion is like inaccessibility, distances and lack of appropriate infrastructure. To build an inclusive economy the financial sector has gained mounting global recognition, bringing to the forefront all the need for growth so that all lives can be touched, instead of few. They stated that women have received an inexplicably little share of credit from the formal institutions. They stated that Women’s Self Help Group has brought a profound revolution in rural areas of India. The microfinance Institutions (MFIs) play a major role in smoothening the progress of inclusion.

Arup Mukherjee and Sabyasachi Chakraborty (2012), emphasized through the study made by them that endorsement of Financial inclusion has become important for social and financial needs of the country. In India the accountability of ensuring financial inclusion mainly rests with the commercial banks, and Central bank (RBI). But because of a huge population the commercial banks are taking aid of various individual bodies i.e. co-operative banks, self-help groups, regional rural banks (RRBs), (SHGs), , and other non-banking finance companies (NBFCs), joint liability groups.

Swapan Kumar Roy (2012), through a study made by him tells that in India the banking industry has gone through a remarkable transformation. Initially the banks targeted the elite but they had left the bottom level people, and which had created a huge financial inclusion and those unbanked people had to opt for the private money lenders when required and long tales of exploitation could be heard since.

And since then financial inclusion of the poor unbanked people became a prime issue. It is considered as a vital tool for (in many cases employment), poverty alleviation, social upliftment and economy growth.

Avnesh Kumar Gupta (2012), in a study made by him had emphasised on the Role/responsibility of micro-financial institutions for empowering and uplifting the people and recognition of government’s strategy of financial inclusion. As the demand is increasing for rural finance, the microfinance institutions have enormous prospect in the new manifestation of micro credit in India. On the other hand, in the light of recent knowledge, and the need for qualitative inclusive economic growth, it is proposed that

microfinance institutions ought to be managed with improved scrutiny in terms of finance, social, technology responsibility.

No doubt that the non-governmental organizations had played a praiseworthy responsibility in encouraging Self Help Groups by connecting them with banks. Therefore there is a need to motivate these NGOs with incentives and packages to diversify themselves into other backward regions

Nitin Kumar (2012), Through a study conducted by him he stated that the financial institutions are playing a role of catalyst towards the economic growth and progress. His study used a state-wise, panel data across and over a period from 1995 to 2008 to make an attempt to assess the performance and determinants, of financial inclusion in India. In India bank branches has got widely networking (to capture population per branch) had a favourable impact on the deposit and also credit penetration. His finding confirms the significance of region-wise economy betterment of financial inclusion. In his findings he concluded that the income and employment generation schemes/policies led public to further be active and aware in regard with banking activities, which in turn contribute towards financial inclusion. He emphasized that more attention needs to be required in low-performing regions to make possible to make them better performing regions.

Umarji, M.R. (2012), according to his study the major issue with financial inclusion is to attend the poor who do not have the facility of bank credit and are therefore exposed to the services of private money lenders who often exploit them through charging exorbitant prices and uses strong and wrong means for the recovery of money. The private mode of money lending in other terms has so become popular as the slavery, and debt is the worst poverty, and so the replacement of money lending system became an urgent need which evolved to replace it through formal financing method

The problem of tackling financial exclusion is universal and most of the States are trying to find an appropriate regulatory structure to support financial inclusion, through the Micro Finance and other such institutions.

Rao, N.S and Harshita Bhatnagar (2012), in a study conducted by them, they emphasized that a robust financial system is the pillar of economic growth, progress and prosperity of a nation. They says that Financial Inclusion has become emerging as a hot topic worldwide. The importance of an inclusive financial system is not only widely

recognized in India, but also has become a priority in many other countries. It has been found through many studies conducted by many researchers that financial access can actually lift the financial situation and standards of living of the poor and the disadvantaged basically. Only 55 per cent of the total population had deposit accounts and 9 per cent had credit accounts with banks and only 18 per cent had debit cards, and less than 2 per cent had credit cards and so, RBI had been endlessly promoting the banking-sectors to develop and enlarge the bank-networking in both ways by setting up of new branches and through BC model by the support of information and also communication technology (ICT).

Chattopadhyay and Sadhan Kumar (2011), in their study seeks to scrutinize the degree of financial inclusion in West Bengal. It has been proved although that there has been an improvement in the outreach activity, in the banking-sector, the progress achieved is not noteworthy. They developed an index of financial inclusion (IFI) using data on the three dimensions of financial inclusion, so that they can get the comparable picture in which state-wise Kerala tops the list, followed by Maharashtra and Karnataka. Apart from this a survey has also been made to study financial inclusion in rural Bengal.

Gopalan, V. (2011), in his study says that the main aim of financial services is delivery of credit to disadvantaged and low income section of society, which would help them to even unlock their savings and their investment potential. It has become important to study the reasons of 'financial exclusion' because 'Financial inclusion' is the only solution known for lifting the financial situation and also the standards of the poor and downtrodden masses.

Deepali Pant Josh (2011), in her study found that Poverty, exclusion and deficiency to finance continued to dominate the socio-economic status especially at the bottom level and which in turn arisen political discourse, and so elimination of poverty has been an important mission of almost all the development policies since the beginning of independence in India. There are various employment generation anti-poverty and basic such services has been launched in India since decades. Because of poverty there exists a large rural–urban divide. The anti-poverty strategy has basically three broad components, which is i) promotion of economic growth ii) the promotion of human development and iii) launch of programmes to address the multi-dimensional nature of poverty. The

National Rural Employment Guarantee Scheme (NREGS) had offered people employment and scope of earning livelihood.

Navin Bhatia, Arnav Chatterjee, according to them financial inclusion has become a buzz word, it still needs to go a long way. In a study conducted by them in slums of Mumbai, to measure the nature of financial inclusion broken, certain myths about banking practices among urban slum-dwellers. The people living in slum were not at all aware of the banking concept and did not even want to know.

Olga Morawczynski, David Hutchful, Nimmy Rangaswamy and Edward Cutrell, (2010), conducted a states that The Indian government has undertaken a lot many strategies towards financial inclusion (FI) as a part of its urgent development agenda. With the assistance of technology-enabled branchless banking system and this drive had been winning regarding to extending the accessibility and as a result around 60% of the Indian population has the facility of banking. They however, stated through their empirical study that majority of the bank accounts are still not being utilized and are lying dormant, especially by the poor's who were particularly targeted for FI. The real impact towards financial inclusion can only be seen when the usage of financial services is made.

Sadakkadulla, J(2009), through his study concludes that Financial Inclusion and inclusive growth is the mission of the present time. Credit inclusion is a vital, then micro-insurance to the common man, only then the real essence of financial inclusion can be visible.

Arun, T.J and Ashok, J (2010), in a study conducted by them they try to explain that banks need to redesign and re-model their business strategies so as to incorporate specific business plans to encourage financial inclusion of especially poor unbanked low income group, which would both be a business opportunity for the financial institutions on one hand and corporate social responsibility on the other side.

Elaben Bhatt, (2009) in the study conducted by him on, Financial Inclusion and stated that financial inclusion is a kind of social inclusion. Financial inclusion is seen as, that at least one member of a family, having an account. It is a mission aimed to drive the poor's towards linking with the banking institutions or formal financial system, however

opening a bank account is just the initial step towards inclusion and vital for participatory development

Sada Bihari Sahu (2008), in his study emphasized towards the inclusive growth of common man and poor people at the bottom level. He says that banker/banking personnel's needs to act and should act as a facilitator at each district level to disburse the loans, assist, guide and advise in their business activities and, motivate them to save their money on a regular basis with no frill account.

Chattopadhyay (2011), in his study had developed the index for financial for the major states in India and also for all the districts in West Bengal. He emphasized that to measure financial inclusion is uttermost important as it leads to the direction of what all measures needs to be still taken in order to rise financial inclusion level.

Karmakar, et al (2011) has also emphasized on financial inclusion significance and constructed the index for financial inclusion for rural/remote areas of majorly twenty states in India. They have considered, total number of rural outlets and number of accounts per outlet also the per outlet deposit amount and per outlet credit amount and also per account deposit amount as indicator of financial inclusion.

Mandira Sarma (2008) in her study had developed a three dimensional Index for FI (i.e. IFI), integrating information on basically three dimensions i.e, Availability, accessibility, and usage of the banking services. The index captures data on banking penetration, availability of banking financial services and also usage of banking services, on a scale of single number lying between 0 and 1, the higher value of 'IFI' denotes higher levels of Financial Inclusion and '0' signify complete Financial Exclusion and where '1' indicates the complete Financial Inclusion. She used all this data for all 55 countries and used data on two dimensions i.e. availability and usage, for 100 countries then two sets of Index are computed. The study concluded that India ranks 50th among the 100 countries, with a value of (0.170) which is low, and in 55 countries, India positioned on rank 31st with a value of(0.155). The author observed that, in India, despite low density of bank branches, the practice of the banking services in terms of credit and deposit is recorded moderately high.

World Bank (2008), provides a compounded measure of accessibility to financial Services. The percentage of total adult population that has a bank account with a financial intermediary, bank for 51 countries.

Mehrotra et al. (2009), the author also built up a financial inclusion index using collective indicators, like number of rural branches, number of rural deposit-accounts, the volume of rural deposits and credits from banking-data for the sixteen chief states of India.

World Bank in 2009 in an article “Banking the Poor” scrutinized the relationship between access to the banking services which is measured, by the number of bank accounts per thousand adults in each country, and numerous other factors like transactions offered at banks and also the regulations adopted by different countries authority that may also affect banking access for 45 countries.

2.2 Need for Financial inclusion:

Many experimental study in the past exposed that a high-quality and well-organized financial system is compulsory for the better development of a Nation (**Shaw, 1973, Obstfeld 1994, Levine 2002**). A well-built or well established banking network and accessibility of banking services is compulsory for expansionary activities (**Feldstein, Horioka, 1980, Ford and Poret, 1991**).

“People are the real wealth of a nation” (Haq, 1990).

The timely delivery of financial services to deprived sections of society may be termed as financial inclusion. A well-functioning and inclusive financial system is linked to faster and equitable growth has been proved in the last decade of the research that has leads us to believe that (**Honohan, 2004**).

The accessibility of banking services at a reasonably priced rate to the large segment of the helpless and low-income groups is defined as financial inclusion as stated by **Mahendra (2006)**. The credit is the most important constituent of financial services; various other services such as investments, cover, spending and transfer of funds facilities

issued by formal financial institutions to those perceived to be financially excluded are covered in financial inclusion.

Leeladhar, 2006, Subbarao, Thorat,(2007). Banking business of Indian market has grown at a extremely rapid rate. The low income and poor people are still not having the accessibility to the banking service. Efforts are taken as financial inclusion can actually improve the standards of the underprivileged people Littlefield et al, (2006). The bank account in the household determines the actual usage of financial services Fernando, (2007). Access to financial services may be termed as formal or semi formal financial services in a suitable form at practical prices when such services are required.

Devendra Prasad Pandey (2007), finds in his study that the Indian model of microfinance proposes greater assurance and possibility to address the issue of poverty, as it is focused on building the social capital by means of providing access to financial services, by linking unbanked individuals with the mainstream.

The recent policy measures taken up in India have directed on extending the insurance services and also the social security services through various schemes to the excluded vast sections of the population also the National Health Protection Scheme, announced in the budget fiscal year 2008 is a landmark initiative that aimed to take the basic health-insurance cover, to around 10 crore economically weaker and disadvantaged families.

Major source of finance for tribal population is informal sources. Informal sources of finance forms a major source for tribal people for managing their livelihood (Singh, 2004).These major informal sources come from free loans from friends or relatives although people were using micro finance services. Micro finance services by tribal people constituted less than 15% of the total transaction. (Rutherford, 2003).

In a schoolwork conducted by Ageba, Amha (2006) found that generally, small and medium enterprises use informal source of finance such as friends and relatives rather than borrowing from a well established financial Institution.

A study conducted by (Dr.U.Jerinabi & Dr.P.Santhi, 2009) in Tribals in Nilgris district, they found that only 33.2 percent of the respondents are having bank account out of 100 respondent. The reason is that they don't have money to open a bank account. Nearly

71.4 % of the respondents were unfamiliar about deposits and saving before account opening.

Availability of standardized financial products from regulated institutions defines an organized financial system. Financial planning such as savings products, small value remittances, insurance products and purchases on credit makes life easier. Savings products make possible expenditure smoothing over time. Remittance products are safe and easy than cash payments, not only to prevent theft, but also as proof of payment in the digital form. Credit histories are built by making digital payment, which enable borrowing at more favourable terms in the near future. Financial service providers rely on existing databases rather than personal interaction in order to make offers to customers due to automation. This makes financially excluded individuals at loss due to no creation of digital data base. (Leyshon et.al., 1998).

According to Subbarao (2009), Sustainable and equitable growth are necessary for financial inclusion. Subbarao argued that little economy transit from an agrarian to a post-industrial modern society without a broad-based financial inclusion strategy. Past experience has proved that economic opportunity is strongly entangled with access to financial services. Such admittance is prominent on the poor as it enables them to do savings, invest-ments and benefit from credit. Government can do payment electronically such as social security transfers, Credit Guarantee Funds, subsidies and wages directly to the bank accounts of beneficiaries. This will curtail transaction costs, pilferages and leakages.

Financial inclusions provide an opportunity for bringing the savings of the poor into the formal financial system. Large number of low cost deposits will offer banks an opportunity to reduce their dependence on bulk deposits and help them manage both liquidity risks and asset-liability imbalances more efficiently.

Financial inclusion is a process that make ease of access, availability and usage of the formal financial system to all the segments of an economy according to Sarma and Pais (2010). Sarma and Pais (2010) stated that, the qualities of an inclusive financial system are that it enables the efficient allocation of productive resources. These processes reduce the capital cost. The everyday managing of finances, an inclusive financial system also help in dropping the prevalence of informal financial institutions that are in most cases exploitative.

They concluded that an all-inclusive financial system enhances competence and happiness by providing avenues for secure and safe financial practices.

Basu, (2005) Marginal farming households widely practice Informal lending, followed by small and commercial households which point towards that marginal farmers are deprived of of formal credit.

Ghorude, K.N, (2009) in the study on, “Micro finance for financial inclusion and sustainable rural development”, explains that India’s problems are diverse, pervasive and multidimensional but further micro finance bristle with struggle, problems and constraints. It may not be able to settle the issue of object poverty merely by distributing loans to a certain section of the population although being single instruments. Developing free enterprise with organizational and community based support is one way of reinforcement for inclusive growth. Next generation of economic development requires inclusive growth, so that the world becomes a better place to live in. The objectives of inclusive growth encompass the social, economic and political inclusion.

Dehijia & Gatti, (2002) & Honohan, (2004) from his study analysed that child labour is certainly correlated with poverty because it extremely influenced by the financial depth of a country

Rutherford, (1996) In a similar vein financial depth of a country, need not only to improve the value of the poor people but it also helps them to handle the little money they have.

“Performance and Sustainability of Self-Help Groups in India: A Gender Perspective” by Purna Chandra Parida and Anushree Sinha (2010) studied that performance and sustainability of SHG in India. Self-help group (SHG) programmes are an effective tool used in various countries to address a variety of socio-economic issues as reported in various articles. Income generating activities, gender composition of members in the group are the performance and sustainability factors of self-help groups.

Rajarshi Ghosh (2005): In his studies w.r.t microfinance in India, he stated microfinance is viewed as an important tool for providing self employment for the low income rural population that contribute to women empowerment in India.

In a country like India with 130 Crore population, financial exclusion has a concept of geographic dimension as well - inaccessibility, distances, and lack of proper infrastructure hamper financial inclusion.

According to Sinha and Subraniam (2007) as per Census 2001 in India, Only 36% of the people use a few kind of banking services and the Boston Consulting Group Report on financial inclusion in India also states that financial exclusion reflects the severe socioeconomic divide that characterize the promising markets .

Financial Exclusion is also an issue that needs to be re addressed at global level; even urbanized countries are having confronted with this topic. According to United Nations Report (2006) “Financial inclusion has become international concern, relevant equally in the economies of the underdeveloped as well developing and developed countries.

The different economic uplifting programmes are launched by the different Ministry of Finance and Reserve Bank of India for inclusive growth time to time.

Chakroborty. K.C (2013, February) indicated that a lots of measures have been taken across the country due to the vastness of the task, a lot of ground works still need to be carried out for covering all the population in the ambit of financial inclusion. There is an urgent need for involving the civil society, other stakeholders along with government regulatory bodies for spreading the financial literacy needs in India.

Sayantani Banerjee and Greeshma Francis (2014) in his study “Financial Inclusion and Social Development” highlighted that, financial institutions is the mechanism for the economic and social growth and progress in the modern society. There is a rapid thrust for the financial inclusion in the recent trend, also in emerging economies, like India. If there is financial independence for all the stakeholders than only the society will progress ultimately helps in the growth of financial inclusion. Providing accessibility to finance resource is a kind of empowerment for the poor people. In the research, there emphasise was on the inclusion of social development in the concept of financial inclusion. Ease of basic banking services helps for the growth of individuals, households and private institutions. Social factors like unemployment and illiteracy are very much connected to the accomplishment of financial inclusion. Thus a sustainable social development can be achieved simultaneously along with financial inclusion

Arun, T.J and Jayakumar, A (2008) in his study on “Financial Inclusion and Strategies of Banks” found that, the banking industry has shown incredible growth in volume and complexity during the last few years. There are still concerns that banks are not able to include huge segment of the population, especially the underprivileged sections of the society, into the fold of basic banking services, despite making significant improvements in all the areas relating to financial viability, profitability and competitiveness.

Gandham, Sri Rama Krishna, Prasad, N.G.S (2008) in his study on, “Government Policy for Promoting Financial Inclusion in Banking Services”, found that financial inclusion plays a key role in the government approach, social inclusion policy has applied pressure on various government departments to review, reform and regulate when and where ever necessary. Private sector involvement is a good solution for extending reach to poor, which will yields better and sustainable results in financial inclusion. In India, private sector also plays a supportive role in an environment created by Government, which acts as an instrumental role in promoting financial inclusion.

Mukhopadhyay, B.K. (2008) in his study titled, “What financial inclusion means: Is a new paradigm needed”, finds that access to financial products and services have been a key element of livelihood support and weakness reduction. The design and implementation of pro-poor and inclusive livelihood promotion strategies are the important factor, which needs to be facilitated.

Murugadoss, K and Ramesh, G (2008) in his study titled as “Financial Exclusion and Financial Inclusion- An introduction”, finds that financial service is very important component for the betterment of citizens of the country and financial services should be available without any risk. The most important financial services are banking which is closely related to everyday of the human being of the world. The need of an hour is to promote the banking service and easily accessible service at affordable credit facility to low income group people.

Selvaraju, R. and Vasanthi, G (2008) in his studies found that, “Rural Financial Inclusion “distinguish the need for providing social security. The indicative model for rural financial inclusion includes continuation of priority sector lending, micro finance, micro finance products and no frills account.

Devaki Muthukrishnan, (2008) in his study said Social change is the instrument of “Financial Inclusion”. For achieving the inclusive growth, financial inclusion should be considered as the critical factor which is required for ensuring overall sustainable growth of any country.

Beck *et al.* (2009) have also discussed about the accessibility of bountiful quantity of data on lots of aspect of the financial system, but methodical indicators of completeness of financial sector is still lacking.

Ramapal and Rupayanpal (2012) in his study found that increase of the share of households using formal financial services. The state need not necessarily reduce the disparity in financial inclusion across income groups or promote financial inclusion among the poor households in the state.

Sneh Lata Tandon (2001) observes that Self Help Group now evolved as new method for working among people in the past few years. This progress stem from the people’s wish for meeting their needs and also determine their own destiny by the principle of “by the people, of the people and for the people.”

Jaya, S. Anand (2002) in his findings states that SHGs brought the radical changes in the livelihood of the poor people. The desired impact may not be able to produce just by delivering credit alone. A wider range of other supporting method is essential for making the impact well-built and sustainable.

Abdullah, M.A. (2003) in his findings found that empowering women by facilitating them with better access to credit. In return they advocate forming a networking for disseminating the knowledge of a range of schemes available for their enhancement, thus the potential and behaviour of women outside the household also gets check. The social issues of population growth, infanticide, dowry, family planning, marriage age, widow remarriage, and freedom to utilise opportunities also gets evolved.

Amudha Rani (2007) states that the journey for economic emancipation and empowerment to poor women will begin through SHGs by giving loans. The micro-credit, especially to women is a concept that mixes ‘ethics’ with ‘economics’ and is a socially mindful program.

Abraham Punnoose (2007) in his finding found that the empowerment of women should include both individual and cooperative transformation. The collective action for

development will bring empowerment through SHG that will bring benefits not only to the individual woman but also to the family and community as a whole. It will not only meet their economic needs but also holistic social development.

