Role of Government Schemes in Financial Inclusion: An Empirical Study with Special Reference to Women

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Abstract- This analysis is going to let us know how access to financial services is a way to provide affordable financial services to the poor in the society. The World bank enumerates financial inclusion as :"the ability of individuals to get the opportunity to apply handy as well as low-cost monetary products and services that mild on with their wishes and such needs to be conveyed in an organised and imperishable manner, including transactions related to trading, payments, savings, credit and insurance, do. According to this study, we have come to know women's financial viability and financial literacy are among the key indicators influencing women's decisions. Therefore, the foremost objective of this paper is to assess the policies and schemes followed through government beneath financial inclusion regime and discuss various implications of government policies that promote financial inclusion in respect to women. Government of India has carried out numerous initiatives to empower women through these initiatives and policies. With this article we are also going to share the reason and explore facts that inform us with several strategies to close the gender gap in access to financial inclusion; a key element of this approach to economically empower women by improving the lives and livelihoods of innumerable women's on every side the world. Sample of 240 women were considered for the study survey to know the role and impact of different government schemes in financial inclusion and concludes that Rashtriya Mahila Kosh mortgage Scheme, Pradhan Mantri MUDRA Yojana (PMMY), Mahila Shakti Kendra Initiative, Pradhan Mantri Mahila Shashaktikaran Yojana (PMMSY), Stand Up India (SUPI), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and STEP (Support to Training and Employment Program for Women) are some of the government schemes that has significant on women financial inclusion.

Key Words: Financial, Affordable, Inclusion, Empower, Responsible.

INTRODUCTION

Financial inclusion is referred as an essential component of inclusive growth. Greater financial inclusion benefits all individuals and households, and a well functioning financial system benefits every country as a whole (Aduda & Kalunda, 2012). Therefore, it can be explained owing to the fact that it is the procedure towards allowing access to financial services and timely credit at an appropriate cost to various helpless groups, similar to the vulnerable and low-income category people, when they need it. Financial inclusion across the country will allow everyone with general access toward a comprehensive variety of monetary services at a broadly rational cost (Fernández-Olit, et.al, 2020). This may comprise banking products as well as additional financial services which are as insurance and stocks. Its introduction also reduces ill treatment of the vulnerable by lenders through facilitating access to public credit. The goals of these schemes is towards providing access to financial services at affordable prices, expand and deepen financial outreach as well as also helps to encourage financial literacy and consumer protection (Cohen & Nelson, 2011). Increasing access to these services is more and more acknowledged as a leading factors affecting performance of economic growth and towards reducing inadequacy worldwide. Apart from appropriate approach to distinctive conventional economic offerings, individuals and companies are forced to depend on their personal constrained resources or on steeply-priced informal sources of funding to satisfy their financial needs, and take a grip on growth possibilities. In this study have a look at, we've got understood that there may be developing evidence that its creation has a multiplier effect, growing all inclusive output and lowering poverty and earnings inequality at the country stage. On the micro degree, more monetary inclusion can contribute to sustainable and inclusive financial and social growth for all. Whilst, awesome efforts are being made to boom financial inclusion in numerous international locations, however extra decisions to be carried out to make certain suitable access and use of monetary services. This is expected to unlock huge untapped potential at the deep down of every government's profit-making pyramid. Perhaps financial inclusion can definitely kick off the next revolution in growth and prosperity. However, we see significant momentum towards gender equality, with 193 countries delivering on 4,444 commitments to end gender inequality with the aid of 2030 through the sustainable improvement desires. Financial inclusion will have a transformative impact on women. When women are actively involved within the financial gadget, they could higher control danger and smooth intake inside the face of shocks or finance family costs along with education. The challenge has received a lot of participation from professional organisations around the world, and has created a portfolio of projects with partners, including government schemes focused on women's financial inclusion (Hendriks, 2019). This paper highlights the role of formal financial inclusion among women and what can be done to change existing approaches to meet the needs of the last mile population. In an ambitious initiative in response to the commission's report, the Reserve Bank of India sought to address financial literacy challenges and reduce the stigma of financial marginalization. By the year 2021, several G20 countries such as Australia, Canada, France, Japan and the United Kingdom have achieved nearly 100% financial inclusion for women on specific dimensions, such as account ownership and debit/ credit card use (Morsy, 2020). With India entering the troika in 2021 and taking over the G20 Presidency in 2023, India must focus on both the benefits and challenges related to women financial inclusion and MSMEs. International development institutions such as the World Bank have also performed a crucial function in bringing monetary inclusion to India with the aid of funding several initiatives/ programmes consisting of Aajeevika- National Rural Livelihoods Mission (NRLM) and promoting excellence in the field. To some extent, existing laws and initiatives attempt to encourage financial inclusion by overcoming cultural and other barriers that promote the exclusion of women, tailoring product features and strengthening delivery channels. Overall, financial institutions have gone a step further and are providing a win-win response by better tailoring their products and services to the needs of women. At the end, we will come to know women's financial inclusion is particularly important for gender equality and for their economic empowerment.

