

## Financial inclusion of rural population in Karnataka

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### Abstract

Vijayapura Taluka is declared as industrially and economically Backward Taluk in Karnataka. Even today, the rural population of majority of villages does not have access to basic amenities such as potable drinking water, toilets, and transportation. Financial Inclusion is also a nightmare in many villages. The banks and Community-based Models failed to bring the rural population of many villages under the umbrella of financial inclusion. Policymakers have realized that financial inclusion is an important tool for inclusive growth and sustainable poverty reduction. Therefore, Govt. of India has launched various schemes for financial inclusions. The Bank Mitras and Non-Governmental Organizations (NGOs) are also working hard to reach unbanked people. The Banks and NGOs are conducting awareness programmes about financial inclusion. Despite rapid and diverse growth in the financial sector over the last 5 years, access to financial services and products was limited in many villages of Vijayapura Taluka. In the backdrop of this, a study has been conducted by the researcher to investigate the level of awareness about financial inclusion among the population of select villages of Vijayapura Taluka, to assess the current status of financial inclusion in rural areas and to assess the impact of financial inclusion on the rural population. Four villages of Vijayapura Taluk were selected, 2 villages which are located within the radius of 7kms and 2 villages which are located within the radius of 21kms from Vijayapura city were selected for the purpose of study. 5 percent of the population of each sample village were randomly selected as the sample population for the study. Face to face interviews were conducted by using an interview schedule. The primary data so collected was analysed by using the Percentage method. The study revealed that 31 percent of the sample population is aware of financial inclusion. The awareness level about financial inclusion is high among the rural population of villages which are located within the radius of 6kms from Vijayapura city compared to villages which are located at a radius of 20kms. The researcher is of the view that the awareness camp should be conducted during health check-up camps and weekly rural markets. It is suggested to launch customised products and services keeping in mind the requirements of the rural population. It is also recommended to link the financial inclusion programme with food for work, cash transfers, loan waiver, ration subsidies, etc. The poor financial infrastructure is considered as a bottleneck in executing the financial inclusion programme in rural areas. As mobile technology is expected to play a gigantic role in financial inclusion, the banks should explore this option to reach the rural population. If implemented, the above suggestions with

true spirit, it is expected to benefit the rural economy which in turn may play vital role in poverty alleviation and preventing migration.

#### **KEY WORDS**

*Financial Inclusion, Rural Population, Pradhan Mantri Jan-Dhan Yojana (PMJDY), Jan-Dhan Account, Villages.*

#### **INTRODUCTION**

Financial Inclusion is an important policy of Govt. of India for quite some time. Financial inclusion is the delivery of financial products and services at reasonable price to low income population. The financial inclusion has become talk of the day after launching of new scheme Pradhan Mantri Jan Dhan Yojana (PMJDY) in 2014. This scheme aims to ensure access to financial services, namely, Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner. Under this scheme, Account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet with zero balance. The scheme is primarily aimed at the poorer sections who are unable to have access to the banking system. The accounts opened under this scheme will not become dormant even if deposits are not made into it. In 2019, around 36.25 crore accounts were opened under the scheme which decreased to 25.72 crore in 2020 due to covid-19 pandemic. 5 years after the launch of the scheme, there were 4.99 crore or 14 per cent accounts which still have zero balance in them. This number is expected to increase in 2020 due to Covid-19 pandemic. Some of the key features of the PMJDY Scheme include : i) Interest on deposit, ii) Accidental insurance cover of Rs. 2 lakhs, iii) No minimum balance required, iv) The scheme provides life cover of Rs. 30,000/- payable on death of the beneficiary, iv) Easy Transfer of money across India, v) Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts, vi) an overdraft facility upto 10,000/-, vii) Access to Pension, insurance products.