Patra, S. (2008) states that, the economic deprivation to the poor is the biggest challenge to any civilised society. The most possible tool against human scarcity is building of human assets among the deprived. Two weapons to wash poverty out of the map may be Self realisation and self-initiatives. A key strategy for poverty alleviation and economic empowerment are microcredit & micro finance which has been widely recognised concept.

In **2015**, the government had launched its various schemes such as life insurance scheme, The Atal Pension Yojana (APY), the accident insurance scheme, the Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana which tried to provides basic insurances services which help achieve the underprivileged people to feel socially uplifted and secure their future.

Also the Pradhan Mantri Jan-Dhan Yojana (PMJDY) launched in Aug' 2014 has made astonishing progress, opening around 30 crore deposit accounts for the unbanked population, while in its first phase it targeted the unbanked with the provision of bank facilities in all areas, except those areas which have the connectivity constraints and poor level of financial literacy. The second phase provided accessibility to varied services of financial inclusion for e.g the credit services, insurance and pension services.

To measure financial inclusion is also necessary as it will help the policymakers and market participants actually measure the progress achieved and can align future policies to further strengthen the cause of financial inclusion.

2.3 Financial exclusion

Financial sector is known as the backbone for any nation's development. So the focal point needs to be known accurately as to what makes the nation progressive. When we talk of the nation at large, it will have to be understood as, that each and every citizen of that nation must be taken care of. Every citizen of the nation should have the approachability availability, accessibility to gain monetary opportunities from formal financial centres, which could help them to earn a decent living. For the continuous growth and stability of any nation, the nation's financial position needs to be strong.

A vast population of our nation is still excluded from formal financial system even after end number of initiatives and measures taken from time to time. After all what is its cause and what is its results and how to end financial exclusion which leads to social exclusion, misery, crime and poverty.

Financial exclusion can be understood as the non - participation of the people in the mainstream of financial system, with regard to using certain financial services. Exclusion from financial mainstream is not only a problem of an individual but it can affect one and all in the society in some form or the other for various reasons. More specifically, financial exclusion is defined as the exclusion of people from a variety of financial services that are known to fulfil the financial needs of individuals and are considered necessary for their participation in the society.

According to **United Nations Report (2006)**, Financial Exclusion came to be known as an issue to be addressed seriously at the global front as even the developed nations are facing up this issue. The concept of financial inclusion has become a worldwide concern, it also became relevant equally to the underdeveloped and developing and developed nations and therefore time and time again, different economy stirring programmes are being launched by the concerning Ministry of Finance and Reserve Bank of India for inclusive development.

Leyshon, A. and Thrift, N. (1995) had defined the concept of financial exclusion as process that serve to its customers but prevent certain social groups, section of the society i.e people at the bottom level. The people residing in the rural areas and in locations that are situated far flung, in remote areas far away from urban financial centres are more probable to be excluded financially. In research article 'Geographies of Financial Exclusion: Financial Abandonment in Britain and the US', they had emphasized that the remote physical locations, constitute the barriers to accessibility of financial services and products to poor individuals, or households

Kempson, E. and Whyley, C. (1998), stated that in countries that have well developed banking institutions, the excluded people from the financial system are the ones that belong to either low income groups, or ethnic minorities or immigrants, illiterate or aged and all. They says that being excluded from employment opportunity leads people to unable them from availing credit which often leads to the economic failure.

The credit needs were not getting served of the rural poor, the institutional agencies lacked in required mechanism to assess the poors credit needs, as it is undesratood that they demands for loans in for only unproductive purpose **Namboodhiri, N.V. and Shiyani, R. L. (2001)**

Kofi Annan in **2003** remarked that the populace living on small incomes are not able to access the basic financial services such as bank accounts, cheap credit, remittances and other payment services, insurance etc which leads an area to research the challenges that keep them excluded from financial system and constraints them to progress and participate.

There is also a wide regional imbalance across various regions of india which have quite a disproportionate lower financial access **RBI (2003)** reports says. These states are in majority from east, north east and central india which accounts for fifty four percent of the nation's population, and posses only twenty percent of total outstanding bank credit andonly twenty nine percent of share in deposit .

Financial inclusion is such a vital philosophy because if people are remained excluded from financial services and formal credit requirements then there is a likelihood that these people suffer and will lack in employment opportunities, will become more poor and will result in high crime rate, poor health and breakdown of health and happiness. **Clare Louise Chambers (2004).**

The banks and other financial services institutions also needs to attend and keep a check whether they are being sensitive and rational towards the approaching client especially from rural areas as if they are provided with bad experience and rejections from financial institutions then they may voluntary exclude themselves from the formal ambit. **Andrew, L. et al. (2006)**

Sameer Kochar (2009) remarked that the issue of financial exclusion needs to be addressed in a holistic manner to ensure that basic financial services are made available to each and every single household such as no-frill account so that they can make and receive payments, a saving product suited to their low income cash flow, small credits and overdraft facilities, also insurance and pension facilities.

If the poor are left deprived persistently from the basic banking, financial system then it would not only lead to crises among lower income segment but also it would lead to

decline in people's investment which has a huge potential to cause and stimulate social tensions and which would also lead to social exclusion. Mehrotra et al. (2009).

Vani, K. Borooh (2010) expound that social exclusion is a process that keeps poor deprived from the community. They get excluded from employment opportunities, earnings, education, housing, skills and from other such welfare. The people excluded are from the gender, male and female, caste, and religion. He reported that the denial of credit needs deprive them from any business opportunities.

CHAPTER 3

RESEARCH METHODOLOGY

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter illustrates the research framework which has been designed and implemented to study the extent and nature of financial inclusion in selected sampling districts. The financial inclusion related to the availability and usage of financial services. The section catered is the women in the sampling districts. The need of the study, its significance, statement of the problem, research gap, study objectives, research design and framework all are explained in this chapter below.

3.2 Statement of Problem

Inclusive financial growth and development across regions and sectors have always been the root for major policies and other pivotal developmental ground breaking decisions. Financial Inclusion has been one of the instrumental tools in creating a far reaching impact in the country changing the financial landscape. The study assesses the levels of financial inclusion of women and the associated socio economic development in the region of Chitrakoot and Jhansi among the women in both rural and urban areas. It tries to delineate all

such parameters which identify the level of socio economic development with levels of financial inclusion in Indian context. It further tries to find out whether socio economic differences hold an imperative for the levels of financial inclusion. The study also finds out if socio economic success can be directly related with financial inclusion measures. Financial inclusion does seem to have an effect which is a positive one on the individual's socio and economic condition and growth and development mindset.

3.3 Significance of study

The region of Bundelkhand especially Chitrakoot and Jhansi has always been at forefront of major financial policies directed at improving socio economic environment necessary for further growth and development. Hence, inclusive growth becomes an important criteria to be judged to find the potency of the financial inclusion measures. However, it has never been able to achieve high levels of development underlining limitations of the inclusive measures. This has intrigued many researchers and social scientists who have been trying to find out if the development has been result of the financial inclusive measures direct or indirect. The districts of Chitrakoot and Jhansi are limited by poor literacy levels and lack of financial and employment opportunities. Hence, financial inclusion has failed to reach its desired objectives.

Hence, a need arises to exactly find out major factors behind existing socio economic levels of women and further to find out whether there is a clear association between financial inclusion and socio economic development.

3.4 Rationale of study

Financial inclusion and socio economic development are closely associated and interdependent. Financial inclusion provides varied financial services at a low cost while and the people are in a position to use all these resources. Still, the levels of socio economic development are very average and hence it presses to find out the reason as to all what can be the reason for such a slow state of affairs.

The chances of people taking an active participation in the formal financial system and their better levels of social and economic development will bring more clarity as to all

parameters which help to lay the framework for financial inclusion and related socio economic development.

The financial inclusion levels in India has undergone changes creating varying meanings for varied sections of the society. The academicians have ever emphasized the importance of financial inclusion and its impact on improving the social dynamics and economic achievements.

In other words, women will become more capable when they will be in a position to use financial resources for achieving their economic needs.

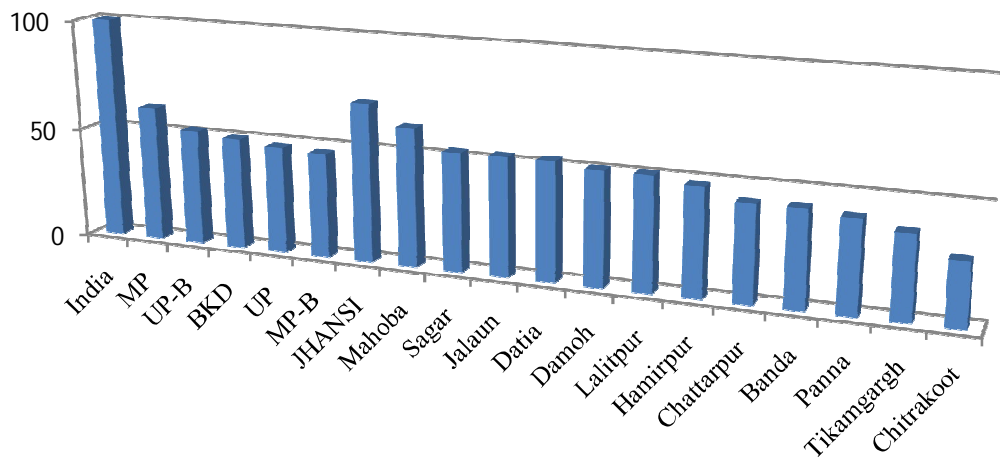
3.5 Financial inclusion of people in Bundelkhand region

Bundelkhand in central India, traverses two states (Uttar Pradesh and Madhya Pradesh), and comprises 13 districts – seven in Uttar Pradesh (UP) – Jalaun, Hamirpur, Banda, Chitrakoot, Mahoba, Jhansi and Lalitpur and six in Madhya Pradesh (MP) – Datia, Tikamgarh, Chhatarpur, Panna, Damoh and Sagar. These areas have a common history and have been bound together for centuries by common rulers, a shared mythology and a common legacy of valour.

The Government of India and the erstwhile Planning Commission identified the region as being ‘backward’ and ‘human development poor’. Of the thirteen districts in Bundelkhand, ten districts figure in the list of 250 most backward districts, – Chhatarpur, Damoh, Panna, Tikamgarh, Banda, Chitrakoot, Jalaun, Mahoba, Hamirpur and Lalitpur. Lack of economic progress, lack of diversification from agriculture, inadequate modernisation in agriculture and lack of economic infrastructure - like irrigation, roads and power and social infrastructure - like schools, and health centres, are common features of Bundelkhand. Resulting, the financial inclusion levels are abysmally low as compared to the country averages.

Figure.3.1 PCI as a percentage of India’s PCI, Bundelkhand and it’s districts, MP, UP

**Bundelkhand Data from Directorate of Economics and Statistics
Government of UP and Government of MP and India Data from
Planning Commission(2010-2011)**



3.6 Research Gap

The literature review in the current study has been able to lay down sound framework within which the certain assumptions are drawn for the purpose of arriving at conclusions and making suggestions. These include:

1. There has been an increase in the levels of financial inclusion the region of Bundelkhand especially in the area of Chitrakoot and Jhansi.
2. Some of the financial inclusion measures cater to the women in Bundelkhand region and they are also targeted at improving the socio economic conditions of the women in the same region.
3. The levels of financial inclusion vary across the demographic and the same results in socio economic differences underlining the need to establish a concrete association between the related variables.
4. There is a non-stated relationship between socio economic development and financial inclusion. The nature and extent is to be gauged.

The above findings gave a basic root and grounding to explore in the relevant area and arrive at further conclusions between constructs of study The current study has focussed on the women in the revenue districts of Chitrakoot and Jhansi and tried to relate it to their demographic profile in terms of location , income, family members, occupation, financial awareness and so on .

3.7 Objectives of study

1. To understand the nature and level of financial inclusion in last ten years.
2. To analyze the impact of financial inclusion initiatives on the socio-economic status of women.
3. To find out the reasons that hampers the participation of the women in financial inclusion system.
4. To find out the awareness level of women in context of financial inclusion initiatives.
5. To analyze the relationship between awareness, income and financial inclusion of women in selected sample districts.

3.8 Research Hypothesis

The entire research centres around the framework which states that the financial inclusion measures improve upon other dynamics of the society on social and economic front.

The research is designed on the basis of the following hypotheses which have been created in the case of objective 2 and objective 5 where an attempt is made to find out some sort of association between variables of interest.

H₀: There is no significant impact of financial inclusion initiatives on socio economic status of women.

H₀: There is no significant association between overall financial awareness and the socio-economic profile of the women measured in terms of location.

H₀: There is no significant association between overall financial awareness and the socio-economic profile of the women measured in terms of income.

H₀: There is no significant association between overall financial awareness and the socio-economic profile of the women measured in terms of occupation.

3.9. Research Design

Research Designs are conceptual plans and methodologies for the purpose of research which range from broad and general guidelines with assumptions to detailed procedures of data collection and analysis. In the present text, a mix of qualitative and quantitative research design has been used, based on which interpretations were drawn.

In order to study the nature and extent of financial inclusion, a mix of descriptive and exploratory research designs are used. The exploratory approach provides a better preview of the basic tenets of financial inclusion, inclusive growth and the basic access to finance and economic development. It paves the way to spot the variables which have been calculated in the study. It also lays down the guidelines to deduce broad and general problems of inclusive growth and financial inclusion into precise sub constructs using the existing literature survey and by further exploration of data which is secondary in nature.

The facts and figures collected have been of nature to establish relationship between various variables identified under study. By combining all possible evidence, a research problem was then created and formulated to create a construct of financial inclusion.

The descriptive approach is basically focused on describing the essentials such as the framework and meaning of financial inclusion, who controls the variables, the reasons and

the levels of disparity in the case of financial inclusion. The factors summing up financial inclusion are also noted down. It also involves the account of the degree of correlation between the constructs of the study. This has been achieved through a universal eloquent design combined with a cross sectional study. This has enabled to capture the essence of the various existing relationships between variables under study at one point of time. The data disclosed and revealed by cross design and survey helps further to analyze the existing relationships.

Also, a combination of deductive and inductive reasoning has been employed to understand the nature and extent of financial inclusion of women in various households. This has been the most common method employed in most social science researches. In this study as well, overall framework and structure as well as basic logic is derived using the deductive reasoning creating a basic logic providing for a conclusion on the nature, extent and impact of financial inclusion. The concept and technique of inductive reasoning is more based on the individual facts, clarifications, and interpretations of financial inclusion.

This dual method has made sure to take an advantage of the strengths of both inductive and deductive processes making the transition between theory and practical more seamless.

3.9.1 Sampling Design

Sampling design is a tangible plan for choosing a sample from a defined population. It gives a process which has a scientific grounding required for an appropriate selection of a sample from the given sampling frame. It points to the method which is adopted for drawing the sampling unit from the population and also in a way that is representative of the sampling frame.

3.9.2 Population

The decision upon final sampling frame becomes all the more important since further sampling selection shall all be representing the population. It restricts the all the generalisations thereafter to a group selected as the population. It can be an individual or a group of individuals all depending upon the need and scope of the study. All women above the age of 18 in revenue districts of chitrakoot and Jhansi in rural and urban households form the sampling frame or the universe for further drawing of the sampling unit. Some bank officials and other people involved in local financial inclusion initiatives were also interacted in order to arrive at a justified framework for the study.

3.9.3 Sampling Unit

Sampling unit is an entity for which the raw data is gathered. All women in the households-rural and urban in the revenue districts of Chitrakoot and Jhansi are considered as a sampling unit.

3.9.4 Sampling size

In the study, 400 women in rural and urban households from the revenue districts of Chitrakoot and Jhansi were selected and administered the schedule. The adequate sample size formula has been used to validate the sample size. Based on the sample frame of households a sample size of 400 households was finalized by using the formula.

Following model can be used to determine sample size (Nargundkar, 2003).

$$n = p(1-p) \left(\frac{Z}{e} \right)^2 \quad \text{eq. (i)}$$

$$n = 0.50(1-0.50) \left(\frac{1.96}{0.05} \right)^2$$

$$n = 385$$

Where,

n = Sample Size

Z = Value from the standard normal distribution for the confidence level as desired. It assumes 95 percent confidence level. The Z Value is 1.6 for the 95 percent confidence level as given in the standard distribution tables.

p = Frequency of occurrence of something expressed as proportion (0.50).

e = Tolerance error. It assumes tolerance of 5 percent.

3.9.5 Sampling technique

In the study, women in each households were taken as the Universe of population and an individual household as the sampling unit. The women from rural and urban areas were selected from the selected revenue divisions of Chitrakoot and Jhansi.

Multi-stage sampling method was used for selection of the sampling units to constitute the necessary population. The revenue divisions of Chitrakoot and Jhansi were considered as the first stage of sampling. In the next stage, the households are selected where there is an adult women responsible for major household decisions. Simple random sampling coupled with

justified and convenience sampling was then employed to filter the respondents and elicit an appropriate response for the sake of getting data from the respondents.

3.10 Data collection

3.10.1 Primary data

Primary data is a first hand data and in this case it was gathered from the sample area using the sample survey method. In this connection, direct interviews of the women in each household in the sample area were carried out using a structured schedule. In this way, each household in the sampling area of Jhansi and Chitrakoot were considered as the population. An individual household where a woman was chosen as a respondent in the survey area was the sampling unit. Primary data was then gathered on various facets of financial inclusion. These were analyzed to draw inferences on the nature, extent and impact of financial inclusion on the socio-economic status of women. Women belonging to the rural and urban areas from four revenue divisions in the state were considered for this purpose.

3.10.2 Secondary data

The data on the nature and extent of financial inclusion in India was gathered from various existing sources like the financial report of the concerned regions, RBI sources, directorate of economics and statistics, banking network, NABARD, and allied institutions involved in the process of financial inclusion. Previous studies conducted and research articles printed in various magazines and journals as well as other literary sources were also filtered for the sake of accessing secondary data. The various resources of secondary data encompass of the following:

- a) The international agencies publications like World Bank, International Monetary Fund and United Nations Development Programme (UNDP).
- b) Census 2001, Census 2011 Reports
- c) NITI Aayog Reports
- d) Publications of Alliance for Financial Inclusion, an international and world network of central banks and other regulatory bodies in developing countries.
- e) Publications of Organization for Economic Co-operation and Development (OECD).
- f) Plan documents at the centre and state levels, India.
- g) Annual reports and publications of Reserve bank of India
- h) Economic Survey of India, GOI.
- i) Publications of the State Level Bankers Committee (SLBC).
- j) Publications of NABARD.

- k) Online publications, Journals, Government websites

3.11 Variables under study

A structured schedule was planned to discuss the units of population by using the contribution from review of literature as well as experts in the topic, connected to the study region. The basis for selecting this instrument was that, it was a comparatively methodical and homogeneous process of collecting data, which lays importance on capturing and translation of data from qualitative to quantitative form. In addition, this technique was cost-effective and handy. The structured schedule was planned in such a way that, various proportions of financial inclusion and the impact of availing formal banking services were quantified with the help of diverse scales of dimensions. The customized schedule had three parts; the first part was to confined to the environment of the household selected, the second part was to gauge the nature and degree of financial inclusion and the third part was planned to compute the impact of availing formal financial services.

3.11.1 Design of Research Tool

Sequence	Category	Data Captured
Section I	Basic distinctiveness of sample units.	Details of hte households selected.
Section II	Degree of financial inclusion among the households of sample area.	level of the financial services availed penetration of financial services into different income levels etc.
Section III	Socio-economic impact of availing formal financial services.	Changes in various socio-economic conditions of the households.

Sources: Research Data

3.11.2 Scale Developments

The study instrument used had a confirmed content validity, as it was resultant of a standard instrument used before in previous studies like the study conducted by CRISIL on devising the scale for financial inclusion. However, researchers in the field of financial inclusion were discussed with for this purpose, and the priceless changes recommended by them were included in the instrument. This was to make certain that, scales used in the instrument were measuring what they were designed to quantify. The response was also discussed for its sufficiency, for the third part of the questionnaire, i.e., the impact of financial services. To

determine the characteristics of the units of population, both qualitative and quantitative methods of measurement were used. A combination of multiple choices, one dimensional simple category (dichotomous), multiple responses and single response have been used to measure nominal, interval and ratio scale data.

3.11.3 Pilot Study, Validity and Reliability

A pilot study was also carried out surveying women in the sampling districts of Chitrakoot and Jhansi. The validity and reliability of the schedule was tested using Cronbach's Alpha. It is an indicator of the consistency and reliability of the sampling questions in the schedule. This was explained as the fraction of the inconsistency in the responses of the study, which was the result of the respondent's references.

