

A Study of Evaluating The Awareness and accessibility of Financial inclusion Schemes

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Abstract

Financial inclusion refers accessibility of financial services by citizen of the country irrespective of their income levels. Financial inclusion is playing significant role for the devolvement of a country. To encourage unbanked and underbanked people to have access to banking and financial services, the government has implemented a number of financial inclusion programs over the years. The objective of this research paper is to present a thorough evaluation and analytical assessment of the suitability of financial inclusion initiatives in India. This research paper aims to studies the awareness and accessibility of financial inclusion scheme in India. The study examines government initiative, concepts and approaches and ground level difficulties for implementation of existing schemes. The present study is based on the data collected from the schemes beneficiaries and secondary data of the RBI reports, existing literature and schemes performance report. Awareness of the financial inclusion schemes is the key parameter of to reaching out with the unbanked population.

Keywords: - Awareness and accessibility, banking services, digital banking and financial inclusion

I. INTRODUCTION

India is country of diversification with one of the world's largest economies. With the common men to former, worker to industrialist, young earning person to retired person, everyone is taking part of the financial inclusion. Financial inclusion is indicator of the economic growth of country. Financial inclusion refers accessibility of financial services by citizen of the country irrespective of their income levels. The primary goal of government to provide affordable financial service to each class of the society. Financial inclusion may be defined 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 (The Committee on Financial Inclusion, Chairman: Dr. C. Rangarajan).Another revised definition by formal RBI governor Financial Inclusion, broadly defined, refers to universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products (The Committee on Financial Sector Reforms, Chairman: Dr.Raghuram G. Rajan 2008

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II. LITERATURE REVIEW

The goal of India's financial inclusion programs is to provide financial services and products to the underprivileged and thrifty segments of the population. These programs are crucial for the equitable growth and long-term sustainability of any nation because they give people access to reasonably priced financial products and services.(Beg, 2012). However, the effectiveness and applicability of these schemes vary across different regions and communities within the country. There are contradictions and interesting facts to consider. While digital finance tools have been identified as having the potential to empower individuals and bridge the financial gap (Saini & Saha, 2024), there is evidence that a significant number of rural inhabitants remain unaffected by financial inclusion initiatives (Singh, 2022). Moreover, despite the introduction of various schemes by the government, less than two-thirds of households in India have access to banking facilities (Shekar, 2017). This indicates a discrepancy between the intended reach of financial inclusion schemes and their actual impact on the ground.

In summary, while financial inclusion schemes in India have made progress towards providing broader banking services, particularly through digital finance and policy initiatives (Saini & Saha, 2024; Shekar, 2017), challenges such as apathetic implementation, lack of awareness, and inadequate distribution networks limit their success (Singh, 2022). To enhance the applicability of these schemes, there is a need for diversified financial products, improved financial literacy, and the leveraging of technology

to ensure the safety and security of financial instruments (Singh, 2022). Additionally, the promotion of rural tourism has been suggested as a means to provide a stable source of income, which could further stimulate financial inclusion (Singh, 2022). It is imperative that policymakers and stakeholders address these challenges to create a more inclusive financial landscape in India (Barua et al., 2016; Saini & Saha, 2024; Singh, 2022).

III. OBJECTIVES OF THE STUDY

- To study the awareness level of various financial inclusion schemes among respondents.
- To evaluate the accessibility of financial inclusion schemes.
- To identify the factors influencing awareness and accessibility of various financial inclusion schemes.

IV. SCOPE

The present study is based on the sources i.e. primary (data collected from the 40 respondent) and secondary sources such as research paper, articles, RBI reports and bulletins, newspaper articles, IMF published report.

V. HYPOTHESIS

H1- Awareness level of all financial inclusion schemes is equal. It means no significance difference between the awareness level of various schemes.

H2- There is no significant difference of accessibility of financial services.

VI. RESEARCH METHODOLOGY

Table -1 Summary of Research Methodology

Research Activity	Content	Description
Research Type	Descriptive Research (Quantitative Research)	Aim to describe the level of awareness and access to financial services to target groups.
Data Collection	Primary Data	Through Survey Questionnaire
	Secondary Data Through	Research paper, RBI reports and schemes performance
Sampling Design	Convenience Sampling	
	Sample Size	40 respondents

VII. DATA ANALYSIS & INTERPRETATION

In order to study reliability, researcher studied following aspects

Table -2 Reliability Test

N	40
Mean	2.15
Alpha	0.7608

Since alpha value is 0.7608, it shows good reliability.

A commonly-accepted rule of thumb is that an alpha of 0.7 (some say 0.6) indicates acceptable reliability and 0.8 or higher indicates good reliability. Very high reliability (0.95 or higher) is not necessarily desirable, as this indicates that the items may be entirely redundant. These are only guidelines and the actual value of Cronbach's alpha will depend on many things. E.g. as the number of items increases, Cronbach's alpha tends to increase too even without any increase in internal consistency

The goal in designing a reliable instrument is for scores on similar items to be related (internally consistent), but for each to contribute some unique information as well. More interestingly, some of the questions were tested as per the pilot testing. Also, it

is cleared that the questionnaire used found reliable as per the reliability value.