Vijayapura Taluka of Karnataka is declared as industrially and economically backward taluka in Karnataka. Even today, the rural population of majority of villages does not have access to basic amenities such as potable drinking water, toilets, and transportation. Financial Inclusion is also a nightmare in many villages. The banks and Community-based Models failed to bring the rural population of many villages under the umbrella of financial inclusion. Policymakers have realized that financial inclusion is an important tool for inclusive growth and sustainable poverty reduction. Therefore, Govt. of India has launched various schemes for financial inclusions. The Bank Mitras and Non-Governmental Organizations (NGOs) are also working hard to reach unbanked people. The Banks and NGOs are conducting awareness programmes about financial inclusion. Despite rapid and diverse growth in the financial sector over the last 5 years, access to financial services and products was limited in many villages of Vijayapura Taluka. In the backdrop of this, a study has been conducted by the researcher to investigate the level of awareness about financial inclusion among the population of select villages of Vijayapura Taluka, to assess the current status of financial inclusion in rural areas and to assess the impact of financial inclusion on the rural population.

#### **OBJECTIVES OF THE STUDY**

- 1) To assess the current status of financial inclusion in rural areas
- 2) To investigate the level of awareness about financial inclusion among the rural population
- 3) To investigate the extent of financial inclusion of the rural population
- 4) To offer policy recommendations for financial inclusion of the rural population.

## LITERATURE REVIEW

Beck (2007) and Satya R. Chakravarty and Rupayan Pal (2010) used geographical bank branches and ATM penetrations to measure financial inclusion. Vikram Joshi (2014) in his research paper analyzed the awareness and penetration of various financial services offered by banks. It was observed that financial products like current account, demand loan, direct debit facility, credit card and mobile banking is low. Lack of cooperation, improper guidance, and lack of transparency are the main reasons for low level of awareness. According to Pradnya P. Meshram and Abhijeet Randad(2015) the awareness level about financial inclusion is very low. He is of the view that merely opening bank account is not sufficient as it will not meet the objective of financial inclusion. The common man should have confidence and must use the financial services and these financial services should be made available at their doorstep. According to Shah, P., & Dubhashi, M. (2015) rural population is not having access e-banking devices such as ATMs, Mobile ATMs, etc and even ATMs are set up in rural areas. This has led to limited access of financial products and service in rural areas. According to Sethy Susanta Kumar (2016) there is a high financial inclusion of demand side whereas there is there is a low financial inclusion of supply side. He has suggested for adopting Financial Inclusion Index to measure the extent of financial inclusion. He has recommended that GOI and RBI should adopt adequate policy measures to improve supply side dimension of financial inclusion. Poonam and Archana Chaudhry (2016) have developed a composite index for measurement of financial inclusion. It is evident from literature review that limited attempt has been made by researcher to find out awareness level about financial inclusion and financial products and services offered under the umbrella of financial inclusion. This has motivated researchers to take up present study.

## RESEARCH METHODOLOGY

The present study was intended to assess the level of financial inclusion among the rural people of select villages of Vijayapura Taluka and also to study their awareness level about financial inclusion, financial products and services offered by the bank. Four villages of Vijayapura Taluk were selected, 2 villages within the radius of 7kms and 2 villages within the radius of 21kms from Vijayapura city were selected for the purpose of study. 5 percent of population of each sample village were randomly selected as sample population for the study. Face to face interview was conducted by using interview schedule. The primary data so collected was analysed by using rating scale, Percentage & Mean Score method.

<b>Name of Village</b>	<b>Total Population</b>	<b>Sample Population (5% of Population)</b>
Nagathan	8,549	427
Utnal	3,497	175
Toravi	5,682	284
Ainapur	4,793	240