This was also done to find out whether the response scale derived was free from any errors of measurement and whether there was any possibility of identifying a measurement error or inconsistency. The statistical parameters such as Mean and Variation of correlation between the inherent items in the scale are checked for consistency. The scales with high validity and reliability had higher associated score of Cronbach alpha with lesser random errors and higher true scores.

The evaluation of the uniformity of the entire measurement scale can be measured through the reliability estimates. The most important of all these is Cronbach's alpha. Hair et al. (2009) researched that the agreed upon lower limit for the estimate is 0.7 and it could be even 0.60 for some specific researches. The Cronbach's Alpha coefficient value for the scale is 0.751 indicating high level of internal consistency in the scale items. The value of Cronbach's Alpha is acceptable and desirable, as these values are more than 0.700, confirming that the scale is reliable enough to be used for further analysis.

Cronbach's Alpha for the Variables

Cronbach's Alpha	Number of Items
0.751	42

Questions were tailored in those cases where Cronbach's Alpha was less than 0.60, to dig out the accurate and reliable responses in the concluding assessment of the respondent households.

3.11.4 Method of Administering Research Tool

The woman of the household who was in charge of performing major duties and responsibilities in the household was interviewed to elicit the information on the aspects of availability and access to formal financial services and other socio economic dimensions. In this regard, validity and reliability of the instrument was analyzed in terms of money, convenience and perception. Around 50 questions were used in the schedule. Consideration is given to cover the basic concepts of the study and more and more question items are introduced in the schedule to enhance the reliability of the research instrument. The final schedule was administered in the sampling district with the help of enumerators and administrators.

3.12 Scope of study

The scope of the study is limited to analysing the socio economic development of women and also analysing financial inclusion level of the women in the revenue districts of Chitrakoot and Jhansi across rural and urban households. The relationship between both the constructs of financial inclusion and socio economic development is only a reflection of the women in that particular region and a lot more of the results can only be attributed to the demographic profile of the local respondents. Hence, there is a great chance that conclusion may be affected by personal opinions and viewpoints of respondents.

3.13 Time frame

In the present text, primary data has been composed from the rural and urban women belonging to the districts of Chitrakoot and Jhansi. Based on the original data, the nature and the impact of financial inclusion on the socio-economic status of women in rural and urban households has been critically analyzed. The time frame selected for the compilation of data from the women in rural and urban households in the sampling districts was between the month of May and September 2018. This was a cross sectional data collection and the entire objective was to get a picture of the variables at a single point of time, based on the survey.

CHAPTER 4
DATA ANALYSIS
&
INTERPRETATION

CHAPTER 4

DATA ANALYSIS & INTERPRETATION

4.OVERVIEW

This chapter analyses the primary and secondary data. The data is then interpreted with regard to the research problem. The chapter starts with an introduction to data editing and coding, followed by the results of the exploration of the nature of financial inclusion in India. This was the first step of the attempt to measure the nature, extent and impact of financial inclusion policy, across the revenue divisions, among the households belonging to the vulnerable sections. Further, it narrates the demographic data and baseline information of the households belonging to the vulnerable sections. The basic characteristics of availing formal financial services by the households in the sample area have been also discussed. Analysis of the nature and extent of financial inclusion across the revenue divisions and among the rural and urban households are given further. It narrates the socio-economic changes taken place among the households across the revenue divisions after availing financial services. An assessment of the correlation between the components of the constructs has been summarized.

DATA EDITING AND CODING

Primary data was collected from the revenue divisions of the state of Chitrakoot and Jhansi by administering a validated schedule. This was then followed by coding in order to assist in the conversion of the same into SPSS.

4.1 OBJECTIVE 1: To understand the nature and level of Financial Inclusion in India

First objective of the study was to explore the nature of financial inclusion in India. This has been achieved by studying the secondary data on various parameters of financial inclusion accessible in literature in general.

Parameters in terms of which the extent and nature of financial inclusion can be expressed are demographic- ATM penetration, Automated Teller Machine (ATM) penetration, branch penetration, credit and debit accounts relative to the approach and availability of formal banking services.

The International Monetary Fund (IMF) financial access result (2011) states that, significant improvements were made during the year 2007-17 on fronts such as deposit accounts, bank branches, etc. Still, the country scaled massively behind the other countries in OECD (Organization for Economic Co-operation and Development) economies on questions of branches per 1,000 square kilometer, loan accounts per 1,000 adult population ATM penetration. Etc.

Table 4.1: Key Banking Parameters for India

Year	Automated Teller Machines (ATMs)	Borrowers at credit unions and financial cooperatives	Branches commercial banks	Branches of credit unions and financial cooperatives
2007	27088	58600000	71996	120918
2008	35075	89300000	75977	118544
2009	44310	54800000	79922	119138
2010	61833	67700000	85219	118564
2011	76741	60600000	90965	118143
2012	97121	53100000	98643	117406
2013	115849	57200000	106551	118902
2014	163230	59500000	117869	118193
2015	183993	59400000	126337	119461
2016	201913	52840000	133491	120304
2017	213396	77285517	142207	122602

Source: IMF Financial Inclusion Report 2018

In the above table, it can be clearly seen that the number of ATMs has risen by nearly 10times in last ten years. The branches of commercial banks have doubled in last ten years. The branches of credit unions and financial cooperatives has risen by nearly 10percent. The borrowers at credit unions and financial cooperatives have also increased by reasonable multiples underlining the rapid pace of financial inclusion initiatives.

Table 4.2: Key Banking Parameters for India

Year	Deposit accounts with commercial banks	Deposit accounts with commercial banks per 1,000 adults	Deposit accounts with commercial banks per 1,000 adults: o/w own by men	Deposit accounts with commercial banks per 1,000 adults: o/w owned by women
2007	519199207	647.8718155	437.7171559	148.618263
2008	581658012	711.3551314	510.4847465	149.8015636
2009	662302403	794.0365244	548.7569123	173.8762584
2010	734869141	863.8340804	572.904824	180.0590019
2011	810129353	934.460196	636.7378116	199.6312904
2012	903200257	1022.23648	627.9698569	247.1906611
2013	1045104595	1160.71895	699.5151169	309.0593509
2014	1226710171	1337.410394	848.4487727	367.2517254
2015	1439892283	1541.790615	937.9306036	450.0622447
2016	1646116065	1731.267935	1060.618734	504.9088029
2017	1826651440	1888.754959	1151.404311	587.6437948

Source: IMF Financial Inclusion Report 2018

In the above table the deposit accounts with commercial banks are looked into with an eye on the usage of the basic banking product. The accounts have increased several times to reach more than thrice its original number in last ten years. The deposit accounts with commercial banks per 1000 adults have also almost tripled in last decade or so. The accounts held by men have increased twice and the most important parameter under consideration is the number of deposit accounts held with commercial banks by women which has increased by staggering 400percent approximately.

Table 4.3: Key Banking Parameters for India

Year	Institutions of credit unions and financial cooperatives	Institutions of insurance corporations	Institutions of other depository corporations
2007	96155	32	96740
2008	97840	37	98382
2009	98475	43	98982
2010	97441	48	97918
2011	96177	48	96643
2012	95186	51	95630
2013	96230	51	96641
2014	95721	52	96113
2015	95745	52	96122
2016	96106	53	96465
2017	98015	66	98349

Source: IMF Financial Inclusion Report 2018

In the above table, we find that the institutions of credit unions and financial cooperatives have increased steadily in last decade. The corporate insurance institutions have also doubled in last few years and the institutions of other depository corporations have increased by some reasonable percentages emphasizing that the financial inclusion incentives have had a massive growth of various institutions serving to speed up the engines of inclusive growth.

Table 4.4: Key Banking Parameters for India

Year	Policies with insurance corporations	Policies with insurance corporations: o/w life	Policies with insurance corporations: o/w non-life
2007	498663000	451963000	46700000
2008	315211000	257911000	57300000
2009	358718000	291618000	67100000
2010	386427000	318927000	67500000
2011	408487000	329187000	79300000
2012	420984000	335284000	85700000
2013	443112000	336112000	107000000
2014	437302000	334802000	102500000
2015	444597000	326297000	118300000
2016	449141110	327065110	122076000
2017	487533238	328442380	159090858

Source: IMF Financial Inclusion Report 2018

In the above table we can see that the policies with insurance corporations have been very steady. The noticeable point in the entire table is in the area of non life insurance where we see that the number of policies have risen by a reasonable number over a considerable period. Further life insurance policies have also been very much consistent in the last decade.

Table 4.5: Key Banking Parameters for India

Year	Loan accounts with commercial banks	Loan accounts with commercial banks per 1,000 adults	Loan accounts with commercial banks per 1,000 adults: o/w owned women
2007	99442027	124.0866428	1.381188204
2008	106990180	130.8466693	1.540556423
2009	110056177	131.9467118	1.948323336
2010	118647882	139.4698434	2.276275463
2011	120724095	139.2516652	2.793007361
2012	130881297	148.1306447	3.373393006
2013	128286291	142.4779201	25.47508784
2014	138750882	151.2719761	29.64217183
2015	144239636	154.4471901	30.90774901
2016	162373917	170.7733506	39.79218408
2017	172383518	178.2443094	42.77442452

Source: IMF Financial Inclusion Report 2018

In the above table we find that the progress of financial inclusion has been steady with a steady rise in loan accounts with commercial banks emphasizing the rapid rise of credit accounts with people. The number of loan accounts with commercial banks per 1000 adults have also increased over 50 percent in last decade. The most noticeable among all the other factors has been loan accounts with commercial banks with women. It has increased by 42 times highlighting the spur among the usage of loan facility in case of women.

Financial exclusion is an essential indicator explaining the characteristic of the formalized economy highlighting the conditions of access and availing the formal financial services in the Indian economy where the financially excluded sections include rural people consisting of Marginal farmers and other labourers whether employed or unemployed and other socially backward classes.

According to the previous National Sample Survey reports, Government of India, still a large chunk of the Indian population do not get an access to formal banking services and even if they get an access to the system, they are never in a position to use the service as consistently as possible given the need.

Most formal of all the banking services include savings accounts, credit accounts, and other financial advisory services etc. The below income groups never have access to the formal financial systems as they never have the necessary documentation to get an access to the banking service.

The investigation of statistics provided by RBI via its annual reports disclosed that the financial inclusion was prevalent in the 256 districts, spread across 17 states and 1 union territory, with a credit gap of 95 per cent and above. This was true for all commercial banks and RRBs.

A financial access survey was carried out by the World Bank as well in India excluding the northeastern states disclosed that India was behind major developing countries in terms of opening bank accounts, but it stood near to the world average when it came to borrowing parameters in case of borrowing from formal financial institutions.

4.2 SUMMARISED INFORMATION:

Table 4.6: Progress made under financial inclusion plans – as on March 2018

(Scheduled commercial banks including RRBs)

Financial Inclusion Plan (FIP): a Progress Report			
Particulars	End-March 2010	End-March 2017	End-March 2018**
1	2	3	4
Banking Outlets in Villages – Branches	33,378	50,860	50,805
Banking Outlets in Villages>2000-BCs	8,390	1,05,402	1,00,802
Banking Outlets in Villages<2000- BCs	25,784	4,38,070	4,14,515
Total Banking Outlets in Villages – BCs	34,174	5,43,472	5,15,317
Banking Outlets in Villages – Other Modes	142	3,761	3,425
Banking Outlets in Villages –Total	67,694	5,98,093	5,69,547
Urban locations covered through BCs	447	1,02,865	1,42,959
BSBDA - Through branches (No. in Million)	60	254	247
BSBDA - Through branches (Amt. in ₹ Billion)	44	691	731
BSBDA - Through BCs (No. in Million)	13	280	289
BSBDA - Through BCs (Amt. in ₹ Billion)	11	285	391
BSBDA - Total (No. in Million)	73	533	536
BSBDA - Total (Amt. in ₹ Billion)	55	977	1,121

OD facility availed in BSBDA's (No. in million)	0.2	9	6
OD facility availed in BSBDA's (Amt. in ₹ Billion)	0.1	17	4
KCC - Total (No. in Million)	24	46	46
KCC - Total (Amt. in ₹ Billion)	1,240	5,805	6,096
GCC - Total (No. in Million)	1	13	12
GCC - Total (Amt. in ₹ Billion)	35	2,117	1,498
ICT-A/Cs-BC-Total Transactions (Number in million)	27	1,159	1,489
ICT-A/Cs-BC-Total Transactions (Amt. in ₹ billion)	7	2,652	4,292
**: Provisional.			
Source: As reported by RBI Financial Inclusion Report 2018-19			

The data states that all the parameters of financial inclusion have went up in last few years .The branches of banks in rural areas have gone up and same can be said in terms of KCC and GCC. The number of ICT enabled bank accounts have also increased by a significant number highlighting the fact that financial inclusion can only go up from this point and so on. The BSBD accounts have also increased via Business correspondents and facilitators. The overdraft facility has also increased supporting the ever increasing speed of financial inclusion incentives.

The urban locations covered via business correspondents have increased and the branchless banking has also seen a significant improvement in last decade adding to the existing banking framework. The OD facility in BSBDA has also seen some improvement over its past features.

4.3 DEMOGRAPHICS DATA - BASELINE INFORMATION

To study the nature, extent and impact of financial inclusion across the revenue divisions, nearly 400 women in various households were selected. Out of this, 50% women respondent belonged to Chitrakoot district and 50% respondents belonged to Jhansi district households.

Table 4.7: Respondents across Revenue Divisions

% within Revenue Division	Respondents		Total
	Jhansi	Chitrakoot	
Revenue Division	50%	50%	100.00%

Source: Survey Data

Therefore, while analyzing the baseline characteristics of the units and for the rest of the statistical analysis the total sample size was n=400, the sample size of women in Jhansi is, n=200, and women in Chitrakoot, n=200.

Table 4.8: Marital status across Revenue Divisions

% within Revenue Division		MARRIED	UNMARRIED	WIDOW	Total
Revenue Division	Jhansi	63.00%	32.00%	5.00%	100.00%
	Chitrakoot	69.00%	27.00%	4.00%	100.00%

Source: Survey Data

In the above table, we focus on the marital status of the demographic dividend and conclude that most of the women surveyed are married and there is a less skewed contribution in terms of unmarried women.

Table 4.9: Category across Revenue Divisions

% within Revenue Division		CATEGORY				Total
		SC	ST	OBC	Other	
Revenue Division	Jhansi	39.00%	1.50%	55.00%	4.50%	100.00%
	Chitrakoot	35.00%	0.00%	60.00%	5.00%	100.00%

Source: Survey Data

In the above table, we find that the category of SC are 37% on average and ST are near to 1% and OBC category account for more than half of the total sampling population, its 58% and others are 5% Further, the sampling distribution in the categories of SC and OBC categories are maximum representing the skewed population demographics.

Table 4.10: Education Levels across Revenue Divisions

% within Revenue Division							
		< 8 th Pass	High school	Intermediate	Graduation	Professional/Technical Degree	TOTAL
Revenue Division	Jhansi	52.00%	23.00%	14.00%	3.00%	8.00%	100.00%
	Chitrakoot	58.00%	21.00%	12.00%	2.00%	7.00%	100.00%

Source: Survey data

In the above table we find that majority of the sampling units being surveyed have an education below class 8th followed by high school pass women. The least education is in terms of graduation. This can be interpreted to say that the educational grounding is least among the sampling units surveyed.

Table 4.11 : Distribution of Households based on Number of Working Members
(Figures in percentage)

% within Revenue Division			
Working Members	Chitrakoot	Jhansi	Total
01-02	36.00%	42.00%	78.00%
3 & above	14.00%	08.00%	22.00%
Total	50.00%	50.00%	100.00%

Source: Survey data

Considering the total working population in the households, around 36 per cent of women in Chitrakoot and 42 per cent of women in Jhansi households had 1 to 2 working member. Nearly 14 per cent of women in Chitrakoot and 8 per cent of women in Jhansi households were in the group of 3 and above 3 working members. This explains the fact that in the rural areas nearly the entire family support the family income unlike in urban areas where one alone can add majorly to the income.

Table 4.12: Category of Households Vs. Livelihood Activity

% within revenue division		Livelihood Activity						Total
		Agriculture	Tenant cultivator	Construction	Household industry worker	employed in govt. scheme	others	
Household	Rural	42.00%	23.00%	12.00%	11.00%	7.00%	5.00%	100.00%
	Urban	20.00%	18.00%	21.00%	19.00%	9.00%	13.00%	100.00%
Total		31.00%	20.50%	16.50%	15.00%	8.00%	9.00%	100.00%

Source: Survey data

Out of 400 rural and urban women, about 31 per cent had agriculture as their occupation. Nearly 21 per cent were working as tenant cultivator. Nearly 17 per cent were involved as construction worker. The population of 15 per cent were involved in household industry sector particularly in urban area stating the fact that most of them found work in the same sector with comparative ease. Nearly 8 per cent were involved in government schemes in rural and urban areas working on daily wages. Along with this, closely looking at the data we find that most of the sampling unit being under study were involved in agriculture and construction occupations followed in government schemes.

Table 4.13: Identity card status across Revenue Divisions

% within revenue division		Number of Members									
		Voter card	Aadhaar Card	Ratio Card	Job Card	Income certificate	Domicile certificate	Caste certificate	Driving license	Pan Card	Passport
Revenue Division	Jhansi	82.00%	19.00%	29.00%	63.00%	13.00%	11.00%	32.00%	8.00%	4.00%	Nil
	Chitrakoot	73.00%	13.00%	32.00%	59.00%	18.00%	9.00%	37.00%	6.00%	3.00%	Nil

Source: Survey Data

In the above table we find that voter Id card was still the most common form of ID verification. Nearly three fourth of the respondents had a voter id card. Second to this was

the job card which most women respondents had to validate the point that most sought jobs and relied upon job cards as a means to avail employment opportunities. The caste certificate was another ID card which was being carried out by most respondents. It also may be noticed that Aadhar card was still not prevalent among respondents. And same could be attributed for domicile and pan cards.

Table 4.14: Access to Facilities across Revenue Divisions

Facilities	Chitrakoot	Jhansi
% within Revenue Division		
Electricity	62.00%	82.00%
Television	31.00%	74.00%
Mobile	28.00%	61.00%
Internet facility	8.00%	26.00%
Radio/FM	53.00%	69.00%
Public water	59.00%	78.00%

Source: Survey Data

In the above table we analyse the facilities accessed by the respondents in sampling district of Chitrakoot and Jhansi. Further, we also analyse whether the basic facilities are ensured in both the sampling districts or not. After analysis, we can interpret that facilities such as electricity, radio and television with access to public water is not nearly hundred percent. Further such facilities are more in Jhansi as compare to Chitrakoot. The facility such as internet is least prevalent across both districts.

Table 4.15: Vehicle Registration across Revenue Divisions

% within Revenue Division		YES	NO	Total
Revenue Division	Jhansi	19.00%	81.00%	100.00%
Revenue Division	Chitrakoot	14.00%	86.00%	100.00%

Source: Survey Data

In the above table we find that the vehicle registration was very low (19%, 14% in Jhansi and Chitrakoot respectively) Nearly four fifth of the sampling population had no transport means for daily usages and resorted to public means of transportation.(81%, 86% in Jhansi and Chitrakoot respectively)

Table 4.16: Types of Vehicles across Revenue Divisions

% within Revenue Division		Two wheeler	Three Wheeler	Four wheeler	Tractor
Revenue Division	Jhansi	15.00%	1.00%	nil	3.00%
	Chitrakoot	11.00%	1.00%	nil	2.00%

Source: Survey Data

In the above table we find that the vehicle registration was not only low but was mostly skewed in respect of two wheelers. Only 15%, 11% respondents in Jhansi and Chitrakoot respectively had two wheeler, we can say only around one tenth of the entire sampling population had two wheeler vehicles registered under their name. Most of them didn't have any means of transport and a handful of them had a tractor (3%, 2% in Jhansi and Chitrakoot respectively) or a third wheeler vehicle.

Table 4.17: Awareness of PMJDY scheme across Revenue Divisions

% within Revenue Division				Total
		YES	NO	
Revenue Division	Jhansi	89.00%	11.00%	100.00%
	Chitrakoot	86.00%	14.00%	100.00%

Source: Survey data

In the above table we find that there is a high awareness of PMJDY scheme among the sampling respondents of Jhansi and Chitrakoot. Nearly nine tenth of the total population has an awareness regarding the Pradhan Mantri Jan Dhan Yojana scheme.