Demographic Information

This paper is based on the opinions collected from the randomly selected 40 respondents distributed between three age groups though 85 per cent of the respondents belong to the age group of 18 to 30 reflecting a comparatively young and working population (Table-3). The paper has ensured the equal representation of the gender to arrive at the scientific assessment of financial inclusion in India (Table-4) moreover Table-5 provides details on the distribution of the respondents according to the geographic area.

Table-3: Age of respondents			Table-4: Gender			Table-5: Region		
Age group	Frq.*	Percent	Gender	Frq.*	Percent	Area	Frq.*	%
18-30	34	85	Female	32	80.00	Rural	32	80
31-45	3	7.5	Male	8	20.00	Semi- Rural	5	12.5
46-50	3	7.5	Total	40	100.0	Urban	3	7.5
Total	40	100.0	*=Frequency			Total	40	100.0

Source: Primary Data

Awareness of Financial Inclusion Schemes

The table represent the awareness level of the 40 respondent regarding various schemes of the

financial inclusion run by Government of India. The data represent the frequency and percentage of the awareness level of individuals in 5 level Likert scale.

Table – 6 Awareness level

Scheme	Aware Frequency	Not Aware Frequency	Total	Awareness in %	Not awareness in %	Total
PMJDY	39	1	40	97.5	2.5	100
PMSBY	18	22	40	45.00	55.00	100
PMJJBY	13	27	40	32.5	67.5	100
PMMY	11	29	40	27.50	72.5	100
APY	9	31	40	22.50	77.50	100
Stand-Up Scheme India	4	36	40	10.00	90.00	100

PMVVY	2	38	40	5.00	95.00	100
PM Street vendor Atmanirbhar Nidhi	2	38	40	5.00	95.00	100

Source: Primary Data

Testing of Hypothesis I

H0- There is no significance difference between the awareness level of various schemes.

H1- There is a significant difference between the awareness level of various schemes.

Considering the data calculated for the awareness level of various scheme the paper uses chi square test for goodness of fit. Table –7 provides a model summary with 5% significance level.

Table – 7 Model Summary

Model	Calculated χ^2 value	Degrees of Freedom (df)	Critical χ^2	P value
Chi Square test	84.86	7	14.07	0.00

Source: Primary Data

$\chi^2 = 84.86 > 14.07 \rightarrow$ **Reject null hypothesis**

Interpretation- There is the highly difference between the awareness level of the various financial inclusion schemes . PMJDY is most popular scheme among the all schemes , while PMVVY and PM Street vendor Atmanirbhar Nidhi schemes are having less awareness.

Assessment of Accessibility of Financial Inclusion

To study the proper access to financial inclusion researcher identify basic parameter such as whether individuals having bank accounts, debit card or insurance policy, as well as whether they received any kind of direct benefits transfer (DBT) from government through their bank accounts.

Table – 8 Accessibility of Financial services

Parameter	Yes	No	Total	Awareness in %	Not awareness in %	Total
Having Bank account	36	4	40	90	10	100
Having Loan	34	6	40	85	15	100
Having Debit card	33	7	40	82.5	17.5	100
Having insurance policy	26	14	40	65	35	100
DBT transfer in bank account	7	33	40	17.5	82.5	100

Source: Primary Data

This data reveals the strong financial inclusion among the respondent with percent of respondents is having a bank accounts and 82.5 percent owning a debit card. On the other hand only 65 percent respondents is having an insurance policy and just 17.5 percent is receiving any kind of DBT benefits.

Testing of Hypothesis II

H0 - There is no significant difference of accessibility of financial services.

H1- There is a significant difference of accessibility of financial services.

Table – 9 Model Summary

Model	Calculated χ^2 value	Degrees of Freedom (df)	Critical χ^2	P value
Chi Square test	20.84	4	9.488	.00023

Source: Primary Data

$\chi^2 = 20.84 > 9.488 \rightarrow$ **Reject null hypothesis**

Interpretation-

To assess the accessibility of financial inclusion scheme on different parameter chi square test of goodness of fit implied. In this present study the calculated value is higher than table value that means we should reject the null hypothesis. Accessibility of having bank account is having higher percentage and DBT transfer is having lower accessibility.

VII. SUMMARY OF FINDING AND CONCLUSION

The brief summary of the findings of the researches have been provided in this based on the analysis of the data.

- 90 percent respondents have their own bank accounts. This is reflecting the first positive indicator of financial inclusion.
- Having a loan from any financial institution is good sign of financial inclusion.
- Respondents are not having insurance policy suggesting that despite the availability of affordable insurance schemes, there is a lack of awareness regarding their benefits and the financial security they provide.
- Awareness level of the Jan dhan yojana India' flagship scheme of high but most of financial inclusion schemes is unaware by respondents

On the concluding part, Government of India is having various schemes for financial inclusion but is it not going down to the every part of the society.

Proper financial literacy programs is needed for the spreading awareness is required.

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