Source: Census 2011

## ANALYSIS & DISCUSSION

### Socio-Economic Status of the Respondents

TABLE – 1  
SOCIO – ECONOMIC PROFILE OF THE RESPONDENTS

Socio-Economic Factors		No. Of Respondents									
		Nagathan		Utnal		Toravi		Ainapur		All Villages	
		Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%
Age	Below 25	19	4.4	09	5.1	11	3.9	13	5.4	52	4.6
	26-35	37	8.7	26	14.9	29	10.2	09	3.8	101	9.0
	36-45	98	23	53	30.3	55	19.4	64	26.7	270	24.0
	46-50	202	47.3	70	40	173	60.9	133	55.4	578	51.3
	Above 50	71	16.6	17	9.7	16	5.6	21	8.7	125	11.1
Gender	Male	391	91.6	128	73.1	225	79.2	197	82.1	941	83.4
	Female	36	8.4	47	26.9	59	20.8	43	17.1	185	16.4
Education	Illiterate	133	31.1	92	52.6	239	84.2	174	72.5	638	56.7
	Primary	224	52.5	58	33.1	33	11.6	51	21.3	366	32.5
	High School	59	13.8	17	9.7	12	4.2	10	4.2	98	8.7
	PUC	11	2.6	08	4.6	-	-	05	2.1	24	2.1
	Graduate	-	-	-	-	-	-	-	-	-	-
	PG	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-
Type of Occupation	Petty Business	29	6.8	17	9.7	38	13.4	14	5.8	98	8.7
	PMJRY	203	47.5	66	37.7	21	7.4	65	27.1	355	31.5
	Labour	195	45.7	92	52.6	225	79.2	161	67.1	673	59.8
	Job	-	-	-	-	-	-	-	-	-	-
Family Monthly Income	Below Rs.1000	-	-	-	-	-	-	-	-	-	-
	Rs.1000 to 2000	272	63.7	111	63.4	205	72.2	210	87.5	798	70.9
	Rs.2001-3000	225	52.7	64	36.6	79	27.8	30	12.5	328	29.1
	Rs.3001-4000	-	-	-	-	-	-	-	-	-	-

Source: Field work

The purpose of financial inclusion is delivery of banking services at an affordable price in a fair and transparent manner to the needy people of the society. The table-1 reveals that 51 percent of respondents interviewed were in the age group of 46-50 years. Male accounts for 83 percent of the respondents' surveyed. 57 percent of respondents are illiterate. 60 percent of respondents were working as labours. A majority of the *respondents* (71 per cent) earn a *monthly income* of Rs. 1001-2000.

**TABLE-2: SOURCE OF INFORMATION ABOUT OF JAN-DHAN ACCOUNT**

	Nagathan	Utnal	Toravi	Ainapur	Total
Media	311	122	219	186	838
SHG	116	53	65	54	288
Bank Mitra	-	-	-	-	-
Village Accountant	-	-	-	-	-

Source: field work

The table-2 reveals that Media has played a vital role in creating awareness about Jan-Dhan Account among rural mass and motivating them to open bank accounts bank. The table also reveals that Bank Mitra and Village Accountants' have not played the role which was expected from them. The Self-Help Groups have played a minimal role in creating awareness about Jan-Dhan accounts.

#### **AWARENESS LEVEL ABOUT FINANCIAL PRODUCTS & SERVICES**

**TABLE-3: AWARENESS LEVEL OF THE RESPONDENTS OF NAGATHAN VILLAGE ABOUT FINANCIAL PRODUCTS AND SERVICES OFFERED BY BANKS**

Variable	Unaware-1	Low Awareness-2	Moderately Aware-3	Fully Aware-4	Mean Score
Pradhan Mantri Jan-Dhan Yojana	14	89	103	221	3.24
Pass Book & Cheque Facility	212	194	09	12	1.60
Accidental Insurance Coverage	427	-	-	-	1.00
Direct Cash Benefit Transfer	73	146	51	157	2.68
Overdraft Facility	427	-	-	-	1.00
Loan Facility	409	18	-	-	1.04
Rupay Card	382	45	-	-	1.11
Pension Benefit	427	-	-	-	1.00

Source: Field work

**TABLE-4: AWARENESS LEVEL OF THE RESPONDENTS OF UTNAL VILLAGE ABOUT FINANCIAL PRODUCTS AND SERVICES OFFERED BY BANKS**

Variable	Unaware-1	Low Awareness-2	Moderately Aware-3	Fully Aware-4	Mean Score
Pradhan Mantri Jan-Dhan Yojana	28	31	55	62	2.87
Pass Book & Cheque Facility	146	29	-	-	1.17
Accidental Insurance Coverage	175	-	-	-	1.00
Direct Cash Benefit Transfer	56	47	39	33	2.28
Overdraft Facility	175	-	-	-	1.00
Loan Facility	153	22	-	-	1.13
Rupay Card	161	14	-	-	1.08
Pension Benefit	175	-	-	-	1.00