Table 4.18: Types of Bank Account across Revenue divisions

% within Revenue Division				Total
		Normal Bank Account	PMJDY Account	
Revenue Division	Jhansi	37.00%	63.00%	100.00%
	Chitrakoot	28.00%	72.00%	100.00%

Source: Survey data

In the above table we find that there is a high percentage of sampling population which has a PMJDY account in comparison to a normal bank account. Further, it was also found out that such accounts were opened up to assure and avail subsidy payments. However, the transactions in these accounts were far less than the transaction in the bank account.

Table 4.19: Reasons for Low Account Banking Penetration

% within Revenue Division		
Reasons	Jhansi	Chitrakoot
Lack in documents	13.00%	19.00%
Lack of awareness	12.00%	17.00%
Not interested in banking	18.00%	23.00%
Expenses are more than earning	15.00%	21.00%
Don't trust banks	11.00%	14.00%
Withdrawal and other transactions fees are being charged	2.00%	4.00%
Distance	19.00%	21.00%
Long queue in banks, consume all their time	5.00%	6.00%
Local Transportation problem	4.00%	2.00%
Any other(Specify)	7.00%	6.00%

Source: Survey data

A question was included in the schedule to find out all possible reasons for the lower levels of banking penetration. Most respondents reasoned that this was due to the fact that the disinterest levels were high among the respondents and most relied upon unorganized sector for their cash needs. Further, distance was still one factor that inhibited people from their banking needs. Other major reasons included lack of awareness and lack of documents as reasons for not opening of a bank account.

Table 4.20: Frequency of Banking across Revenue Divisions

% within Revenue Division						Total
		0-3 months	3-6 months	6-9 months	9-12 months	
Revenue Division	Jhansi	7.00%	21.00%	55.00%	17.00%	100.00%
	Chitrakoot	2.00%	3.00%	72.00%	23.00%	100.00%
Total Average		5%	12%	63%	20%	100%

Source: Survey Data

The above table represents the frequency of banking across sampling districts of Chitrakoot and Jhansi. It can be seen that the frequency is very low in either of the districts. The frequency is mapped across less than 3 months, between 3 and 6 months, 6 to 9 months, and between 9 to 12 months. Average of 20% uses banking between 9 to 12 months. It can be seen that the frequency is rare and transactions take place at long intervals indicating the low volume of banking transactions.

Table 4.21: Access to formal financial services across Revenue Divisions

Access & Usage	Chitrakoot	Jhansi
% within Revenue Division		
YES	11.00%	16.00%
NO	89.00%	84.00%
TOTAL	100.00%	100.00%

Source: Survey data

The above table indicates that most of the respondents have not accessed formal financial system to meet their credit or loan requirements. This also says that the fact that people still lack trust in formal financial system. Further, around only thirteen percent of the total sampling respondents have used formal financial system for getting their loan requirements.

Table 4.22: Nature of formal financial institutions accessed across Revenue Divisions

	Chitrakoot	Jhansi
% within Revenue Division		
Bank	46.00%	71.00%
Post Office	59.00%	68.00%
Micro Finance Institution	8.00%	13.00%
Insurance Company	7.00%	11.00%
Self Help Group/Bank Linkage/NGO	16.00%	19.00%
Any Other	13.00%	17.00%

Source: Survey data

In the above table we find that the most respondents avail their finance needs from post offices (68%, 59% in Jhansi and Chitrakoot respectively) as they are trustable and most traditional setups in financial system. Further, they also use banks as the next sought out modes of financing. Also, microfinance, insurance are least deployed while looking for finance needs, still self help groups are still also popular (19%, 16% respondents reported to access SHG's)

Table 4.23: Nature of formal financial services accessed across Revenue Divisions

Type of Financial service	Chitrakoot	Jhansi
% within Revenue Division		
Deposit	49.00%	52.00%
Loans	45.00%	39.00%
Remittance	2.00%	4.00%
Other (Specify)	4.00%	5.00%

Source: Survey data

In the above table, we find that the numbers of financial services are being used by the women respondents in the sampling districts of Chitrakoot and Jhansi. Most respondents in Chitrakoot and Jhansi state that they use deposits and loans more often as compared to remittances and other financial services. It may be simply attributed to the fact that the need

and usage of other services is extremely low and not required creating a low usage frequency.

Table 4.24: Duration in Usage of Banking transactions accessed

Duration	Chitrakoot	Jhansi
% within Revenue Division		
Less Than One Year	59.00%	49.00%
1 to 5 years	34.00%	38.00%
5 to 10 years	4.00%	7.00%
Above 10 years	3.00%	6.00%

Source: Survey data

In the above table we find that the most respondents have recently started using formal financial services over one last year (49%, 59% in Jhansi and Chitrakoot respectively). Further, it is followed by respondents who have been using the services over 1 to 5 years. The least usage has been noticed for respondents who have not used it from 5 to 10 years and it's also found more less in usage for over 10 years.

Table 4.25: Overdraft Facility usage across Revenue divisions

% within Revenue Division		YES	NO	Total
Revenue Division	Jhansi	3.00%	97.00%	100.00%
	Chitrakoot	2.00%	98.00%	100.00%

Source: Survey data

In the above table, we find that almost all respondents (97%, 98% in Jhansi and Chitrakoot respectively) denied using an overdraft facility indicating that they could not match the balance requirements stipulated for using the OD facility in their bank accounts. Only insignificant number of respondents reported to use overdraft facility (3%, 2% in Jhansi and Chitrakoot respectively).

Table 4.26: Insurance cover across Revenue divisions

% within Revenue Division				Total
		YES	NO	
Revenue Division	Jhansi	72.00%	28.00%	100.00%
	Chitrakoot	61.00%	39.00%	100.00%

Source: Survey data

In the above table, we find that on an average 66.5% of the total respondents had insurance. This was mostly in the form of an insurance plan sponsored by the government agencies. This also signals that there was adequate awareness level regarding the insurance product. 33.5% on average from all the respondents reported to not have insurance cover at all.

Table 4.27: Usage of Insurance Facility across Revenue divisions

Usage of Insurance cover	Chitrakoot	Jhansi
% within Revenue Division		
YES	23.00%	42.00%
NO	77.00%	58.00%
Total	100%	100%

Source: Survey data

In the above table we find that usage of insurance cover was very less, 77% respondents from Chitrakoot and 58% respondents from Jhansi had not used the insurance facility. Only 23% women respondents in Chitrakoot and 42% of women respondents in Jhansi could use insurance cover. Hence, one could say that in spite of an access or having a cover still didn't guarantee the usage.

Table 4.28: Reasons for Non usage of Insurance Facility across Revenue divisions

Reasons	Chitrakoot	Jhansi
% within Revenue Division		
You lacked its awareness	72.00%	63.00%
You lacked proper documentation or other technical requirement.	21.00%	19.00%
Any Other	7.00%	18.00%

Source: Survey data

In the above table, it was asked as to why women respondents could not use insurance cover and it was found that the reasons were basically either the lack of awareness or lack of documentation or some other technical requirement. Most respondents mentioned that the awareness was lacking which was as high as two third of the women respondents quoting the

same reason. Others mentioned lack of documentation (21% in Chitrakoot and 19% in Jhansi) as another reason for not having an insurance cover.

Table 4.29: Types of Cards used across Revenue Division

Type of Cards	Jhansi	Chitrakoot
% within Revenue Division		
Rupay Debit Card	26.00%	17.00%
General Credit Card	34.00%	28.00%
Kissan Credit Card	72.00%	61.00%

Source: Survey data

In the above table, we find that the respondents across the sampling districts use mostly Kissan Credit card(72% in Jhansi , 61% in Chitrakoot) followed by General credit card(34% in Jhansi, 28% in chitrakoot). The usage of the Rupay Debit card is minimal comparatively across the sampling districts (26% in Jhansi, 17% in Chitrakoot).

Table 4.30: Habit of Saving Money – Crosstabulation

Habit of saving money	Chitrakoot	Jhansi
% within Revenue Division		
Yes	23.00%	51.00%
No	58.00%	31.00%
Sometimes	19.00%	18.00%

Source: Survey data

In the above table we find that the habit of saving money was not much prevalent among the women in the sampling districts of Chitrakoot and Jhansi (58%, 31% respectively). However the women in Jhansi had a higher saving habit as compared to the women in Chitrakoot. Around one fifth of the respondents mentioned that they saved sometimes depending upon the exigencies.

Table 4.31: Types of Banking Facilities used

Type of Banking services used	Chitrakoot	Jhansi
% within Revenue Division		
Credit card	Nil	1.00%
Debit Card	66.00%	81.00%
Online Banking	4.00%	9.00%

Mobile Banking	15.00%	24.00%
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Source: Survey data

In the above table we find that a number of banking services were used by the women respondents in Chitrakoot and Jhansi. These included Credit card, Debit card, Online banking, and Mobile banking. It was found that the credit card was not used by the women respondents in either of the sampling district, in Jhansi it's just one percent and in Chitrakoot it's nil. Most used banking product was Debit card in Chitrakoot and Jhansi. Further, online banking is the lowest used (4%, 9% respectively) and mobile banking was also not much in use in the sampling districts (its 15%, 24% in Chitrakoot and Jhansi district respectively), on asking them as what they do through mobile banking they in majority replied that they check their bank account balance, and also gets notifications of the credit made by the government, in form of subsidy or other.

Table 4.32: Channel for meeting Credit needs

Channel for meeting Credit	Chitrakoot	Jhansi
% within Revenue Division		
Banks	28.00%	42.00%
Micro Finance Companies	13.00%	23.00%
SHGs/NGOs	53.00%	27.00%
Insurance Companies	6.00%	8.00%

Source: Survey data

In the above table we observe various channels for meeting credit needs in the sampling districts of Chitrakoot and Jhansi. It was found that most women seek credit via banks (28%, 42% respectively) and also through channel of SHG or Self Help Groups or NGOs is also very popular for availing credit needs. The use of insurance channel is still very non-existent

Table 4.33: Purposes for which Loan Facility Used

Purpose of Loan % within Revenue division	Jhansi	Chitrakoot
Religious Functions/Marriages	13.00%	19.00%
To Establish Small Business	9.00%	12.00%
Education	18.00%	23.00%
To Conduct Agricultural Activity	15.00%	17.00%
Health	6.00%	3.00%
To Purchase Gold & Assets	2.00%	4.00%
To Repay Old Loans	11.00%	13.00%
For Housing Construction/Modification	34.00%	32.00%
For Toilet Construction	31.00%	27.00%
To Purchase Vehicle	18.00%	14.00%
Gadget Purchase (Mobile)	17.00%	21.00%

Source: Survey data

In the above table we find that the major purpose of drawing loans was to meet expenses related to housing construction or modification. Also, loans were drawn for toilet construction and it was also realized that most of the funds were not used for the purpose for which it were drawn. Further, loans were drawn to meet education and religious functions or marriages. Some took loans for purchase of basic mobile phones while some also took agricultural loans.

Table 4.34: Types of Collateral used for Loan

Types of collateral	Jhansi	Chitrakoot
% within revenue division		
Hypothecation of Land records and House	5.00%	7.00%
Hypothecation of vehicle	6.00%	4.00%
Pledging Monthly salary	33.00%	37.00%
Ornaments (Gold/Silver)	7.00%	3.00%
Finished Agricultural produce:	42.00%	49.00%
Agricultural Land	38.00%	43.00%
House/Plot	31.00%	34.00%

Source: Survey data

In the above table we find that most respondents resorted to selling finished agricultural produce to draw loans, also near to half of them resort to agricultural land, hypothecation of Land records or vehicles was least resorted to while drawing loans.

Table 4.35: Remitting money across Revenue Divisions

	Chitrakoot	Jhansi
% within Revenue Division		
Yes	16.00%	21.00%
No	84.00%	79.00%
Total	100.00%	100.00%

Source: Survey Data

The above table indicates that most of the respondents have not accessed formal financial system to remit money to their family or for other exigencies. Further, (16%, 21% in Chitrakoot and Jhansi respectively) i.e only around one fifth of the total sampling respondents have used formal financial system for remitting money

Table 4.36: Mode of remitting money across Revenue Divisions

Mode of remitting money	Chitrakoot	Jhansi
% within Revenue Division		
Money Order	8.00%	12.00%
Cheque	1.00%	2.00%
Demand Draft	1.00%	1.00%
In Cash	90.00%	85.00%
E-Transfer	0.00%	0.00%

Source: Survey Data

The above table indicates that most of the respondents have kept their money in the form of cash only and remit money mostly in the form of cash in both sampling districts of Chitrakoot and Jhansi. The other form of remitting money is money order which contributes to total of around one tenth of the remittances

Table 4.37: Avenues of Financial Investments

Financial Investments	Jhansi	Chitrakoot
% within revenue division		
Sukanya Samriddhi Account	52.00%	47.00%
National saving Certificate	19.00%	16.00%
15 years Public Provident Fund Account	7.00%	3.00%
5 year Post Office Recurring Deposit Account (RD)	8.00%	9.00%
Post office Monthly Income Scheme Account	61.00%	53.00%

Source: Survey data

In the above table we find that most respondents had made their investments in Sukanya Samriddhi account(52%, 47% in Jhansi and Chitrakoot respectively) and also had post office monthly income scheme account (61%, 53% in Jhansi & Chitrakoot respectively) indicating the wide popularity of the schemes among masses. Also, due to the safety and security of the

NSC instrument, this still continued to be consistently resorted to as a means of long term investment by the respondents. Instruments like PPF and RD were less used as a practice.

Table 4.38: Types of Insurance Policy

Type of Insurance	Jhansi	Chitrakoot
% within revenue division		
LIC Policy	29.00%	17.00%
Pradhan Mantri Suraksha Bima Yojana Policy (PMSBY)	64.00%	58.00%
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	23.00%	14.00%
Pradhan Mantri Vaya Vandana Yojana (PMVVY)	11.00%	8.00%

Source: Survey data

In the above table , we find that most respondents had an access to Pradhan Mantri Suraksha Bima Yojana Policy in both the sampling districts(64%, 58% in Jhansi & Chitrakoot respectively). LIC policy still continued to be favourites among the respondents as nearly one third of the respondents continued to have this insurance. Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Vaya Vandana Yojana still had lesser penetration comparatively.

Table 4.39: Government schemes across Revenue Districts

Government scheme	Jhansi	Chitrakoot
% within revenue division		
Ujjawala Yojana	62.00%	68.00%
Sukanya Samridhi Yojana	52.00%	47.00%
Atal Pension Yojana (APY)	32.00%	25.00%
Jan Aushadhi Scheme	17.00%	12.00%
Dhanalakshmi Scheme	19.00%	14.00%

Mudra Yojana	11.00%	8.00%
Pregnancy Aid Yojana	77.00%	81.00%

Source: Survey data

In the above table we find that the Sukanya Samriddhi Yojana and Ujjawala Yojana continued to be the most prevalent of all the government schemes among the respondents. Schemes of pregnancy Aid yojana also was resorted to, by most respondents and was quite popular among the respondents in sampling districts. Schemes such as Dhanalakshmi Scheme and Mudra Yojana were still undesired by a majority of the respondents and the Jan Aushadhi Scheme was relatively very new and hence was not catered to by most of the respondents.

4.4 PROGRESS OF FINANCIAL INCLUSION

4.4.1 LEVEL OF FINANCIAL INCLUSION – HOUSEHOLD WISE

Table 4.40: Level of financial inclusion * Household Crosstabulation

% within revenue division		Household		Total
		Chitrakoot	Jhansi	
Level of financial inclusion	Above Average	8.00%	34.00%	42.00%
	Average	20.00%	10.00%	30.00%
	Below Average	22.00%	6.00%	28.00%
Total		50.00%	50.00%	100.00%

Source: Survey Data

In the above table we find that the level of financial inclusion has a clear higher level in Jhansi as compared to Chitrakoot. Further, we find that 8 percent of the total Chitrakoot respondents being surveyed have above average level of financial inclusion levels. Also on the other hand we find that the level of financial inclusion is much higher in case of Jhansi (34%) respondents surveyed. 28% of total respondents are found to have below average of financial inclusion.

Table 4.41: Chi Square –Financial Inclusion Vs. Households across Divisions

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.823	2	.003
Likelihood Ratio	12.569	2	.002
Linear-by-Linear Association	11.298	1	.001
N of Valid Cases	400		

Source: Survey Data

Further, Chi square test is applied on the given data to find whether there is a significant difference between two sets of data and whether there is a dependency between the two set of observations. It is found that the result is significant at 5 percent level of significance. There exists an association between the nature of household and the level of financial inclusion. The results can be construed to state that the level of financial inclusion thus is a parameter which can be gauged upon the nature of the household. Financial inclusion is higher when the respondent is from Chitrakoot and reduces if the respondent is from Jhansi.

4.4.2 LEVEL OF FINANCIAL INCLUSION – DISTRICT WISE

Table 4.42: Level of financial inclusion * Revenue Division- Crosstabulation

	Revenue Division		Total
	Chitrakoot	Jhansi	
Level of financial inclusion Above Average	16.0%	26.0%	42.0%
Average	14.0%	18.0%	32.0%

	Below Average	20.0%	06.0%	26.0%
Total		50.0%	50.0%	100.0%

Source: Survey Data

In the above table we find that the level of financial inclusion has a clear higher level in Jhansi as compared to Chitrakoot. Further, we find that less than one third of the total population being surveyed has above average level of financial inclusion levels. Also on the other hand we find that the level of financial inclusion is higher in case of Jhansi 26% of the respondents reported to having more than average level of financial inclusion. 20% in Chitrakoot and 6% in Jhansi reported to have below average financial inclusion level.

Table 4.43: Chi-Square Tests in financial inclusion * Revenue Division

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.289	2	.003
Likelihood Ratio	3.346	2	.009
Linear-by-Linear Association	2.811	1	.094
N of Valid Cases	400		

Source: Survey Data

Further, Chi square test is applied to deduce and test the impact and association between the two variables under study and whether there is a reliance of either of the variable on the other. It is found that the result is significant at 10percent level of significance. There exists an association between the nature of district and the level of financial inclusion. The results can be implied to the argument that the level of financial inclusion is a parameter which can indicate the level or nature of the revenue district. Financial inclusion is higher when the district is Jhansi and becomes less if the household becomes Chitrakoot.

4.4.3 LEVEL OF FINANCIAL INCLUSION – DISTANCE WISE

Table 4.44: Level of financial inclusion * Minimum distance Crosstabulation

% within revenue division		Minimum distance			Total
		less than five km	between 5 and 10 km	above 10 km	
Level of financial inclusion	Above Average	32.00%	6.00%	4.00%	42.00%
	Average	18.00%	8.00%	6.00%	32.00%
	Below Average	10.00%	10.00%	6.00%	26.00%
Total		60.00%	24.00%	16.00%	100.00%

Source: Survey Data

In the above table we find that the level of financial inclusion is clearly high in areas where the financial institutions are within five kms. The level of financial inclusion reduces when the distance increases. This can be seen from the data given that the more than half of the population sampled has an access to financial inclusion when the institution is located nearby. Further, less than one fourth of the respondents have an access to financial inclusion when the institution is located far away where the distance stretches from 5km to 15km.

Table 4.45: Chi-Square Tests in financial inclusion * Minimum distance

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.465	4	.024
Likelihood Ratio	5.645	4	.022
Linear-by-Linear Association	.829	1	.366
N of Valid Cases	400		

Source: Survey Data

Also, Chi square test is applied to find the level of association between the two variables under study and whether there exists a relationship between the two. It is found that the result is significant at 5 percent level of significance. Hence, there exists an association between the distance of the financial institution and the level of financial inclusion. Financial inclusion is higher when the distance is less than 5km and would reduce when the distance would increase.

4.4.4 LEVEL OF FINANCIAL INCLUSION – INCOME WISE

Table 4.46: Level of financial inclusion * Income wise Crosstabulation

		Income			Total
		Less than 1000(Rs.)	Between 1000 and 3000(Rs.)	Above 3000(Rs.)	
Level of financial inclusion	Above Average	1.00%	30.00%	20.00%	50.00%
	Average	1.00%	16.00%	14.00%	26.00%
	Below Average	3.00%	11.00%	4.00%	24.00%
Total		5.00%	57.00%	38.00%	100.00%

Source: Survey Data

Table 4.47: Level of financial inclusion * Income Crosstabulation

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.423	4	.027
Likelihood Ratio	6.274	4	.010
Linear-by-Linear Association	.000	1	1.000
N of Valid Cases	400		

Source: Survey Data

In the above table, we measure the level of financial inclusion across the income levels of Rs. 1000, between Rs. 1000 and 3000, and above Rs. 3000 per month. It is found that most respondents have an average and above average level of financial inclusion when the income ranges between Rs. 1000 and 3000. Also, the level of financial inclusion is least when the income level is less than Rs. 1000. It is also found that the financial inclusion increases when the income increases beyond Rs. 3000 indicating a direct positive correlation between income and financial inclusion levels.