Source: Field work

**TABLE-5: AWARENESS LEVEL OF THE RESPONDENTS OF TORAVI VILLAGE ABOUT FINANCIAL PRODUCTS AND SERVICES OFFERED BY BANKS**

Variable	Unaware-1	Low Awareness-2	Moderately Aware-3	Fully Aware-4	Mean Score
Pradhan Mantri Jan-Dhan Yojana	14	27	59	184	3.45
Pass Book & Cheque Facility	165	109	-	-	1.35
Accidental Insurance Coverage	284	-	-	-	1.00
Direct Cash Benefit Transfer	48	36	29	171	3.14
Overdraft Facility	267	17	-	-	1.06
Loan Facility	243	41	-	-	1.14
Rupay Card	207	77	-	-	1.27
Pension Benefit	284	-	-	-	1.00

Source: Field work

**TABLE-6: AWARENESS LEVEL OF THE RESPONDENTS OF AINAPUR VILLAGE ABOUT FINANCIAL PRODUCTS AND SERVICES OFFERED BY BANKS**

Variable	Unaware-1	Low Awareness-2	Moderately Aware-3	Fully Aware-4	Mean Score
Pradhan Mantri Jan-Dhan Yojana	59	34	72	75	2.72
Pass Book & Cheque Facility	193	47	-	-	1.20
Accidental Insurance Coverage	240	-	-	-	1.00
Direct Cash Benefit Transfer	61	79	88	12	2.21
Overdraft Facility	240	-	-	-	1.00
Loan Facility	216	24	-	-	1.10
Rupay Card	199	41	-	-	1.17
Pension Benefit	240	-	-	-	1.00

Source: Field work

The table-3 to table-6 reveals that the awareness level about Pradhan Mantri Jan-Dhan Yojana followed by Direct Cash Benefit Transfer is high among the Respondents of Nagathan, Utnal, Toravi and Ainapur Villages. The awareness level about pass book and Cheque book Facility, loan facility and Rupay Card is low among the respondents of Nagathan, Utnal, Toravi and Ainapur Villages. The respondents of Nagathan, Utnal, Toravi and Ainapur Villages are unaware of provision of Accidental Insurance policy, overdraft facility, and pension benefits.

## **EXTENT OF FINANCIAL INCLUSION**

A village can be defined as Financially Inclusive Village if the following facilities are offered to villagers : i) opening up of Bank Branches, ii) starting Bank ATMs, iii) Opening of Jan-Dhan Account by all eligible villagers, iv) Regular Operation of Jan-Dhan Account by villagers, v) Issue of Repay Card to accountholders, vi) Loan is sanctioned through Jan-Dhan A/c to deserving applicants, vii) Overdraft facility is offered to Jan-Dhan Accountholders, viii) Issue of Accidental Insurance Policies to villagers, ix) Issue of Cheque Book to applicants, x) Issue of Passbook on demand basis, xi) Improved Financial Knowledge among villagers, xii) provision of Mobile ATM Facility, and xiii) improved Confidence among villagers to manage Financial Crisis. The extent of financial inclusion was presented in table-7 to table-10. It is evident from the table-7 to table-10 that the extent of financial inclusion of sample villages with respect to i) location of Bank ATMs, ii) sanction of Loan to Jan-Dhan accountholders, iii) Overdraft facility to Jan-Dhan Accountholders, iv) coverage of villagers through Accidental Insurance Policy, v) Issue of Cheque Book to applicants, and vi) Mobile ATM Facility in villages is zero. To some extent banks have issued passbook to the Jan-Dhan accountholders of sample villages. But simply holding passbook can't be termed as financial inclusion. The table also reveals that there was small improvement in confidence level of Jan-Dhan accountholders with respect to managing financial crisis. Few of the Jan-Dhan accountholders of Nagathan, Utnal and Toravi Villages have been issued with Rupay Cards. There is small improvement in financial knowledge of Jan-Dhan accountholders of all sample villages. The Jan-Dhan accountholders of Nagathan, Utnal and Toravi Villages are operating their accounts on regular basis. Majority of people of Utnal and Toravi Villages have opened Jan-Dhan Accounts compared to Nagathan and Ainapur Villages. Banks have opened in their branches in Nagathan, Utnal and Toravi Villages. None of the banks have set up their branch in Ainapur village. It can be concluded from above discussion that the sample villages have not yet become the Financially Inclusive Villages.