4.4.5 LEVEL OF FINANCIAL INCLUSION – VALUE OF ASSETS WISE

Table 4.48: Level of financial inclusion * Total Value of assets Crosstabulation

% of Total		Total Value of assets			Total
		Less Than 50000(Rs.)	Between 50000 and 100000(Rs.)	Greater than 100000(Rs.)	
Level of financial inclusion	Above Average	2.00%	26.00%	10.00%	38.00%
	Average	12.00%	14.00%	2.00%	28.00%
	Below Average	24.00%	10.00%	00.0%	34.00%
Total		38.00%	50.00%	12.00%	100.00%

Source: Survey Data

In the above table we find that the level of financial inclusion is higher in areas where the value of assets exceeds Rs.100000. The level of financial inclusion reduces when the value of total assets decrease. This can be seen from the data given that nearly three fourth of the respondents in the category of assets ranging beyond Rs. 100000 have higher levels of financial inclusion. Nearly three fourth of the respondents in the category of asses less than Rs. 50000 have below average financial inclusion. Also, for the category of respondents having assets between Rs. 50000 to Rs. 100000, nearly half of them have an above average level of financial inclusion.

Table 4.49: Chi-Square Tests Vs. financial inclusion * Total Value of assets

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.512	4	0.0495
N of Valid Cases	400		

Source: Survey Data

Chi square test is applied to find the level of association between the two variables under study and whether there exists a relationship between the two. It is found that the result is significant at 5 percent level of significance. Hence, there exists an association between the total value of the assets and the level of financial inclusion. Financial inclusion is higher when the value of the assets is more and reduces when the assets reduce.

4.4.6 LEVEL OF FINANCIAL INCLUSION – VALUE OF AWARENESS WISE

Table 4.50: Level of financial inclusion * Awareness of a Bank Account Crosstabulation

		Awareness of a Bank Account		Total
		YES	NO	
Level of financial inclusion	Above Average	30.0%	12.0%	42.0%
	Average	22.0%	10.0%	32.0%
	Below Average	12.0%	14.0%	26.0%
Total		64.0%	36.0%	100.0%

Source: Survey Data

In the above table we find that the level of financial inclusion is clearly above average in areas where the respondents have a higher level of awareness of a financial institution or a banking product or an institution. Only one fifth of the total respondents having an awareness and yet below average level of financial inclusion. It can also be noted that its just the one fifth of the total respondents having no awareness or less awareness of a banking institution have some sort of average financial inclusion level.

Table 4.51: Chi-Square Tests in financial inclusion * Awareness of a Bank Account

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.245	2	0.009

N of able Valid Cases	400	
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Source: Survey Data

Chi square test is applied to find the level of association between the two variables under study and whether there exists a relationship between the two. It is found that the result is significant at 5 percent level of significance. Hence, there exists an association between the awareness level about the financial institution and the level of financial inclusion. Financial inclusion is higher when there is higher level of awareness about the financial institution.

4.5 SOCIO ECONOMIC IMPACT OF FINANCIAL INCLUSION

In relation to the most important objective, the assessment of socio-economic impact of the financial inclusion on households, material, cognitive, perceptual and relational changes occurred after availing formal banking services were analyzed.

4.5.1 Material Changes after Availing Formal Financial Services

The effect of using and accessing to formal financial services in case of income increase in households was a significant one. This is verified with the data given that the most of the households strongly agreed and agreed that sufficient changes have been taken place in their income levels. It is also indicated by high mean values both in rural and urban areas. The variation between rural and urban areas was not significant confirmed by Mann-Whitney test.

4.5.1.1 Material Changes(Increase in Income)

Table 4.52: Distribution of Households *Increase in the Family Income after Availing Financial Services- Crosstabulation

% of Total		Household		Total
		Chitrakoot	Jhansi	
Increase in Income	Strongly Disagree	4.0%	6.0%	10.0%
	Disagree	4.0%	2.0%	6.0%
	Neutral	8.0%	8.0%	16.0%

	Agree	28.0%	26.0%	54.0%
	Strongly Agree	6.0%	8.0%	14.0%
Total		50.0%	50.0%	100.0%

Source: Survey Data

From the above table it is seen that 58% of the total respondents agree and strongly agree that they had increased in family income after availing formal financial services. 16 % of the total respondents disagree to the same fact.

Table 4.53: Increase in income * Household Crosstabulation

	Increase in income
Mann-Whitney U	10008.000
Wilcoxon W	19599.000
Z	-1.710
Asymp. Sig. (2-tailed)	.087

Source: Survey Data

In the above table we find that the income levels were increased and were agreed by most of the respondents in both areas. The significant factor is more than 0.05 and hence not significant. We can interpret that both areas have almost equal influence from the perspective of increased income.

The impact of using and availing formal financial services on the capacity of the women in households to create more disposable income, have an additional control over resources, higher savings. The increased capability of the women in household in this regard after availing financial services is indicated by the high value. The effect of availing financial services on women in each area, in this respect was high, discovered by average value. The distinction between rural and urban areas was statistically not significant as established by Mann-Whitney test.

4.5.1.2 Material Changes(Control over financial resources)

Table 4.54: Distribution of Households * Control over financial Resources after Availing Financial Services–Crosstabulation

% within Household		Household		Total
		Chitrakoot	Jhansi	
More control over Financial resources	Strongly Disagree	08.7%	07.4%	08.0%
	Disagree	17.4%	07.4%	12.0%
	Neutral	17.4%	18.5%	18.0%
	Agree	47.8%	48.1%	48.0%
	Strongly Agree	08.7%	18.5%	14.0%
Total		100.0%	100.0%	100.0%

Source: Survey Data

The table above clearly reflects that 62% of the total respondents agree and strongly agree control over financial resources after availing financial services. 20% from all the total respondents disagree to the same fact.

Table 4.55: Households Agree on Control over Financial Resources after Availing Financial Services Test Statistic

	More control over financial
Mann-Whitney U	9342.000
Wilcoxon W	18933.000
Z	-2.616
Asymp. Sig. (2-tailed)	.009

Source: Survey Data

The increase in control over financial services and resources were analysed over various domains and it was found that more than half of the respondents in the both areas agreed

that they had more control over financial resources than ever before. Questions on disposable income, ownership, tangible asset and accumulated savings of the women in households. The control over resources before and after the usage of financial services were analysed and the results were significant as confirmed by Mann-Whitney U test. The additional ability of households to match and meet emergency needs after accessing and availing financial services was high. The women in the households agreed which has been confirmed by the high value.

4.5.1.3 Material Changes(Type of Need Satisfied)

Table 4.56: Type of Need satisfied after Financial inclusion – Crosstabulation

Type of Need	Chitrakoot	Jhansi
% within Revenue Division		
Medical treatment	27.00%	43.00%
Young mothers avail child care	62.00%	79.00%
Quantity of Food according to need	43.00%	62.00%
Others	19.00%	22.00%

Source: Survey Data

In the above table we find that the needs satisfied after availing financial services have been diverse and yet been the most important of all other needs. The needs such as medical treatment, quantity of food and child care facility are some of the most vital needs and are now being satisfied after availing financial services.

4.5.1.4 Material Changes(Increase in Expenditure)

One of the important factors reflecting the material change with respect to financial inclusion can be seen whether the increase in expenditure is noticeable post financial inclusion initiatives. This can be seen whether the levels of overall expenditure pre and post financial inclusion are the same or there is a significant alteration.

Table 4.57: Expenditure increase * Household Crosstabulation				
% of Total				
		Household		Total
		Chitrakoot	Jhansi	
Expenditure increase	Strongly Disagree	04.0%	02.0%	06.0%
	Disagree	12.0%	08.0%	20.0%
	Neutral	16.0%	22.0%	38.0%
	Agree	08.0%	10.0%	18.0%
	Strongly Agree	10.0%	8.0%	18.0%
Total		50.0%	50.0%	100.0%

Source: Survey Data

The table above shows that 38% of the total respondents are neutral to the fact that there is increase in expenditure post financial inclusion initiatives. 26% from the total women respondents disagree to the same fact and 36% of the respondents however agree to it.

Table 4.58: Test Statistics- Expenditure increase * Household

	Expenditure increase
Mann-Whitney U	9288.000
Wilcoxon W	18879.000
Z	-2.624
Asymp. Sig. (2-tailed)	.009

Source: Survey Data

The increase in expenditure were analyzed over various areas and it was found that more than half of the respondents in the both the areas agreed that they still had lesser expenditure even after increase in number of financial institutions. Most respondents still had the same level of expenses before and after the usage and access to financial institutions. The increase in financial expenses over resources before and after the usage of financial services were analyzed and the results were significant as confirmed by Mann-Whitney Utest.

The significance value is less than 0.05 indicating that the test statistic is significant and the increase in expenditure is dependent across the women in households.

4.5.1.5 Material Changes(Increase in earning capacity)

Another major factor endorsing the material change regarding financial inclusion is evident by noticing the increase in earning capacity after the advent of financial inclusion initiatives. This can be gauged from the overall income levels including the earnings on any investments made. The before and after financial inclusion statistics are taken to find out significant pattern studies.

Table 4.59: Increase in earning capacity * Household Crosstabulation

% of Total		Household		Total
		Chitrakoot	Jhansi	
Increase in earning capacity	Strongly Disagree	8.0%	4.0%	12.0%
	Disagree	16.0%	12.0%	28.0%
	Neutral	4.0%	14.0%	18.0%
	Agree	12.0%	18.0%	30.0%
	Strongly Agree	10.0%	2.0%	12.0%
Total		50.0%	50.0%	100.0%

Source: Survey Data

Table 4.60: Test Statistics-Increase in earning capacity * Household

	Increase in earning capacity
Mann-Whitney U	10134.000
Wilcoxon W	19725.000
Z	-1.437
Asymp. Sig. (2-tailed)	.151

Source: Survey Data

The above table reflects that 42% of the total respondents agree that there is increase in their earning capacity while 40 % of the respondents disagree to the same fact. 18% of the total respondents are neutral to this argument.

Three tenth of the respondents in have agreed that they have noticed a substantial change in their earning capacity after financial inclusion initiatives. Four tenth i.e Nearly half of the population has also noticed that the earning capacity has been static irrespective of the financial inclusion measures. The results across sampling districts in both the revenue divisions have been similar and hence not a lot of difference exists. This can be noticed from the fact that the test statistic is also not significant and hence no such difference exists. The earning capacity before and after the usage of financial services were analysed and the results were not as significant as confirmed by Mann-Whitney U test.

4.6 Cognitive Changes after Availing Formal Financial Services

4.6.1 Cognitive Changes (Rise in Literacy)

Getting an access to formal financial services and using them also leads to cognitive changes like change in literacy levels. This can again be measured by asking whether the women in households were in a position to send children much easier now or previously. The difference in this regard between both the sampling areas was not statistically significant as confirmed by Mann-Whitney test.

Table 4.61: Rise in Literacy * Household Crosstabulation

% of Total

		Household		Total
		Chitrakoot	Jhansi	
Rise in Literacy	Strongly Disagree	2.0%	4.0%	6.0%
	Disagree	6.0%	10.0%	16.0%
	Neutral	16.0%	10.0%	26.0%
	Agree	18.0%	16.0%	34.0%
	Strongly Agree	8.0%	10.0%	18.0%
Total		50.0%	50.0%	100.0%

Source: Survey Data

Table 4.62: Test Statistics--Rise in Literacy * Household

	Rise in Literacy
Mann-Whitney U	10602.000
Wilcoxon W	20193.000
Z	-.796
Asymp. Sig. (2-tailed)	.035

Source: Survey Data

In the above table we see that there is a definite rise in the levels of literacy and the number of children going to school and the respondents agree to the fact that they are in a much better position to send their ward to schools and receive basic and elementary education since they are enjoying more economic freedom and have access to various educational schemes making it easier for them to get an access to education. Nearly half of the respondents agree to the fact that there is a higher level of literacy now and there is a substantial rise in the level of literacy post financial inclusion initiatives. Only around near to one fourth of the respondents have disagreed with the above argument in the total population surveyed. Further we also find that the test statistic is not significant across sampling districts at 5 percent level of significance.

4.6.2 Cognitive Changes (Added Livelihood)

The cognitive changes are evident in the form of further and added livelihood skills and the awareness levels of the women in households after availing formal financial services. It is indicated by higher mean values and the difference between rural and urban areas in this regard was statistically significant as confirmed by Mann-Whitney test.

Table 4.63: Additional Livelihood * Household Crosstabulation

		Household		Total
		Chitrakoot	Jhansi	
Addition Livelihood	Strongly Disagree	04.0%	04.0%	08.0%
	Disagree	06.0%	10.0%	16.0%
	Neutral	12.0%	14.0%	26.0%
	Agree	18.0%	20.0%	38.0%
	Strongly Agree	10.0%	02.0%	12.0%
Total		50.0%	50.0%	100.0%

Source: Survey Data

Table 4.64: Test Statistics - Addition Livelihood * Household

	Addition Livelihood
Mann-Whitney U	10170.000
Wilcoxon W	23373.000
Z	-1.402
Asymp. Sig. (2-tailed)	.016

Source: Survey Data

In the above table we find that the most respondents agreed that their overall livelihood skills also increased after financial inclusion initiatives. Nearly half of the respondents agreed and strongly agreed that their skills to achieve basic livelihood increased over a span of time in the area of service sector, self employment and other technical skills.

4.6.3 Cognitive Changes (Attainment of Skills)

Table 4.65: Attainment of Skills Vs. sampling Districts

Category of Skills	Chitrakoot	Jhansi
% within revenue division		
Service Sector	32%	79%
Self Employment	29%	43%
Technical	68%	52%
Other	9.30%	1.30%

Source: Survey Data

Most agreed that they were able to achieve greater skills in the form of service sector skills and technical skills in Jhansi area. In Chitrakoot area too, it seemed to get more priority as compared to other skills.

4.6.4 Cognitive Changes (Kind of Awareness)

Table 4.66: Category of Awareness Vs. Households

Category of Awareness	Chitrakoot	Jhansi
% within revenue divisions		
Non Traditional Work	62.00%	69.30%
Human/Fundamental rights	14.00%	38.00%
Government Health Schemes	62.00%	71.00%
Health Insurance	19.00%	29.00%
Primary Health Centers	77.50%	70.10%
Other	11.70%	12.20%

Source: Survey Data

In awareness category, after availing formal financial services, around 62 per cent households stated that they had more awareness about non traditional work in Chitrakoot areas and around 69.3 per cent agreed to the same in Jhansi area. Nearly two third of the population in both areas said that they had more knowledge in the dimension of fundamental and human rights.

Almost four fifth of the total respondents agreed that they had more awareness of the government health schemes now as compared to previously. Nearly three fifth of the total respondents have an awareness to health insurance and primary health centres.

4.6.5 Cognitive Changes (Economic Freedom and Awareness)

Table 4.67: Economic Freedom and Awareness

More economic freedom and awareness	Chitrakoot	Jhansi
% within Revenue Division		
Strongly agree	16.00%	19.00%
Agree	29.00%	33.00%
Not sure	30.00%	23.00%
Disagree	14.00%	12.00%
Strongly disagree	11.00%	13.00%

Source: Survey Data

In the above table, we find that the most women respondents in Chitrakoot and Jhansi had agreed that they enjoyed more economic freedom and awareness due to better financial conditions and financial inclusion initiatives. Around one fourth of the women respondents disagreed that they ever enjoyed greater freedom and awareness. A significant proportion of the sampling districts were also unsure of the extent to which they had economic freedom.

4.6.6 Cognitive Changes (Type of Economic Freedom)

Table 4.68: Type of economic freedom

Type of economic freedom	Chitrakoot	Jhansi
% within Revenue Division		
In spending on personal needs	27.00%	17.00%
In spending on consumption expenditure of household	63.00%	68.00%
Spending on entertainment and recreation of household members	7.00%	11.00%
Any other	3.00%	4.00%

Source: Survey Data

In the above table, we find that the most women respondents in Chitrakoot and Jhansi had agreed that they enjoyed more economic freedom in terms of spending on consumption

expenditure of household. One fourth of the women respondents had more choices while spending upon personal needs. Only a small proportion of the sampling districts spent on entertainment and recreation activities which reflect a fact they have limited resources.

4.7 Perception Changes after Availing Formal Financial Services

4.7.1 Perception Changes (Participation)

The women in households also agreed that they experienced greater perception changes in terms of their participation and mobility after using and availing formal financial services. The change in this direction is measured by the aggregate Mean value. The difference between areas across revenue divisions was statistically significant as gauged by Mann-Whitney test.

Table 4.69: Changes in participation Crosstabulation

				Total
		Chitrakoot	Jhansi	
changes in participation	strongly disagree	4.0%	6.0%	10.0%
	Disagree	6.0%	8.0%	14.0%
	Neutral	8.0%	2.0%	10.0%
	Agree	22.0%	30.0%	52.0%
	strongly agree	10.0%	04.0%	14.0%
Total		50.0%	50.0%	100.0%

Source: Survey Data

Table 4.70: Test Statistics- Changes in participation * Household

	changes in participation
Mann-Whitney U	11160.000
Wilcoxon W	20751.000
Z	-.026
Asymp. Sig. (2-tailed)	.979

Source: Survey Data

Nearly three fifth of the total respondents in both the areas have agreed that they participated more in terms of In Social Service, Contribution to Family Income, Talking

to Government Officers, To Deal with Public and To Face Future Uncertainty after availing financial services. The test statistic is not significant as confirmed by Mann Whitney U Test.

4.7.2 Perception Changes (Type of participation)

Table 4.71: Type of participation Vs Households.

Category of Participation	Chitrakoot	Jhansi
% within revenue divisions		
In Social Service	12.20%	15.40%
Contribution to Family Income	60.20%	72.40%
To Deal with Public	75.50%	82.40%
Talking to Government Officers	60.40%	82.40%
To Face Future Uncertainty	70.60%	80.20%

Source: Survey Data

Almost 12.2% of the Chitrakoot women population had an involvement in social service while 15.40% of the Jhansi women population is involved in social service. Their contribution to family income is around 60% by Chitrakoot area and 72% by Jhansi area. They also deal with public having contribution from 75% by Chitrakoot area and 82% by Jhansi area. They also had a significant participation while talking to government officers amounting to 60.4% of Chitrakoot area and 82% of the Jhansi area. Respondents actively participated to face future uncertainties totalling to 70 percent from Chitrakoot area and 80 percent from Jhansi area.

4.7.3 Perception Changes (Feeling of Self-esteem and Self confidence)

Table 4.72: Feeling of Self-esteem and Self confidence

Feeling of self-esteem and self confidence	Chitrakoot	Jhansi
% within Revenue Division		
Strongly agree	11.00%	14.00%
Agree	21.00%	26.00%
Not sure	30.00%	32.00%
Disagree	27.00%	15.00%
Strongly disagree	11.00%	13.00%

Source: Survey Data

In the above table, we find that the more than one third of the women respondents in Chitrakoot and Jhansi had felt higher self-esteem and self confidence after availing financial conditions. 30%, 32% in Chitrakoot and Jhansi respectively i.e Around one third of the women were also unsure of the same perspective. Nearly thirty percent of the women respondents had disagreed that they ever felt confident and had higher self-esteem.

4.7.4 Perception Changes (Better Dwelling Condition)

Table 4.73: Households and better dwelling conditions

Household got better dwelling conditions	Chitrakoot	Jhansi
% within Revenue Division		
Strongly agree	11.00%	14.00%
Agree	46.00%	57.00%
Not sure	23.00%	11.00%
Disagree	12.00%	8.00%
Strongly disagree	8.00%	10.00%

Source: Survey Data

In the above table, we find that 57%, 71% respondents agreed in Chitrakoot and Jhansi respectively that their households got better dwelling conditions. Only around one fifth of the women respondents in Chitrakoot and Jhansi disagreed that they got better dwelling conditions after availing financial services.

4.7.5 Perception Changes (Type of Dwelling Condition)

Table 4.74: Type of dwelling after Financial inclusion

Type of Dwelling	Chitrakoot	Jhansi
% within Revenue Division		
Thatched	51.00%	38.00%
Tiled	18.00%	29.00%
Concrete Roof	11.00%	19.00%
Other (Specify)	20.00%	14.00%

Source: Survey Data

In the above table, we find that the most women respondents in chitrakoot and Jhansi had now started using thatched dwelling. Further, some women respondents also started using concrete roof and tiled houses after better usage of financial services.