**TABLE-7: EXTENT OF FINANCIAL INCLUSION OF RESPONDENTS OF NAGATHAN VILLAGE**

Variable	Not at All	Low/ Less	Average	High/ Large	Very High/Large	Mean Score
Bank Branches in Villages	-	427	-	-	-	2.00
Bank ATMs in Villages	427	-	-	-	-	1.00
Opening of Jan-Dhan Account	91	-	336	-	-	1.79
Operation of Jan-Dhan Account	92	121	214	-	-	2.48
Issue of Rupay Card	418	09	-	-	-	1.02
Loan sanctioned through Jan-Dhan A/c	427	-	-	-	-	1.00
Overdraft facility through Jan-Dhan A/c	427	-	-	-	-	1.00
Provision of Accidental Insurance Policy	427	-	-	-	-	1.00
Issue of Cheque Book	427	-	-	-	-	1.00
Issue of Passbook	401	-	26	-	-	1.12
Improved Financial Knowledge	104	323	-	-	-	1.57
Mobile ATM Facility	427	-	-	-	-	1.00
Confidence to manage Financial Crisis	277	150	-	-	-	1.35

Source: Field work

**TABLE-8: EXTENT OF FINANCIAL INCLUSION OF RESPONDENTS OF UTNAL VILLAGE**

Variable	Not at All	Low/ Less	Average	High/ Large	Very High/Large	Mean Score
Bank Branches in Villages	-	175	-	-	-	2.00
Bank ATMs in Villages	175	-	-	-	-	1.00
Opening of Jan-Dhan Account	39	-	136	-	-	2.55
Operation of Jan-Dhan Account	52	121	02	-	-	1.71
Issue of Rupay Card	167	08	-	-	-	1.05
Loan sanctioned through Jan-Dhan A/c	175	-	-	-	-	1.00
Overdraft facility through Jan-Dhan A/c	175	-	-	-	-	1.00
Provision of Accidental Insurance Policy	175	-	-	-	-	1.00
Issue of Cheque Book	175	-	-	-	-	1.00
Issue of Passbook	146	-	29	-	-	1.33
Improved Financial Knowledge	101	74	-	-	-	1.42
Mobile ATM Facility	175	-	-	-	-	1.00
Confidence to manage Financial Crisis	154	21	-	-	-	1.12

Source: Field work



**TABLE-9: EXTENT OF FINANCIAL INCLUSION OF RESPONDENTS OF TORAVI VILLAGE**

Variable	Not at All	Low/ Less	Average	High/ Large	Very High/Large	Mean Score
Bank Branches in Villages	-	284	-	-	-	2.00
Bank ATMs in Villages	284	-	-	-	-	1.00
Opening of Jan-Dhan Account	61	-	223	-	-	2.57
Operation of Jan-Dhan Account	28	127	129	-	-	2.36
Issue of Rupay Card	277	05	-	-	-	1.01
Loan sanctioned through Jan-Dhan A/c	284	-	-	-	-	1.00
Overdraft facility through Jan-Dhan A/c	284	-	-	-	-	1.00
Provision of Accidental Insurance Policy	284	-	-	-	-	1.00
Issue of Cheque Book	284	-	-	-	-	1.00
Issue of Passbook	217	-	67	-	-	1.24
Improved Financial Knowledge	209	75	-	-	-	1.26
Mobile ATM Facility	284	-	-	-	-	1.00
Confidence to manage Financial Crisis	241	43	-	-	-	1.51

Source: Field work

**TABLE-10: EXTENT OF FINANCIAL INCLUSION OF RESPONDENTS OF AINAPUR VILLAGE**

Variable	Not at All	Low/ Less	Average	High/ Large	Very High/Large	Mean Score
Bank Branches in Villages	240	-	-	-	-	1.00
Bank ATMs in Villages	240	-	-	-	-	1.00
Opening of Jan-Dhan Account	209	-	31	-	-	1.26
Operation of Jan-Dhan Account	223	17	-	-	-	1.07
Issue of Rupay Card	240	-	-	-	-	1.00
Loan sanctioned through Jan-Dhan A/c	240	-	-	-	-	1.00
Overdraft facility through Jan-Dhan A/c	240	-	-	-	-	1.00
Provision of Accidental Insurance Policy	240	-	-	-	-	1.00
Issue of Cheque Book	240	-	-	-	-	1.00
Issue of Passbook	225	-	15	-	-	1.06
Improved Financial Knowledge	231	09	-	-	-	1.04
Mobile ATM Facility	240	-	-	-	-	1.00
Confidence to manage Financial Crisis	233	07	-	-	-	1.03

Source: Field work

**TABLE-11: SOCIO-ECONOMIC IMPACT OF FINANCIAL INCLUSION ON RESPONDENTS OF NAGATHAN VILLAGE**

<b>Variable</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Mean Score</b>
Easy Access to Credit	314	113	-	-	1.26
Social Security through Insurance Policy	427	-	-	-	1.00
Increase in Savings	-	207	220	-	2.52
More Financial Independency	171	232	24	-	1.66
Access to Overdraft Facility	427	-	-	-	1.00
Became Financial Literate	137	214	76	-	1.86
Improvement in Standard of Living	112	99	216	-	2.07
No/Low Dependency on Moneylenders	38	217	172	-	2.31
Increase in Social Status	206	121	100	-	1.75
More Access to Healthcare Services	131	183	113	-	1.96
Free from torture of Moneylenders	26	201	200	-	2.41
Freedom from corrupt practices	87	225	115	-	2.07
Insurance coverage against Livestock Loss	427	-	-	-	1.00
Insurance coverage against Crop Loss	427	-	-	-	1.00
Improvise Credit Score	239	174	14	-	1.47
Free from Debt ridden	178	247	02	-	1.12
Less pressure on pledging of assets for loan	132	251	44	-	1.79
Improved Earning Capacity	176	123	128	-	1.65
Improvement in dwelling conditions	92	36	231	68	2.64
Able to create new assets –gold, land, etc	119	264	44	-	1.82
Pension during old age	427	-	-	-	1.00

Source: Field work

**TABLE-12: SOCIO-ECONOMIC IMPACT OF FINANCIAL INCLUSION IN UTNAL VILLAGE**

Variable	Strongly Disagree	Disagree	Agree	Strongly Agree	Mean Score
Easy Access to Credit	155	20	-	-	1.11
Social Security through Insurance Policy	175	-	-	-	1.00
Increase in Savings	69	83	23		1.79
More Financial Independency	104	71	-	-	1.41
Access to Overdraft Facility	175	-	-	-	1.00
Became Financial Literate	133	42	-	-	1.24
Improvement in Standard of Living	78	63	34	-	1.75
No/Low Dependency on Moneylenders	118	57	-	-	1.33
Increase in Social Status	134	41	-	-	1.23
Improved Access to Healthcare Services	121	23	31	-	1.49
Free from torture of Moneylenders	19	156	-	-	1.32
Freedom from corrupt practices	27	135	13	-	1.92
Insurance coverage against Livestock Loss	175	-	-	-	1.00
Insurance coverage against Crop Loss	175	-	-	-	1.00
Improvise Credit Score	142	33	-	-	1.89
Free from Debt ridden	175	-	-	-	1.00
Less pressure on pledging of assets for loan	175	-	-	-	1.00
Improved Earning Capacity	175	-	-	-	1.00
Improvement in dwelling conditions	79	66	30	-	1.72
Able to create new assets –gold, land, etc	175	-	-	-	1.00
Pension during old age	175	-	-	-	1.00