4.7.6 Perception Changes (Mobility)

Table 4.75: Mobility * Household Crosstabulation

% of Total

		Household		Total
		Chitrakoot	Jhansi	
Mobility	strongly disagree	02.0%	04.0%	06.0%
	Disagree	14.0%	04.0%	18.0%
	Neutral	10.0%	10.0%	20.0%
	Agree	16.0%	26.0%	42.0%
	strongly agree	08.0%	06.0%	14.0%
Total		50.0%	50.0%	100.0%

Source: Survey Data

Table 4.76: mobility * Household- Test statistic

	Mobility
Mann-Whitney U	8694.000
Wilcoxon W	18285.000
Z	-3.479
Asymp. Sig. (2-tailed)	.001

Source: Survey Data

There was a change in the mobility of the respondents across both the sampling districts and more so in the case of Jhansi after using financial services. It can be seen in the table above that 56 percent of the total respondents believe that there is change in mobility. The respondents showed greater mobility in terms of mobility to employment places, government offices, hospitals for the treatment purpose. The difference in the rural and urban areas in this regard was statistically significant as confirmed by Mann-Whitney test.

Table 4.77: Category of mobility Vs. Household

Category of Mobility	Chitrakoot	Jhansi
% within revenue division		
Banks/Financial Institutions	100%	100%
Employment Places	71.20%	72.30%
Government Offices	60.20%	70.40%
Hospitals	70.40%	82.50%

Source: Survey Data

Both Jhansi and Chitrakoot respondents have reported 100 percent mobility. Around 70 percent of populace have had a greater mobility to employment places. Nearly 60% of the respondents in Chitrakoot and 70% of the respondents in Jhansi have reported mobility to government offices and 70.40%, 82.50% mobility has been reported to hospitals in Chitrakoot and Jhansi respectively.

4.7.7 Perception Changes (Type of deliberations)

Table 4.78: Type of deliberations

Type of deliberations	Chitrakoot	Jhansi
% within Revenue Division		
Local community councils	41.00%	35.00%
Local elected councils	7.00%	12.00%
Local judicial councils	4.00%	11.00%
Any other	48.00%	42.00%

Source: Survey Data

In the above table, we look into the type of deliberations women respondents got into after availing financial conditions and experiencing self confidence and higher self esteem. Most women respondents aspired or wanted to get into local community councils(41%, 35% in Chitrakoot and Jhansi reported it). Only a minor proportion of the sampling districts wanted to go for judicial councils.

4.8 Socio-Economic Changes in Aggregate after Availing Financial Services

4.8.1 Aggregate Material Changes

The aggregate for material change was computed by totaling individual constructs for increase in income levels, increase in expenditure, increase in earning capacity and control over financial resources. The overall construct then was analysed separately for respondents in districts of Chitrakoot and Jhansi.

Table 4.79: Material changes * Household Crosstabulation

% of Total

	Household		Total
	Chitrakoot	Jhansi	
material changes			
below average	10.0%	4.0%	14.0%
Average	24.0%	38.0%	62.0%
above average	16.0%	8.0%	24.0%
Total	50.0%	50.0%	100.0%

Source: Survey Data

Across the households after usage of formal financial services, total 86 percent of the Chitrakoot and Jhansi respondents had an above or average material change. Jhansi respondents experienced a comparatively more material change than Chitrakoot. 14 percent from total respondents experienced below average material change.

Table 4.80: Chi-Square Tests in material changes * Household

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.377	2	.000
Likelihood Ratio	15.614	2	.000
Linear-by-Linear Association	2.199	1	.013
N of Valid Cases	400		

The difference across the households in this respect was statistically significant as confirmed by the Chi Square test.

4.8.2 Aggregate Cognitive Changes

The aggregate for cognitive change was calculated by totalling individual constructs for increase in literacy levels, awareness levels and added livelihood skills. The overall construct then was analysed separately for women in districts of Chitrakoot and Jhansi.

Table 4.81: Cognitive changes * Revenue Division Crosstabulation

% of Total		Revenue Division		Total
		Chitrakoot	Jhansi	
Cognitive changes	below average	10.00%	12.00%	22.00%
	average	12.00%	8.00%	20.00%
	above average	28.00%	30.00%	58.00%
Total		50.00%	50.00%	100.00%

Source: Survey Data

Among the revenue divisions, women after access and usage of financial services, nearly seventy eight percent of both the districts agreed that had experienced a significant cognitive change after using financial services. Around twenty two percent of the populations didn't however agree to the same fact.

Table 4.82: Chi-Square Tests in Cognitive changes * Household

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.323	2	.0498
N of Valid Cases	400		

The difference across the revenue districts was very less and it was established by statistically less significant parameter as confirmed by the Chi Square test.

4.8.3 Aggregate Perception Changes

The construct is made up by adding the individual constructs of participation and mobility. The overall construct then was analysed separately for women in districts of Chitrakoot and Jhansi.

Table 4.83: perception changes * Household Crosstabulation

% of Total

	Household		Total
	Chitrakoot	Jhansi	
perception changes			
below average	12.0%	10.0%	22.0%
average	28.0%	30.0%	58.0%
above average	10.0%	10.0%	20.0%
Total	50.0%	50.0%	100.0%

Source: Survey Data

In the above table we find that 78 percent of the respondents had an average or above average level of perception changes after financial inclusion initiatives and 22 percent of the total population had a below average level of perception changes even after the financial inclusion initiatives.

Table 4.84: Chi-Square Tests in perception changes * Household

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.215	2	.047
N of Valid Cases	400		

The test statistic was significant at 5 percent level of significance.

4.9 OBJECTIVE 2: To study the impact of financial inclusion initiatives on socio economic status of women.

Hypothesis: There is no impact of financial inclusion initiatives on socio economic status of women.

4.9.1 Correlation Analysis of the Components of the Study

Correlation study is carried out among the individual constructs which can be measured using Karl Pearson's correlation method after categorizing into three lots. The first category states 'stronger correlation', if value of 'r' exceeds 0.8. The second category belongs to 'good correlation', if value of the 'r' value ranges between 0.5 and 0.8 and the last category belongs to lower to moderate levels of correlation if value of the r is between 0.3 and 0.5.

Table 4.85: Correlation summary

Construct	Indicator	Dependent variable	value of r	P	N
perception changes	social impact	inclusive growth	0.597	0.000	400
material changes	economic impact	inclusive growth	0.684	0.000	400
cognitive changes	social impact	inclusive growth	0.538	0.000	400
Extent of financial inclusion	financial inclusion	inclusive growth	0.624	0.000	400

Source: Survey Data

The construct of perception change which is an indicator of the net social impact on the people and also reflects the approach to inclusive growth has good correlation coefficient of 0.597 indicating positive and direct correlation between the two constructs. The construct of material change which is an indicator of the net economic impact on the people and also reflects the approach to inclusive growth has good correlation coefficient of 0.684 indicating positive and direct correlation between the two constructs. The construct of cognitive change which is an indicator of the net social impact on the people and also reflects the approach to inclusive growth has good correlation coefficient of 0.538 indicating positive and direct correlation between the two constructs. The construct of extent of financial inclusion perception change which is an indicator of the net social

impact on the people and also reflects the approach to inclusive growth has good correlation coefficient of 0.624 indicating positive and direct correlation between the two constructs.

4.9.2 Regression Analysis of the Components of the Study

Regression Equations

The basic assumption of the study is that, other things being constant, access to formal banking network and availing of formal financial services leads to positive changes in the socio-economic conditions of the households, resulting in the ‘inclusive growth’ of the economy. In the present study, ‘inclusive growth’, is defined as the ‘growth’ or the ‘positive changes’ taken place in the socio-economic status of the rural and urban households after availing formal financial services, measured on the combined scores of the components of ‘financial inclusion’ and the ‘impact of availing formal financial services’. Accordingly, based on the multivariate regression analysis, a regression equation of the study is arrived at, which can be used further to measure the ‘inclusive growth’ component of the economy or a particular region along with the index values of the components of ‘financial inclusion’ and ‘impact of availing financial services’.

4.9.3 Measurement of the Constructs of the study

The conceptual framework is evolved from the various sub constructs.

To evaluate the impact of primary components of the study on ‘inclusive growth’, regression analysis was performed. This method considered the components such as level of financial inclusion, cognitive changes, perceptual changes, material changes after availing formal financial services as independent components, and final outcome component of ‘inclusive growth’ as dependent variable. The analysis of the regression analysis established that all components had an influence on inclusive growth. The components of cognitive, material and perceptual changes as well as level of financial inclusion had an impact on financial inclusion.

Table 4.86: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.365 ^a	.133	.121	.65841

a. Predictors: (Constant), Level of financial inclusion, perception changes, cognitive changes, material changes

Source: Survey Data

The model is a good fit and explains nearly 36.5 percent of the dependent variable.

Table 4.87: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19.595	4	4.899	11.300	.000 ^b
	Residual	127.885	395	.434		
	Total	147.480	399			

a. Dependent Variable: inclusive growth

b. Predictors: (Constant), Level of financial inclusion, perception changes, cognitive changes, material changes

Source: Survey Data

The test is significant at 5 percent level of significance.

Table 4.88: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.357	.194		6.989	.000
	perception changes	.352	.104	.328	.349	.007
	material changes	.362	.110	.425	3.279	.001
	cognitive changes	.211	.059	.215	3.586	.000
	Level of financial inclusion	.612	.048	.600	2.750	.006

a. Dependent Variable: inclusive growth

Source: Survey Data

Each of the variables are dependent as confirmed by the significance value.

Accordingly, based on the multivariate regression analysis, a regression equation of the study is derived

$$IG = 1.357 + 0.352 \times PC + 0.362 \times MC + 0.211 \times CC + 0.612 \times FI$$

Note:

IG = Inclusive Growth

FI= Nature of Financial Inclusion

CC=Cognitive Changes

PC = Perception Changes

MC = Material Changes

Since the significance value is less than 0.05, therefore the null hypothesis is rejected. Hence, there is an impact of financial inclusion initiatives on socio economic status of women.

4.10 OBJECTIVE 3: To study the reasons that hampers the participation of women in the financial system.

4.10.1 REASONS FOR LOW LEVELS OF FINANCIAL INCLUSION

Table 4.89: DESCRIPTIVE STATISTICS

Location		Chitrakoot		Jhansi	
		Yes	No	Yes	No
Lack of awareness	Count	76	124	56	144
	% of Total	38.00%	62.00%	28.00%	72.00%
low income	Count	98	102	96	104
	% of Total	49.00%	51.00%	48.00%	52.00%
social exclusion	Count	86	114	86	114
	% of Total	43.00%	57.00%	43.00%	57.00%
Illiteracy	Count	78	122	76	124
	% of Total	39.00%	61.00%	38.00%	62.00%
poor customization for products	Count	116	84	104	96
	% of Total	58.00%	42.00%	52.00%	48.00%
Documenting procedures	Count	122	78	132	68
	% of Total	61.00%	39.00%	66.00%	34.00%
high charges	Count	84	116	96	104
	% of Total	42.00%	58.00%	48.00%	52.00%
Distance	Count	146	54	138	62
	% of Total	73.00%	27.00%	69.00%	31.00%

Source: Survey Data

In the above table we find that 38percent of respondents in Chitrakoot and 28percent of respondents in Jhansi agreed that lack of awareness is one of the reasons behind low levels of financial inclusion.

The second factor in the form of low income was also believed to be a major hurdle behind lower levels of financial inclusion and that was consented by 49percent of respondents in Chitrakoot and 48percent of respondents in Jhansi.

Social exclusion was also cited a problem in utilizing financial services and that was evident when the survey was taken and it was agreed by 43percent of respondents in Chitrakoot and 43percent of respondents in Jhansi.

In the above table we also find that 39percent of respondents in Chitrakoot and 38percent of respondents in Jhansi agreed that illiteracy or the lack of financial education is one of the reasons behind low levels of financial inclusion.

Both the sampling districts also stated that poor customization of products was also a reason for which the respondents never bought a financial product from a formal financial system. This was seen by the 58percent of respondents in Chitrakoot and 52percent of respondents in Jhansi.

We also find that 61percent of respondents in Chitrakoot and 66percent of respondents in Jhansi agreed that Documenting procedures and strict KYC requirements is one of the reasons behind low levels of financial inclusion.

In the above table we see that 42percent of respondents in Chitrakoot and 48percent of respondents in Jhansi agreed that high charges and transaction costs is one of the reasons behind low levels of financial inclusion.

At the end, we also find that 73percent of respondents in Chitrakoot and 69percent of respondents in Jhansi agreed that distance of the financial institutions is one of the reasons behind low levels of financial inclusion.

Table 4.90: Coefficient of Correlation

	Lack of awareness	low income	social exclusion	illiteracy	poor customization for products	Documenting procedures	high charges	distance	Financial Inclusion
Lack of awareness	1	0.212	0.312	0.012	0.214	0.114	0.184	0.213	0.425
low income	0.212	1	0.197	0.119	0.294	0.241	0.025	0.043	0.526
social exclusion	0.312	0.197	1	0.101	0.064	0.107	0.214	0.325	0.328
Illiteracy	0.012	0.119	0.101	1	0.312	0.012	0.214	0.114	0.624
poor customization for products	0.214	0.294	0.064	0.312	1	0.008	0.041	0.106	0.429
Documenting procedures	0.114	0.241	0.107	0.012	0.008	1	0.121	0.232	0.741
high charges	0.184	0.025	0.214	0.214	0.041	0.121	1		0.418
Distance	0.213	0.043	0.325	0.114	0.106	0.232		1	0.718

Source: Survey Data

It was found that the Pearson's correlation coefficient was steady for most of the factors such as Lack of awareness, social exclusion, illiteracy, poor customization for products and high charges. The coefficient was high for factors such as documentation procedures, distance and lower level of income. Therefore, one could devise better policy initiative for increasing financial inclusion levels if one paid more emphasis and attention to the factors such as creating more income levels and smoothening account opening procedures and providing more branches for creating ease of travel.

4.11 OBJECTIVE 4: To study the awareness level of women in terms of financial inclusion initiatives.

4.11.1 FINANCIAL AWARENESS

Overall Knowledge of Banking Services

The knowledge of banking services is a prerequisite to the development of any economy. Banks provide varied services to all the segments of the society. These include providing services like current account, fixed deposit account, savings account, loans and advances, zero balance account, ATM, etc. The understanding regarding the banking is an essential input in financial inclusion. Table explains the knowledge of banking services.

The banking knowledge can be scored and measured on a level of 0 to 100 percent.

- The level 1 and Level 2 include 0 to 20 percent of the banking knowledge and are poor in the banking knowledge.
- The level 3 and Level 4 include 20 to 60 percent of the banking knowledge and are moderate in the knowledge.
- The level 5 and Level 6 account for 60 to 100 percent of the banking knowledge and are high in their knowledge.

Overall Banking Knowledge and Location

Table 4.91: Banking Knowledge (in %) Vs. Location

Location		BANKING KNOWLEDGE (%)						Total
		Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	
		0%	20%	40%	60%	80%	100%	
Jhansi	Count	7	15	43	79	21	35	200
	% of Total	3.50%	7.50%	22.50%	39.50%	10.50%	17.50%	100.00%
Chitrakoot	Count	8	7	31	44	45	49	200
	% of Total	4.00%	3.50%	15.50%	22.00%	22.50%	24.50%	100.00%

Source: Survey Data

Further, Jhansi contains maximum percentage of respondents who have the highest banking knowledge. Chitrakoot also has the maximum number of respondents who have moderate banking knowledge. This further suggests that people in Jhansi have a better banking habit as per the results of the research.

4.11.2 Knowledge about Government Schemes

This construct attempted to measure the level of awareness about various government schemes in the form of Pradhan Mantri Suraksha Bima Yojana (PMSBY), Jan Aushadhi Scheme and Pradhan Mantri Jan Dhan Yojana (PMJDY). The idea was to determine the level of financial awareness the target people have with reference to the financial services and schemes the government is trying to offer. The entire construct have been broken down into:

1. Knowledge about- Pradhan Mantri Suraksha Bima Yojana (PMSBY)
2. Knowledge about Jan Aushadhi Scheme
3. Knowledge about Government Scheme--Pradhan Mantri Jan Dhan Yojana (PMJDY)

The judgment behind using these three as the only sub constructs was that these three formed the base of the government schemes

Table 4.92: Knowledge about Government Schemes

Location	Government Schemes- Pradhan Mantri Suraksha Bima Yojana (PMSBY)		Government Schemes- Jan Aushadhi Scheme		Government Schemes - Pradhan Mantri Jan Dhan Yojana (PMJDY)		Total
	No	Yes	No	Yes	No	Yes	
Chitrakoot	110	90	140	60	80	120	200
Jhansi	90	110	90	110	90	110	200
Total	200	200	230	170	170	230	400

Source: Survey Data

A careful look at the above table suggests that the respondents are more aware of the schemes in the area of Jhansi as compared to Chitrakoot. The scheme of Jan Aushadhi Scheme has found to be less in terms of its awareness among the masses in both the sampling districts. The other scheme which is Pradhan Mantri Suraksha Bima Yojana (PMSBY) also has lesser available respondents in the area of Chitrakoot as compared to Jhansi. Both the sampling areas have similar knowledge and awareness levels in the case of Pradhan Mantri Jan Dhan Yojana (PMJDY).

4.11.3 Knowledge about Social Security Schemes

Various governments at centre, state and local levels carry a variety of social security schemes targeted for the betterment of the society at large. These include schemes to provide insurance cover and pension cover as well. These schemes aim at creating and designing to provide facilities to serve middle and lower class people.

The following table indicates that majority of the respondents have an insurance cover. Only two fifth of the total respondents have a cover in the form of pension plan. The table also indicates that respondents from Jhansi have a higher access to insurance as compared to Chitrakoot.

Table 4.93: Knowledge about Social Security Schemes

Location	Social Security Insurance		Social Security Pension		Total
	NO	YES	NO	YES	
Chitrakoot	70	130	132	68	200
Jhansi	55	145	120	80	200
Total	125	275	252	148	400

Source: Survey Data

Table 4.94: Overall Financial Awareness vs. Location

Location		Overall Financial Awareness (%)				Total
		25	50	75	100	
Chitrakoot	Count	45	96	38	21	200
	% of Total	22.50%	48.00%	19.00%	10.50%	50.00%
Jhansi	Count	20	58	80	42	200
	% of Total	10.00%	29.00%	40.00%	21.00%	50.00%

Source: Survey Data

The score and level of overall financial awareness is calculated by adding sub constructs and creating a new scale altogether on a level from 0 to 100 percent. The above table represents the overall financial awareness of the respondents across the revenue divisions. Respondents from Jhansi have highest level of financial awareness followed by Chitrakoot. Only one third of the respondents in Chitrakoot have an average or above level of financial awareness as compared to three fifth of the respondents in Jhansi.

4.12 OBJECTIVE 5: To analyze the relationship between financial awareness, income and financial inclusion of women in selected sample districts

Ho. There is no significant association between overall financial awareness and the financial inclusion of the women .

This hypothesis is tested with the help of Table by using Chi-square Test.

Table 4.95: Chi-Square Test between Financial Awareness and Financial Inclusion

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.069	6	0.004
Likelihood Ratio	19.308	6	0.013
N of Valid Cases	400		

Source: Survey Data

Since the significance, value is < 0.05, the null hypothesis is rejected. Therefore, there is difference in financial awareness and financial inclusion of women.

Ho. There is no significant association between overall financial awareness and the socio-economic profile of the women measured in terms of income.

This hypothesis is tested with the help of Table by using Chi-square Test.

Table 4.96: Chi-Square Test between Financial Awareness and Income levels

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.472	6	0.011
Likelihood Ratio	16.67	6	0.039
N of Valid Cases	400		

Source: Survey Data

Since the significance value is less than 0.05, the null hypothesis is rejected. Therefore, financial awareness of the women is associated to income levels.

Hypothesis

Ho. There is no significant association between overall financial inclusion and the socio-economic profile of the women measured in terms of income.

This hypothesis is tested with the help of Table by using Chi-square Test.

Table 4.97: Chi-Square Test between Financial Inclusion and Income

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.365	10	0.003
Likelihood Ratio	25.845	10	0.011
N of Valid Cases	400		

Source: Survey Data

Since the significance value is less than 0.05, the null hypothesis is rejected. Therefore, financial inclusion is associated to the socio-economic profile of the women measured in terms of income.

CHAPTER 5
FINDINGS, RECOMMENDATION
&
CONCLUSION

CHAPTER 5

FINDINGS, RECOMMENDATION & CONCLUSION

5.1. Introduction

The research was based on both explanatory and conclusive approach. The study included the explanation of features related with the availability and usage of formal financial system or financial inclusion services so as to gauge the level and degree of financial inclusion. The effect of availability and usage of financial services on the socio economic profile of women in urban and rural areas of the society in the sampling districts of Chitrakoot and Jhansi. The research uses a combination of deductive and inductive method to achieve at a sound base for beginning of the data collection in the primary research method. The data collected and then was analysed with the help of both methods of descriptive and conclusive methods coupled with inferential statistics.