Source: Field work

**TABLE-13: SOCIO-ECONOMIC IMPACT OF FINANCIAL INCLUSION IN OF TORAVI VILLAGE**

Variable	Strongly Disagree	Disagree	Agree	Strongly Agree	Mean Score
Easy Access to Credit	115	133	36	-	1.72
Social Security through Insurance Policy	284	-	-	-	1.00
Increase in Savings	202	61	21	-	1.36
More Financial Independency	109	143	32	-	1.73
Access to Overdraft Facility	284	-	-	-	1.00
Became Financial Literate	87	191	6	-	1.71
Improvement in Standard of Living	-	227	57	-	2.00
No/Low Dependency on Moneylenders	46	198	40	-	1.98
Increase in Social Status	-	259	25	-	2.09
Improvised Access to Healthcare Services	13	202	69	-	2.20
Free from torture of Middlemen	-	185	99	-	2.35
Freedom from corrupt practices	168	104	12	-	1.45
Insurance coverage against Livestock Loss	284	-	-	-	1.00
Insurance coverage against Crop Loss	284	-	-	-	1.00
Improvised Credit Score	106	171	7	-	1.65
Free from Debt ridden	217	67	-	-	1.24
Less pressure on pledging of assets for loan	247	-	-	-	1.00
Improved Earning Capacity	173	94	17	-	1.45
Improvement in dwelling conditions	18	199	67	-	2.17
Able to create new assets –gold, land, etc	284	-	-	-	1.00
Pension during old age	284	-	-	-	1.00

**TABLE-14: SOCIO-ECONOMIC IMPACT OF FINANCIAL INCLUSION ON RESPONDENTS OF AINAPUR VILLAGE**

Variable	Strongly Disagree	Disagree	Agree	Strongly Agree	Mean Score
Easy Access to Credit	63	177	-	-	1.74
Social Security through Insurance Policy	240	-	-	-	1.00
Increase in Savings	97	123	20	-	1.68
More Financial Independency	105	128	7	-	1.59
Access to Overdraft Facility	240	-	-	-	1.00
Became Financial Literate	157	83	-	-	1.35
Improvement in Standard of Living	76	145	19	-	1.76
No/Low Dependency on Moneylenders	166	74	-	-	1.31
Increase in Social Status	145	81	14	-	1.45
Improvise Access to Healthcare Services	33	156	51	-	2.08
Free from torture of Middlemen	122	101	17	-	1.56
Freedom from corrupt practices	139	88	13	-	1.48
Insurance coverage against Livestock Loss	240	-	-	-	1.00
Insurance coverage against Crop Loss	240	-	-	-	1.00
Improvise Credit Score	101	136	03	-	1.59
Free from Debt ridden	128	101	11	-	1.51
Less pressure on pledging of assets for loan	240	-	-	-	1.00
Improved Earning Capacity	129	108	03	-	1.48
Improvement in dwelling conditions	74	112	54	-	1.92
Able to create new assets –gold, land, etc	240	-	-	-	1.00
Pension during old age	240	-	-	-	1.00

Source: Field work

It is evident from table-11 to table -14 that none of the Jan-Dhan accountholders of sample villages have been : i) covered by accidental insurance policy, ii) provided overdraft facility, iii) insurance coverage is offered against livestock loss and crop loss, and iv) provided with old age pension. Financial inclusion did not help the Jan-Dhan accountholders of sample villages except Nagathan village to create new assets such as gold, land, live stock, etc. Even today, the Jan-Dhan accountholders of sample villages except Nagathan are under the pressure of pledging of their assets while obtaining loan. The Jan-Dhan accountholders of sample villages have reported that there was a small improvement in their socio-economic conditions with respect to: i) Access to Credit, ii) Financial Independency, iii) Financial Literacy level, iv) Credit Score, v) Freedom from Debt ridden, and vi) Earning Capacity. The Jan-Dhan accountholders of Nagathan and Utal villages have reported that there was a greater improvement in their savings. The Jan-Dhan accountholders of Nagathan and Utal villages have reported that their dependency on moneylenders has come down to greater extent. However, the Jan-Dhan accountholders of Toravi and Ainapur Villages have reported that their dependency on moneylenders has come down to smaller extent. The Jan-Dhan accountholders of Toravi and Ainapur villages have reported that there was a small improvement in their savings. There is varied improvement in socio-economic condition (ranging from greater to smaller improvement) of Jan-Dhan accountholders of sample villages with respect to following parameters: i) Standard of Living, ii) Access to Healthcare Services, iii) Free from torture of Moneylenders, iv) Freedom from corrupt practices, v) dwelling conditions