The analytical data helped to provide a further understanding of the study and also helps to draw inferences and conclusions in the study.

With the help of the given background, the current chapter explains the snapshot of the findings. It also discusses the overview and essence of the findings, conclusions, recommendations and suggestions of the study undertaken. Highlights include major findings of the research and also the conclusions premised upon the findings of the study. The suggestions and theoretical implications as well as limitations of the research find space in this part of the research section.

5.2 Findings of the study

The findings are the outcome of the extensive analysis of the data. All the findings given below are related and are also in context with the set out objectives of the research.

5.2.1 Demographics Data and Financial Inclusion

- i. Most of the women surveyed are married and there is a less skewed contribution in terms of unmarried women. Further unmarried include lesser components of widows.
- ii. It is found that 78% of the total households have 01-02 working members, 22% households have above 03 working members.

- iii. Nearly 31 per cent were dependent on agriculture work, nearly 21% worked as tenant cultivator (which is seasonal), near to 17% worked in construction as labourer's.
- iv. The population of 15% was involved as household worker in urban area, 8% worked under govt schemes nearly 9 per cent were involved in miscellaneous activities.
- v. Majority of the sampling units being surveyed have an education below class 8th (52% of the respondents from Jhansi, and 58% from Chitrakoot) followed by high school pass women. The least education in terms of post graduation and graduation is also represented by around 10 percent sampling population. This can be interpreted to say that the educational grounding is least among the sampling units surveyed.
- vi. The most common form of ID verification. Nearly three fourth of the respondents had a voter id card (82%, 73% in Jhansi and Chitrakoot respectively). Second to this was the job card (63%, 59% in Jhansi and Chitrakoot respectively) which most women respondents had to validate the point that most sought jobs and relied upon job cards as a means to avail employment opportunities. The caste certificate was another ID card which was being carried out by most respondents (32%, 37% in Jhansi and Chitrakoot respectively). It also may be noticed that Aadhar card was still not prevalent among respondents (19%, 13% in Jhansi and Chitrakoot respectively). And same could be attributed for domicile and pan cards.
- vii. It is found that 82% in Jhansi has access to electricity and 62% respondents in Chitrakoot have access to it, which shows that the very basic facility is not accessible to many still. Also the very basic facility such as public water still is not accessible to nearly more than half of the respondents in Chitrakoot.
- viii. The accessibility of mobile is 28% in Chitrakoot respondents, and 61% respondents in Jhansi reported that they have access to mobile phones. Internet is the least accessible in Chitrakoot (i.e only 8%), still Jhansi respondents reported that they have access to internet (26%) even though it's less.
- ix. The vehicle registration was very low, (Only 19% from Jhansi and 14% from Chitrakoot), nearly four fifth of the sampling population had no transport means for daily usages and resorted to public means of transportation.
- x. Only 15 % of respondents from Jhansi and 11 % of the respondents from Chitrakoot had two wheel means of transportation. The vehicle registration was not only low but was

mostly skewed in respect of two wheelers. Only around one tenth of the entire sampling population had two wheeler vehicles registered under their name. Most of them didn't have any means of transport and a handful of them had a tractor or a third wheeler vehicle.

- xi. There is a high awareness of PMJDY schemes among the sampling respondents of Jhansi (89%) and Chitrakoot (86%). Nearly nine tenth of the total population has an awareness regarding the Pradhan Mantri Jan Dhan yojana.
- xii. There is a high percentage of sampling population which has a PMJDY account in comparison to a bank account (63% respondents from Jhansi & 72% from Chitrakoot had pmjdy accounts). Further, it was also found out that such accounts were opened up to assure and avail subsidy payments. However, the transactions in these accounts were far less than the transaction in the bank account.
- xiii. Most respondents reasoned that this was due to the fact that the disinterest levels were high among the respondents and most relied upon unorganized sector for their cash needs. Further, distance (19%, 21% in Jhansi & Chitrakoot respectively) was still one factor that inhibited people from their banking needs. Lack of awareness and lack of documents is also among the reasons for not opening of a bank account. Local transportation and withdrawal fees is also among the reasons of less banking penetration and therefore most of the respondents relied upon unorganised sector for their cash needs.
- xiv. The frequency is mapped across less than 3 months, between 3 and 6 months, 6 to 9 months, and between 9 to 12 months. The frequency of banking across sampling districts of Chitrakoot and Jhansi is also found to be low, only 20% of the total respondents in both the districts approach banks after long intervals i.e in 9-12 months. It can be seen that the frequency is rare and transactions take place at long intervals indicating the low volume of banking transactions.
- xv. It is found that most of the respondents have not accessed formal financial services to meet their loan/credit requirements (only 11% from Chitrakoot and 16% from Jhansi districts have been recorded to access formal financial services). This also says that the fact that people still lack trust in formal financial system. Further, around only one tenth

- of the total sampling respondents have used formal financial system for getting their loan requirements.
- xvi. It is also found that most respondents avail their finance needs from post offices (68% in Jhansi and 59% in Chitrakoot) as they are trustable and most traditional setups in financial system. Further, they also use banks as the next sought after method of financing. Also, the channel of SHG or NGOs is still very popular for availing credit needs. The use of insurance channel is still very non-existent.
- xvii. Most respondents in Chitrakoot and Jhansi state that they use deposits (52%, 49% in Jhansi & Chitrakoot respectively) and loans (39%, 45% in Jhansi & Chitrakoot respectively) more often as compared to remittances (4%, 2% in Jhansi & Chitrakoot respectively) and other financial services.
- xviii. Almost all respondents denied using an overdraft facility (97% from Jhansi & 98% from Chitrakoot denied using OD) indicating that they could not match the balance requirements stipulated for using the OD facility in their bank accounts.
- xix. Most respondents resorted to sell finished agricultural produce to draw loans (42% in Jhansi, 49% in Chitrakoot), also pledged monthly salary (Jhansi 33%, Chitrakoot 37%), their ornaments of their agricultural produce for drawing loans. Further they also sold their lands – agriculture (38%, 43% in Jhansi & Chitrakoot respectively) or otherwise to draw loans meeting emergencies. Hypothecation of Land/house records was least resorted option for drawing loans (5%, 7% in Jhansi & Chitrakoot respectively).
- xx. Most respondents had an access to Pradhan Mantri Suraksha Bima Yojana Policy in both the sampling districts (64% from Jhansi, 58% from Chitrakoot). LIC policy still continued to be favourites among the respondents as nearly one third of the respondents continued to have this insurance. Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Vaya Vandana Yojana still had lesser penetration comparatively.
- xxi. The Sukanya Samridhi Yojana (52% from Jhansi, 47% from Chitrakoot) followed by Ujjawala Yojana (62%, 68% in Jhansi & Chitrakoot respectively) continued to be the most prevalent of all the government schemes among the respondents. Schemes of pregnancy Aid yojana (77%, 81% in Jhansi & Chitrakoot respectively) also were resorted to by most respondents and were quite popular among the respondents in sampling districts. Schemes such as Dhanalakshmi Scheme and Mudra Yojana were still undesired by a

majority of the respondents (11%, 8% from Jhansi Chitrakoot respectively) and the Jan Aushadhi Scheme was relatively very new and hence was not catered to by most of the respondents.

- xxii. Further, less than one fourth of the respondents have an access to financial inclusion when the institution is located far away where the distance stretches from 5km to 15km.
- xxiii. Financial inclusion is higher when the distance is less than 5km and would reduce when the distance would increase.
- xxiv. It is found that most respondents have an average and above average level of financial inclusion when the income ranges between 1000 and 3000.
- xxv. Nearly three fourth of the respondents in the category of assets ranging beyond 100000 have higher levels of financial inclusion.
- xxvi. Nearly three fourth of the respondents in the category of assets less than 50000 have below average financial inclusion.
- xxvii. Also, for the category of respondents having assets between 50000 to 100000, nearly half of them have an above average level of financial inclusion.
- xxviii. Nearly half of the respondents in the general category have above average level of financial inclusion.
- xxix. Also, the scheduled castes and tribes have very low level of financial inclusion and also half of the OBC category respondents have average and above average level of financial inclusion.
- xxx. The level of financial inclusion is relatively high for those occupations where the people are employed in farming or construction.
- xxxi. The women working under government schemes also have a substantial level of financial inclusion.
- xxxii. Most respondents mentioned that the awareness was lacking (12%, 17% in Jhansi & Chitrakoot respectively) which was as high as two third of the women respondents quoting the same reason. Others mentioned lack of documentation (13%, 19% in Jhansi & Chitrakoot respectively) for low banking usage.
- xxxiii. It is found that three fifth of the respondents have insurance that mostly are sponsored by govt. agencies. It is also found that the usage of insurance cover is very less, only a

one fifth of the women respondents in Chitrakoot and two fifth of the women respondents in Jhansi could use insurance cover.

- xxxiv. The habit of saving money was not prevalent among the women section in the sampling districts of Chitrakoot and Jhansi. However the women in Jhansi had a higher saving habit as compared to the women in Chitrakoot (51%, 23% in Jhansi & Chitrakoot respectively)
- xxxv. It was found that the credit card was not used by the women respondents in either of the sampling district (nil in Chitrakoot, and only one percent in Jhansi). Most used banking product was Debit card in Chitrakoot and Jhansi (66%, 81% respectively). Least women found using online banking from both the districts; further mobile banking was also not much in use in the sampling districts.
- xxxvi. Around one fourth of the women respondents disagreed that they ever enjoyed greater freedom and awareness.
- xxxvii. One fourth of the women respondents had more choices while spending upon personal needs.
- xxxviii. Most women respondents in Chitrakoot and Jhansi had agreed that they enjoyed more awareness with respect to government health schemes.
- xxxix. Only one fifth of the total respondents having an awareness and yet below average level of financial inclusion.
- xl. The additional ability of households to match and meet emergency needs after accessing and availing financial services was high.

5.2.2 Demographic Data and Socio Economic Dimensions

- i.** It was found that one fourth of the respondents in the Jhansi and Chitrakoot district agreed that they still had lesser expenditure even after increase in number of financial institutions. Most respondents near to half of them still had the same level of expenses before and after the usage and access to financial institutions.
- ii.** Near to two fifth of the respondents in both the districts have agreed that they have noticed a substantial change in their earning capacity after financial inclusion initiatives. Nearly half of the population has also noticed that the earning capacity has been static irrespective of the financial inclusion measures.

- iii. There is a definite rise in the levels of literacy and the number of children going to school as the respondents agree to the fact that they are in a much better position to send their ward to schools and receive basic and elementary education since they are enjoying more economic freedom and have access to various educational schemes making it easier for them to get an access to education.
- iv. Nearly half of the respondents agree to the fact that there is a higher level of literacy now and there is a substantial rise in the level of literacy post financial inclusion initiatives. Only around one fourth of the respondents have disagreed with the above argument in the total population surveyed.
- v. Nearly two fifth of the respondents agreed and strongly agreed that their skills to achieve basic livelihood increased over a span of time in the area of service sector, self employment and other technical skills.
- vi. It was found that women respondents had more awareness with respect to govt. health schemes (71%, 62% in Jhansi and Chitrakoot respectively), and the least awareness was found for health insurance (29%, 19% in Jhansi and Chitrakoot respectively).
- vii. Nearly 26% of the total sampling districts are aware of the human/fundamental rights (38%, 14% in Jhansi and Chitrakoot respectively). Comparatively Jhansi still has better awareness of it.
- viii. Almost 12.2% of the Chitrakoot respondents had an involvement in social service while 15.40% of the respondents in Jhansi involved in social service.
- ix. Their contribution to family income is around 60% by Chitrakoot respondents and 72% by Jhansi respondents. They also deal with public having contribution from 75% and 82% by Chitrakoot and Jhansi respectively. They also had a significant participation while talking to government officers amounting to 60.4% and 82% in Chitrakoot and Jhansi respectively.
- x. The respondents showed greater mobility in terms of mobility to employment places (71%, 72% in Chitrakoot and Jhansi respectively), government offices, and hospitals for the treatment purpose found to be 60%, 70% and 70%, 82% respectively in Chitrakoot and Jhansi. Both the district respondents reported to have good mobility (accessibility) to financial institutions, to employment places, hospitals and government offices.

- xi. It is found that 24 percent of the total respondents had an above average material change while 62 percent of the respondents experienced average material change, and 14% of the respondents experienced below average level of material change.
- xii. Near to one fifth of the respondents from the sampling respondents did not agree to experience the material change.
- xiii. Among the revenue divisions, women after access and usage of financial services, nearly more than seventy five percent of both the districts agreed that had experienced a significant cognitive change after using financial services. Around twenty two percent of the populations didn't however agree to the same fact. In total, almost more than seventy eight percent had found a significant change in cognitive life after usage and access of financial services.
- xiv. More than half of the respondents had an average or above average level of perception changes after financial inclusion initiatives. Less than one fourth of the total population had a below average level of perception changes even after the financial inclusion initiatives.
- xv. We find that the more than seventy five eight of the respondents had an average or above average level of perception changes after financial inclusion initiatives across revenue divisions of Chitrakoot and Jhansi. Less than one fourth of the total population had a below average level of perception changes even after the financial inclusion initiatives.
- xvi. The construct of cognitive change which is an indicator of the net social impact on the people and also reflects the approach to inclusive growth has good correlation coefficient of 0.538 indicating positive and direct correlation between the two constructs.
- xvii. The construct of extent of financial inclusion perceptual change which is an indicator of the net social impact on the people and also reflects the approach to inclusive growth has good correlation coefficient of 0.624 indicating positive and direct correlation between the two constructs.
- xviii. We find that 38percent of respondents in Chitrakoot and 28percent of respondents in Jhansi agreed that lack of awareness is one of the reasons behind low levels of financial inclusion.

- xix. The second factor in the form of low income was also believed to be a major hurdle behind lower levels of financial inclusion and that was consented by 49percent of respondents in Chitrakoot and 48percent of respondents in Jhansi.
- xx. Social exclusion was also cited a problem in utilizing financial services and that was evident when the survey was taken and it was agreed by 43percent of respondents in Chitrakoot and 43percent of respondents in Jhansi.
- xxi. Both the sampling districts also stated that poor customization of products was also a reason for which the respondents never bought a financial product from a formal financial system. This was seen by the 58 percent of respondents in Chitrakoot and 52 percent of respondents in Jhansi.
- xxii. We also find that 61 percent of respondents in Chitrakoot and 66 percent of respondents in Jhansi agreed that Documenting procedures and strict KYC requirements is one of the reasons behind low levels of financial inclusion.
- xxiii. We see that 42 percent of respondents in Chitrakoot and 48 percent of respondents in Jhansi agreed that high charges and transaction cost is one of the reasons behind low levels of financial inclusion.
- xxiv. At the end, we also find that 73 percent of respondents in Chitrakoot and 69 percent of respondents in Jhansi agreed that distance of the financial institutions is one of the reasons behind low levels of financial inclusion.
- xxv. The respondents are more aware of the schemes in the area of Jhansi as compared to Chitrakoot it is less in terms of its awareness among the masses in both the sampling districts.
- xxvi. Talking of insurance, the respondents have high access to Pradhan Mantri Suraksha Bima Yojana (PMSBY) (64%, 58% in Jhansi and Chitrakoot respectively) also has relatively lesser respondents are in the area of Chitrakoot as compared to Jhansi.
- xxvii. LIC Policy still continued to be lesser accessed in both the districts (29%, 17% in Jhansi and Chitrakoot respectively)
- xxviii. Pradhan Mantri Vaya Vandana Yojana still had very low penetration in both the sample districts(11%, 8% in Jhansi and Chitrakoot respectively)
- xxix. Both the sampling areas have similar knowledge and awareness levels in the case of Pradhan Mantri Jan Dhan Yojana (PMJDY).

- xxx. Nearly half of the respondents have an insurance cover in both the sampling districts.
- xxxi. Government other schemes such as Ujjawala(62%, 68% in Jhansi and Chitrakoot respectively) and Sukanya Samriddhi Yojana (71% , 74%)continued to be most prevalent in both the districts
- xxxii. Only two fifth of the total respondents have a cover in the form of pension plan. It also indicates that respondents from Jhansi have a higher access to insurance as compared to Chitrakoot.
- xxxiii. Pension Yojana is also low in usage in both the districts. Jhansi has a higher number of respondents with access to pension facilities as compared to Chitrakoot i.e 32.00%, 25.00% respectively.
- xxxiv. Respondents from Jhansi have highest level of financial awareness followed by Chitrakoot. Only one third of the respondents in Chitrakoot have an average or above level of financial awareness as compared to three fifth of the respondents in Jhansi.

5.2.3 Findings for Objective 1: Nature of Financial Inclusion in India

- i. Still, the country scaled massively behind the other countries in OECD (Organization for Economic Co-operation and Development) economies on questions of branches per 1,000 square kilometer, loan accounts per 1,000 adult population ATM penetrations.
- ii. The branches of commercial banks have doubled in last ten years. The branches of credit unions and financial cooperatives have risen by nearly 10percent.
- iii. The accounts have increased several times to reach more than thrice its original number in last ten years. The deposit accounts with commercial banks per 1000 adults have also almost tripled in last decade or so.
- iv. The progress of financial inclusion has been steady with a steady rise in loan accounts with commercial banks emphasizing the rapid rise of credit accounts with people. The numbers of loan accounts with commercial banks per 1000 adults have also increased over 50 percent in last decade.
- v. The number of ICT enabled bank accounts has also increased by a significant number highlighting the fact that financial inclusion can only go up from this point and so on. The BSBD accounts have also increased via Business correspondents and facilitators.

5.2.4 Findings for objective 2: To analyze the impact of financial inclusion initiatives on the socio-economic status of women.

- i. A good enough chunk of the women in the sampling districts were recipients and beneficiaries of Government funded poverty alleviation schemes.
- ii. The effect of using financial services on socio economic profile was high both in urban and rural areas across the sampling districts. This was considered in terms of change in the income, ownership, consumption expenditure.
- iii. The capacity of women in households to manage urgent situations had a constructive impact on it after using formal financial services and it was exceptionally high both in urban and rural areas.
- iv. There was a positive impact in housing conditions and employment conditions of the women in revenue divisions of Chitrakoot and Jhansi.
- v. The usage and its mere availability of the formal financial services also lead to perceptual changes among the women of the households. This was again quantified as the confidence level of the women and their participation level in local panchayats and governments as well as organizations.
- vi. There were relational changes also in the case of women across the revenue divisions after availing and using formal financial services. The improved impact was evident in their decision making and mobility.
- vii. Nearly two fifth of the respondents had an insurance. This was mostly in the form of an insurance plan sponsored by the government agencies. This also signals that there was adequate awareness level regarding the insurance product.
- viii. The major purpose of drawing loans was to meet expenses related to housing construction or modification. Also, loans were drawn for toilet construction and it was also realized that most of the funds were not used for the purpose for which it were drawn. Further, loans were drawn to meet education and religious functions or marriages. Some took loans for purchase of basic mobile phones while some also took agricultural loans.
- ix. The needs such as quantity of food and caring their child is the most vital needs satisfied after availing credit from formal financial services.
- x. 52% agree that they have better dwelling conditions after availing financial services.
- xi. Nearly one fourth of the women respondents in Chitrakoot and Jhansi had felt higher self esteem and self confidence after availing financial conditions.

- xii. More than half of the respondents in the urban and rural areas agreed that they had more control over financial resources than ever before.

5.2.5 Findings for objective 3: To find out the reasons that hampers the participation of the women in financial inclusion system.

- i. One of the reasons for low levels of access by the women was the distance from the financial institution of the people (the level of financial inclusion is seen above average when the distance is less than 5 km)
- ii. Means of transportations also plays an important role. The vehicle registration was very low. Nearly four fifth of the sampling population had no transport means for daily usages and resorted to public means of transportation.
- iii. Nearly three fourth of the respondents in the category of assets ranging beyond 100000 have higher levels of financial inclusion.
- iv. Majority of the sampling units being surveyed have an education below class 8th followed by high school pass women. This can be interpreted to say that the educational grounding is least among the sampling units surveyed, and which again plays a vital role in accessing and approaching formal financial system.
- v. Identity proof is also again, a hurdle. The most common form of ID verification found among respondents women was voter ID card. Nearly three fourth of the respondents had a voter id card. Second to this was the job card which most women respondents had to validate the point that most sought jobs and relied upon job cards as a means to avail employment opportunities. The caste certificate was another ID card which was being carried out by most respondents. It also may be noticed that Aadhar card was still not prevalent among respondents. And same could be attributed for domicile and pan cards. Today Aadhaar card has become the most important verification mode, and women still lack possessing it.
- vi. Most respondents agreed to the fact that they have disinterest in approaching banks because of so many formalities and therefore most relied upon unorganized sector for their cash needs. Further, distance was still one factor that inhibited people from their banking needs. Other major reasons included lack of awareness and lack of documents as reasons for not opening of a bank account.

- vii. It is found that most respondents have an average and above average level of financial inclusion when the income ranges between 1000 and 3000.
- viii. Most women Lack in collaterals, possession of assets and therefore which hampers them from approaching accessibility of formal credit.
- ix. We find that more than half of the total respondents in Chitrakoot and Jhansi agreed that lack of awareness is one of the reasons behind low levels of financial inclusion.
- x. Both the sampling districts also stated that poor customization of products was also a reason for which the respondents never bought a financial product from a formal financial system. This was seen by more than half of the total respondents (58 percent of respondents in Chitrakoot and 52 percent of respondents in Jhansi).
- xi. Low income also came out one of the major hurdle that hampered women, since their earning is not very much more than their expenditure.
- xii. Social exclusion also keep women lacked behind from approaching formal system 86% of the total respondents reported it.

5.2.6 Findings for objective 4: To find out the awareness level of women in context of financial inclusion initiatives.

- i. Women had more awareness of financial inclusion initiatives (89% respondents from Jhansi, 86% respondents from Chitrakoot) , but its usage is very low (16% from Jhansi, 11% from Chitrakoot) still women in urban households had more access and availability with usage of formal financial services as compared to rural counterparts.
- ii. It was found that there was high awareness of PMJDY schemes among the sampling respondents of Jhansi and Chitrakoot. Nearly nine tenth of the total population has an awareness regarding the Pradhan Mantri Jan Dhan Yojana.
- iii. Women in urban households were more aware regarding the facility of no-frill accounts.
- iv. A reasonable proportion of the women in the sampling districts in rural and urban households had availed government funded Human Development Programmes.
- v. The access to the financial services provided to the women in households resulted in understanding changes among the women of the households. The changes were gauged in terms of increased education level. There was also a marked improvement in earning skills, awareness levels of women with respect to financial system.

- vi. We also find that 39 percent of respondents in Chitrakoot and 38 percent of respondents in Jhansi agreed that illiteracy or the lack of financial education is one of the reasons behind low levels of financial inclusion.

5.2.7 Findings for objective 5: To analyze the relationship between awareness, income and financial inclusion of women.

- i. The level of financial inclusion is least when the income level is less than 1000. It is also found that the financial inclusion increases when the income increases beyond 3000 indicating a direct positive correlation between income and financial inclusion levels.
- ii. The level of financial inclusion is clearly high in areas where the respondents have a higher level of awareness of a financial institution or a banking product or an institution.
- iii. The construct of material change which is an indicator of the net economic impact on the people and also reflects the approach to inclusive growth has good correlation coefficient of 0.684 indicating positive and direct correlation between the two constructs.

5.3 Some of the characteristic findings include:

- i. The commercial banks have become as prominent channels for various formal financial services for the women across the revenue divisions of the sampling districts of Chitrakoot and Jhansi.
- ii. A reasonable section of the women in both urban and rural areas had an access to formal financial institutions and it was more evident across Jhansi as compared to Chitrakoot.
- iii. One of the reasons for low levels of access by the women was the distance from the financial institution.
- iv. The schemes such as Employment Guarantee Schemes had more offerings and representation for women in rural areas.
- v. A good enough chunk of the sampling respondents were recipients and beneficiaries of Government funded poverty alleviation schemes.
- vi. The impact was above average level in Jhansi and was below average in case of Chitrakoot. Overall, it was average across the sampling districts.
- vii. The wage payment to women is irregular and also significantly low as compared to male counterparts that hamper them to meet the daily household needs.
- viii. Women lack in collateral which again hampers them to approach formal financial institutions.

- ix. The impact of financial inclusion was such that it led to incremental positive changes in the socio-economic profile of the women in the sampling districts of Chitrakoot and Jhansi.
- x. There was a noteworthy outcome after availing and using formal financial services of the socio-economic profile of women in households belonging to the sampling districts of Chitrakoot and Jhansi, resulting in the incremental and inclusive growth of the economy.
- xi. Financial inclusion and impact of availing financial services is one of the important contributing factors of inclusive growth.

5.4 MAJOR FINDINGS:

The study employed sample survey technique for analyzing the extent, nature of financial inclusion and its overall impact on the socio economic profile of the women in the regions of Chitrakoot and Jhansi. The study outlines a platform to determine the various features and impact of financial inclusion. Premised on the major findings, the study provides the following conclusions:

- (i) There is inconsistency in levels of financial inclusion at overall level of the economy and across the urban and rural divisions of Chitrakoot and Jhansi. The research gap so recognized illustrates that, even after financial inclusion measures, there is still a segment which is living on marginalized levels and have no access to basic financial services and have no awareness too.
- (ii) The all-embracing observed evidence in literature suggests a major relationship between financial usage and growth. There seems to be a clear cut association between both financial usage and inclusive growth but still how and the mechanism to achieve the overall inclusive growth via financial access and usage still is not clear.

5.5 Recommendations

The increase in the lifespan as well as increased complexity of financial products and services has also led to increase in the overall responsibility of an individual.

The analysis and findings have enabled the financial education providers as well as policy makers to introduce the need to promote methods and ways to increase financial inclusion procedures.

5.5.1 For Policy makers

- a) Greater attention must be paid on the financial awareness to increase the levels of financial inclusion so that there can be a more tangible impact on the socio economic dimensions.
- b) Due to lower levels of financial awareness, there are more cases of financial mismanagement and they fail to create a financial roadmap for themselves leading to more failures in financial decision making.
- c) More emphasis should be placed on creation of financial awareness and inclusion measures which should be pressed upon and awareness should be created so that apt decisions are taken when needed.
- d) The people with lower income and those who work on casual basis have relatively lower levels of financial awareness and financial inclusion and hence resort to more informal financial services industry which is costlier and hence it necessitates a greater need to educate people with higher money management skills so that they have a higher level of real money at the end of meeting all their expenses.
- e) The minimum wage payment should be made mandatory by the government of India for all the labor classes working in informal sector as per the latest Minimum Wage Act, and their pay should be revised according to the amendments done in the wages act.
- f) Their minimum wages should be protected by legal tender, arbitrary deductions should be made mandatory which makes their future secure.
- g) The concept of minimum universal basic income may be incorporated for all the people in working in informal sector.
- h) There is urgent need of social will, the concept of “Social will” truly needs to be developed from the top controlling authority up till the bottom implementing authorities only then maximum inclusion can take place.
- i) The NGOs working for women empowerment and social inclusion must see that financial awareness building exercises are a must for everything else to take place and hence there

should be a need to come up with such drives that can scale the pace of such measures intending to create an all-inclusive society.

5.5.2 For other Stakeholders

- a) Companies should also emphasize upon financial inclusion of the society by providing financial education to various masses as a part of Corporate Social Responsibility.
- b) Financial awareness drives complement the important aspects like greater transparency, policies on consumer protection and regulation of financial institutions.
- c) Financial inclusion should be laid on a sound common structure and a common approach so that it can be spread in a comprehensive manner. These efforts should aim at empowering consumers to understand and select the financial products and services that best suit their needs, goals and personal circumstances.
- d) The overall efforts by regulatory authorities, N.G.O.s and community groups should be structured in the direction to enable the individuals to develop the ability to make informed judgments, to be able to identify financial products and services that address their needs, to take effective decisions regarding the use and management of their money and to avoid to be a victim of bad selling.
- e) It can enable holistic, generic and non-commercial financial education to employees in their place of work through accessible resources and seminars delivered by experienced and specially trained professionals.

5.6 Limitations of the study

Care and attention has been taken to ensure that the research was designed and conducted to optimize the ability to achieve the objectives of the research. Some other limitations of this study are mentioned below.

- a) The method adopted for primary data collection was non-probability convenience sampling method, which does possess its own limitations; hence these limitations automatically apply to the study.

- b) The people who have just started to make savings are new to jobs making savings and investment decision on the basis of others 'recommendation, without any analysis of their own. It was difficult for them to answer the questions about financial awareness
- c) The bias in respondents 'views cannot be ignored.

5.7 Scope for further research

No research in any subject can be complete in itself. An attempt was made to determine the impact of financial inclusion on socio economic profile of the women and the impact of various determinants of financial inclusion as well. The study is hence basically focusing on two prime objectives in a specific sample of two selected districts. However, more areas can be taken up for futuristic research taking the present study as a base. Some of the scope for further research is as under:

- a) As illustrated in the limitations, this study bases itself upon the responses in the two districts only. One can extend the work and include other districts as well.
- b) The analysis is performed on the basis of the data collected from various age groups and income groups. The analysis however can be further filtered and focused on a specific age group or an income group.
- c) The results can be better interpreted in the context of financial exclusion and financial education curriculum can be devised considering the changing context of financial integration in a developing economy.
- d) The Self Help groups are strengthened and empowered through various financial capability building exercises and financial education initiatives leading to the upliftment of their socio economic profiles. One can hence include these groups as target respondents in their specific study as well.
- e) The pattern of progress and development of Financial Inclusion and Financial Awareness in Bundelkhand may be further explored as it may uncover various obstacles to financial inclusion and financial literacy.
- f) The present study is performed in the region of Bundelkhand. The study can be extended to other parts of the nation as well. Further inter-state comparison can also be done.

- g) The learning from behavioral economics and finance coupled with social marketing lessons can be implemented to make most of the findings and results that have been obtained as a part of the study.

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**ANNEXURE
SCHEDULE**

**IMPACT OF FINANCIAL INCLUSION INITIATIVES ON SOCIO-ECONOMIC
STATUS OF WOMEN
(A study of two districts in Bundelkhand Region of Uttar Pradesh)**

PART-I

BACKGROUND INFORMATION

1.	NAME	
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2.	AGE	
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3.	Marital status:	Married	unmarried	Widow

4.	Category:	SC	ST	OBC	OTHER

5.	Education:	< 8 th Pass	High school	Intermediate	Graduation	Professional/ Technical

6. Which is the revenue division that your household belongs to?

Jhansi		Chitrakoot	
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7. Mention the number of working members in household.

Number of Working Members	1-2	3 and above
Tick		

8. What is the category of livelihood activity that the household is dependent on?

Agricultural related	
Tenant cultivator	
Construction	
Household Industry Worker	

Workers employed under govt. welfare schemes	
Other workers	

9. What all documents are possessed by you?

Voter card	
Aadhaar Card	
Ration Card	
Job Card	
Income certificate	
Domicile certificate	
Caste certificate	
Driving license	
Pan Card	
Passport	

10. Mention the facilities that your household has access to:

1	Electricity	
2	Television	
3	Mobile	
4	Internet facility	
5	Radio/FM	
6	Public water	
7	Any other specify	

11. Mention the minimum distance to be covered by the members of the household to access facilities like Hospitals, Grocery shops, Schools, Local Governing Institutions, Banks etc.?

1	Less than 5 Km	
2	5 and < 10 Km	
3	10 KM or above	

12. Did you have any Vehicle registered in your name?

Yes		No	
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12 (A). If yes mention the type of vehicle?

1	Two Wheeler	
2	Three Wheeler	
3	Four Wheeler	
4	Tractor	
5	Any Other	

13. Kindly mention approximate level of income of your household (per month):

1	Less than Rs1,000	
2	1,000 =< 3,000	
3	Above Rs 3000	

***Household:** A 'household' is usually a group of persons who normally live together and take their meals from a common kitchen unless the exigencies of work prevent any of them from doing so*

Part II

NATURE AND EXTENT OF FINANCIAL INCLUSION

14. Are the members in your household aware of the fact that they can open a bank account with zero balance (i.e PMJDY Account) and without any initial charges?

Yes	
NO	

15(A). IF YES:

1	Do you have a normal bank account	
2	PMJDY Account	

15(B). IF NO:- Mention Reason

1	Lack in documents	
2	Lack of awareness	
3	Not interested in banking	
4	Expenses are more than earning	
5	Don't trust banks	
6	Withdrawal and other transactions fees are being charged	
7	Distance	

8	Long queue in banks, consume all their time	
9	Local Transportation problem	
10	Any other(Specify)	

16. How often you visit branch to operate the account?

0-3 months	0-3 months	3-6 months	6-9 months	9-12 months
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17. Do the members in your household have access to formal financial services in their daily livelihood and business activities?

Yes	
No	

17(A). If formal is accessed, kindly mention the type of it:

Bank	
Post Office	
Micro Finance Institution	
Insurance Company	
Regional Rural Bank	
Self Help Group/Bank Linkage/NGO	
Any Other	

18. Kindly mention the type of financial services accessed by the household members through formal financial network:

Deposit	
Loans	
Remittance	
Other (Specify)	

19. From how many years approximately, have the members in your household accessed the financial services from formal financial network? (Tick)

Less Than a Year	
1 to 5 years	
5 to 10 years	
Above 10 years	

20..Have you ever remitted money using a formal financial system.

YES		No	
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20(A). Mention the method through which money is remitted.?

1.	Money Order	
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2	Cheque	
3	Demand Draft	
4	In Cash	
5	E-Transfer	

21. Have you availed overdraft facility?

YES		No	
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22. Do the members in your household have insurance cover for the risk they face in their daily livelihood and business activities?

YES		NO	
-----	--	----	--

22 (A). If Yes. Did you use it (in case required)?

YES		NO	
-----	--	----	--

22.(B) If No, Why?

1	You lacked its awareness	
2	You lacked proper documentation or other technical requirement.	
3	Any Other	

23. Do you possess the following cards and using it? (Tick)

CARDS		POSSESS		USE	
		YES	NO	YES	NO
1	RUPAY DEBIT CARD				
2	GENERAL CREDIT CARD				
3	KISSAN CREDIT CARD				

24. Do the earning members in your household have the habit of saving money regularly from their income?

YES	
NO	
Sometimes	

25. Kindly mention the type of services used / accessed by the household through bank.?

Credit card	
Debit Card	
Online Banking	
Mobile Banking	

26. Mention the channel used for meeting credit?

Banks	
Micro finance companies	
Shgs/ngos	
Insurance companiies	

27. Mention the purpose for which loan is availed

1	Religious Functions/Marriages	
2	To Establish Small Business	
3	Education	
4	To Conduct Agricultural Activity	
5	Health	
6	To Purchase Gold & Assets	
7	To Repay Old Loans	
8	For Housing Construction/Modification	
9	For Toilet Construction	
10	To Purchase Vehicle	
11	Gadget Purchase (Mobile)	
12	Any Other Specify	

28. Mention the type of security against which the loan is borrowed:

1	Hypothecation of Land records and House	
2	Hypothecation of vehicle	
3	Pledging Monthly salary	
4	Ornaments (Gold/Silver)	
5	Finished Agricultural produce:	
6	Agricultural Land	
7	House/Plot	
8	Any other (Specify)	

29 Mention the savings accessed through post office?

	Sukanya Samriddhi Account	
	National saving Certificate	
	15 years Public Provident Fund Account	
	5 year Post Office Recurring Deposit Account (RD)	
	Post office Monthly Income Scheme Account	
	Any other	

30. Are you enrolled in any life insurance policy?

1	LIC Policy	
2	Pradhan Mantri Suraksha Bhima Yojana Policy (PMSBY)	
3	Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	
4	Pradhan Mantri Vaya Vandana Yojana (PMVVY)	
5	Any Other insurance Policy	

31. Is your household a beneficiary of the governments programs or any other programmes?

1	Ujjawala Yojana	
2	Sukanya Samriddhi Yojana	
3	Atal Pension Yojana (APY)	
4	Jan Aushadhi Scheme	
5	Dhanalakshmi Scheme	
6	Mudra Yojana	
7	Pregnancy Aid Yojana	
8	Any other (Specify)	

32. What are the reasons of Low awareness of financial developments/schemes

	Reasons	Yes	No
1	Lack of awareness		
2	low income		
3	social exclusion		
4	Illiteracy		
5	poor customization for products		
6	Documenting procedures		
7	high charges		
8	Distance		

9	Any other	Mention:
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33. Mention the levels of your knowledge on following parameters:

Knowledge Dimension	Yes	No
Knowledge about Savings Account		
Knowledge about Term Deposits		
Knowledge about ATM		
Knowledge about Zero Balance Facility		
Knowledge about Loan products		
Knowledge about Pradhan Mantri Suraksha Bima Yojana (PMSBY)		
Knowledge about Jan Aushadhi Scheme		
Knowledge about Pradhan Mantri Jan Dhan Yojana (PMJDY)		
Knowledge about Pension		
Knowledge about Ration and PDS		
Knowledge about Insurance		

PART III

SOCIO-ECONOMIC IMPACT OF ACCESS TO FORMAL FINANCIAL SERVICES

A. MATERIAL CHANGES DUE TO ACCESS TO FORMAL FINANCIAL SERVICES

34. “After availing loan through banking services from formal financial institutions, my household members are capable of generating new income and the total value of our household assets and income has increased.”(tick below)

1	Strongly agree	
2	Agree	
3	Not sure	
4	Disagree	
5	Strongly disagree	

35. Kindly mention the approximate total value of assets of your household:

1	Less than Rs 50,000:	
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2	Rs 50,000 to 1, 00,000	
3	Rs1, 00,000 and above	

36.“After availing formal financial services members in my household are capable of producing additional income through new business venture/ additional agricultural production etc., now relatively equipped to satisfy daily need and gained more control over material and financial resources.”

1	Strongly agree	
2	Agree	
3	Not sure	
4	Disagree	
5	Strongly disagree	

37. Mention the type of needs which were satisfied after availing financial services.

	Type of Need	
1	Medical treatment	
2	Young mothers avail child care	
3	Quantity of Food according to need	
4	Any other specify	

38.It is due to the bank loans that my household got better dwelling conditions.

1	Strongly agree	
2	Agree	
3	Not sure	
4	Disagree	
5	Strongly disagree	

49.Kindly mention the type of dwelling of the household after availing financial services.

	Type of Roof	
1	Thatched	
2	Tiled	
3	Concrete Roof	
4	Other (Specify)	

40. “Availing loans and other formal financial services resulted in economic empowerment and mobility of household members.”

1	Strongly agree	
2	Agree	
3	Not sure	
4	Disagree	
5	Strongly disagree	

40(A). If you agree

	Type of mobility (tick)	
1	Bank/Financial institutions	
2	Employment places	
3	Government offices	
4	Hospitals	

41. “It is because of accessing credit and other financial services from formal financial institutions that the consumption expenditure of the household has gone up.”

1	Strongly agree	
2	Agree	
3	Not sure	
4	Disagree	
5	Strongly disagree	

COGNITIVE CHANGES AFTER ACCESSING FORMAL FINANCIAL SERVICES

42. “It is because of availing bank credit from formal financial network and the additional income generated out of it, that we are able to send our children to school and there are more number of children going to school or continuing education in our household.”

1	Strongly agree	
2	Agree	
3	Not sure	
4	Disagree	
5	Strongly disagree	

43. “Bank credit has facilitated the household members in attaining additional skills of earning livelihood”

1	Strongly agree	
2	Agree	
3	Not sure	
4	Disagree	
5	Strongly disagree	

44. Mention various levels of skills which you attained with the onset of financial services:

1	Category of Skills	
2	Service Sector	
3	Self Employment	
4	Technical	
5	Other	

45. "It is because of the credit availed through formal financial network and the additional income generated out of it, that there is more economic freedom and awareness in the members of my household."

1	Strongly agree	
2	Agree	
3	Not sure	
4	Disagree	
5	Strongly disagree	

45 (A) Mention the type of economic freedom enjoyed:

1	In spending on personal needs	
2	In spending on consumption expenditure of household	
3	Spending on entertainment and recreation of household members	
4	Any other (Specify):	

45 (B). Mention the kind of awareness that the members of the household attained:

1	Awareness of non-traditional type of work	
2	Human/Fundamental rights	
3	Government Health Schemes	

4	Health Insurance	
5	Primary Health Centers	
6	Other	

Cognitive Changes: Changes in level of knowledge, skills and awareness of the members of the household due to access to financial services in a wider environment

PERCEPTIONAL CHANGES AFTER ACCESSING FORMAL FINANCIAL SERVICES

46. Do you believe that after getting connected with banks and availing its financial services such as loan (and other financial facilities) the household members feel that it has pushed them towards economic gains and feel self confident and self esteemed.

1	Strongly agree	
2	Agree	
3	Not sure	
4	Disagree	
5	Strongly disagree	

47. Mention the ways in which you participate showing self esteem and self confidence:

1	In Social Service	
2	Contribution to Family Income	
3	To Deal with Public	
4	Talking to Government Officers	
5	To Face Future Uncertainty	
6	Any other (specify)	

Perceptual Changes: Changes in household member's perception of own individuality, interests, and value due access to financial services