## **FINDINGS**

- 1) Media has played a vital role in creating awareness about Jan-Dhan Account among respondents of Nagathan, Utal, Toravi and Ainapur Villages.
- 2) The role of Self-Help Groups have played insignificant role in creating awareness about Jan-Dhan account among respondents of Nagathan, Utal, Toravi and Ainapur Villages.
- 3) The awareness level about Pradhan Mantri Jan-Dhan Yojana followed by Direct Cash Benefit Transfer is high among the Respondents of Nagathan, Utal, Toravi and Ainapur Villages.
- 4) The respondents of Nagathan, Utal, Toravi and Ainapur Villages are unaware of provision of Accidental Insurance policy, overdraft facility, and pension benefits.
- 5) The extent of financial inclusion of sample villages with respect to : i) location of Bank ATMs, ii) sanction of Loan to Jan-Dhan accountholders, iii) Overdraft facility to Jan-Dhan Accountholders, iv) coverage of villagers through Accidental Insurance Policy, v) Issue of Cheque Book to applicants, and vi) Mobile ATM Facility in sample villages is zero.
- 6) There was small improvement in confidence level of Jan-Dhan accountholders with respect to managing financial crisis.
- 7) There is small improvement in financial knowledge of Jan-Dhan accountholders of all sample villages.
- 8) The Jan-Dhan accountholders of Nagathan, Utal and Toravi Villages are operating their accounts on regular basis.
- 9) None of the Jan-Dhan accountholders of sample villages have been : i) covered by accidental insurance policy, ii) provided overdraft facility, iii) insurance coverage is offered against livestock loss and crop loss, and iv) provided with old age pension.
- 10) Financial inclusion did not help the Jan-Dhan accountholders of sample villages except Nagathan village to create new assets such as gold, land, live stock, etc.

## **SUGGESTIONS**

- 1) The respondents of Nagathan, Utal, Toravi and Ainapur Villages are unaware of provision of Accidental Insurance policy, overdraft facility, and pension benefits, etc. It is suggested that financial literacy camp should be organised in villages to educate Jan-Dhan accountholders.
- 2) It is suggested that the Jan-Dhan Accounts should be linked with Aadhaar Card.
- 3) The Neemdi Kendra located in villages should be restructured to enable them to offer banking services & Products to accountholders at cost effective manner as it can prove to win-win model for all stakeholders.
- 4) It is recommended that Banking on Wheels should be introduced in villages.
- 5) Majority of accountholders have opened Jan-Dhan account to avail credit facility. But, banks have denied credit facility to Jan-Dhan accountholders. Therefore, it is recommended that banks offer credit facility to Jan-Dhan accountholders in hassle free manner.
- 6) It is also suggested to offer customised products keeping in mind the requirements of villagers.

7) It is recommended that the financial inclusion programme should be linked with food safety net programme such as food for work, cash transfers and food subsidies which in turn expected to generate good response for the Jan-Dhan Account.

8) Bank Mitra concept was introduced for promotion of Jan-Dhan account. But, it is observed that Bank Mitra is not playing the role expected from them. It is suggested that the financial inclusion awareness camp should be tagged with government social and health promotional events such as health check up camp, farmers' camp. Awareness camp should be organised during weekly markets.

### **CONCLUDING REMARKS**

Pradhan Mantri Jan-Dhan Yojana (PMJDY) was a grand successful scheme in terms of opening large number of bank accounts by people of India, but the major limitation of this scheme is that large number of inoperative accounts and non-availability of credit. Financial inclusion is not just about opening accounts, but also about operating these accounts on regular basis by account holders and ensuring access to credit. Even today, the villagers are under the mercy of moneylenders for their credit requirements. None of the sample villages have become Financially Inclusive Villages. The researcher believes that financial inclusive growth of rural mass can be ensured if the above recommendations are implemented with true spirit and zeal. All the financial inclusion benefits should be made available to villagers without any price tag and on a par footing basis. It is necessary to create an environment and system for financially inclusive growth of villagers. Such environment and system should be flexible in the form of policies, procedures, and practices to ensure equity and access of villagers to social and economical benefits /schemes launched by governments. Every citizen of India has a responsibility to do their utmost contribution to ensure inclusive growth of villagers.

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