LITERATURE OF REVIEW

Financial inclusion may be defined as the process of imparting access to monetary services and well timed credit score at an appropriate cost to vulnerable groups, such as the vulnerable and low-income groups, when they need it (Omar & Inaba, 2020). It develops a subculture of savings in big segments of the rural populace, expanding the aid base of the monetary gadget and playing a role in financial development. The main idea of financial inclusion is to make certain the supply of economic services consisting of bank money owed for financial savings and buying and selling functions, low fee loans for industrial, industrial and different purposes, financial advisory services and coverage offerings. Get right of entry to financial services means that people and groups can get availed with useful and less highly-priced monetary products and services that meet their goals, which encompass transactions, payments, financial savings, credit rating and insurance that is brought in a responsible ans sustainable way. This will eventually increase the financial resiliency (ability to respond to unexpected events). Consequently, access to finance makes ordinary life less complicated and facilities household in addition to organizations plan everything from long-time period desires to sudden emergencies. It's easier, cheaper and safer for people to get paid from their employers and send money to their families. The gender gap in financial access has narrowed, but it still exists in various corners of different countries (Jayachandran, 2021). Like the poor, women are likely to have no ID or cell phone, they have to live far from bank branches, and need help opening and using financial accounts. Increased financial access by women has been shown to have a positive impact on household income as well as on women themselves. The financial inclusion principles aim to provide affordable financial products that enable women not only to have access to bank account, but also to access insurance and pensions to save money, use credit, make payments and manage risk to (Arun & Kamath, 2015). The complete "liberation" of women lies in financial independence. The growth within the number of bank account holders in our country has been fuelled by using the use of a number of digital improvements and authorities subsidized duties geared towards growing financial inclusion. Giving India's female borrowers the "credit" they deserve requires an inclusive ecosystem that promotes convenience, provides gender-specific ways to engage and meet the broader needs of women's lives and businesses. As, access to financial services is an important factor for women, access to financial services remains a priority at both state and national levels. Since 2011, over 1 billion adults have opened accounts with financial institutions such as banks and mobile money providers. Despite progress, however girls continue to lag in the back of men. In low and centre earnings nations, guys are nine percent factors more likely than women to have an account, and the gender hole persist. Digital government payments are a proven way to increase financial inclusion for women. According to Global Findex, around 140 million people worldwide (80 million of them women) open their first account to receive digital government payments, such as social media subsidies, government pension funds or public sector payroll, opened. Consultant projects at the imperative stage of financial integration are the recently released Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri MUDRA Yojana. Government schemes just like the Pradhan Mantri Jan Dhan Yojana (PMJDY) application are a recreation changer via now not handiest bringing a larger population into formal banking channels but also closing the gender gap in account ownership (Gupta, 2018). Therefore, after so many years of its implementation, more than 462 million accounts have been opened of which 56% are women and 67% are in rural and suburban areas Other smaller schemes consist of the Rashtriya Mahila Kosh mortgage Scheme and Stand Up India, providing loans to specific classes of women. The states also have their own plans, but the central plan is usually the main plan at the state level as well. However, the schemes effectiveness varies. Commentators normally agree that most programs in these sectors have a few provisions for girls, however that the goal of frequent access has not yet been achieved and more needs to be done. NABARD and different organisations consisting of the Self- Employed women's association (SEWA) are beginning to explore self-help groups (SHGs) as a channel to provide microfinance (Kant, et.al, 2013). Over the past decade, banks have developed a number of initiatives and schemes to provide microfinance assistance. RBI's 40% loan obligation to priority sectors also contributed to an increase in the total amount available for expenditure. MUDRA was created in this context to repair deliver-facet constraints on institutional finance, which is primarily responsible for the regulation and refinancing of microfinance institutions. To support financial institutions lending efforts and cover the risk of under collateralization, MUDRA offers refinancing options and loan guarantees for its loan portfolio. In terms of women's empowerment, the Women's entrepreneurship program was specifically identified as a key MUDRA initiative to encourage women entrepreneurs to actively seek out MUDRA loans. Such programs aimed to identify the barriers that limit these women's ability to engage in desired behaviours and the opportunities that can be used to encourage those behaviours. An important mechanism led by using the World financial institution is the brand new financial inclusion Framework (FISF) released in 2011. The World Bank is devoted to assisting at least 10 IDA countries reap their financial inclusion desires, together with women's economic inclusion and consequently plans to extend this help to as a minimum 10 more IDA/ IBRD international locations. Seeing the year 2010, the World Bank has helped Indonesia broaden a brand new economic inclusion method that prioritizes ladies' empowerment. One of the programs supported by the bank is to train 4.3 million Indonesian migrant workers in financial literacy, most of them women from poor rural families (Doi, et.al, 2014). The arena bank is supporting criminal reform within the Democratic Republic of the Congo to dispose of restrictions beneath circle of relative's regulation that prevent ladies from making financial and commercial enterprise choices. To create an accepted security system for all Indians, specifically the horrific and marginalized women's, the honorary top Minister released three social protection schemes in the coverage and pension vicinity on May 9, 2015. Pradhan Mantri Suraksha Bima Yojana (PMSBY) scheme is open to humans between the ages of some time; of 18 and 70 who have a bank account that has agreed to enrol in up/ activate debit on or before May 31st for insurance from June 1st to May 31st on an annual renewal foundation (Kumar, et.al, 2020). Risk coverage under this plan is Rs 2 lakh in case of accidental or unintentional loss of life and partial incapacity, 1 lakh for partial disability as well (Nayak, 2019). This scheme is offered by public region tremendous insurance companies or precise well-known insurance organisations willing to offer merchandize on similar terms with the vital approvals and contacts for that reason. The Indian government released the Stand up India initiative on 5 April 2016. The scheme will facilitate monetary establishments loans from Rs 10 lakh to Rs 1 crore to at the least one specific caste/ unique tribal borrower and at least one female borrower at each financial institution branch at some stage in advent of new businesses. The "Stand up India" scheme is specified to encourage entrepreneurship amongst SC and ST women, a population group that faces significant barriers due to lack of advice/ monitoring and adequate and overdue credit (Madheswaran & Dharmadhikary, 2001). Since Independence, successive concerted efforts by governments, regulators and civil society have helped expand the country's financial inclusion network. Therefore, there is an urgent need and opportunity to engage the women population and bring them into the financial network. The Reserve Bank of India (RBI) has advanced the advanced the country wise approach for Financial Inclusion (NSFI) for the length 2019-2024. That is a bold method to reinforce the ecosystem for diverse sorts of virtual economic services in any respect Tier 2-6 centres to construct the important infrastructure to transition to a cashless society by means of March 2022. Reserve Bank of India (RBI) and NABARD has taken initiatives to amplify access to economic services in rural areas of women. This includes opening up of bank branches in remote areas. Kisan Credit Card (KCC) is issued. The Annapurna Scheme offers a range of programs to help women who want to start a business. The Mahila Shakti Kendra Initiative turned into launched in 2017 to empower girls financially by offering assist for abilities development and virtual literacy and extra (Gupta, 2021). Numerous self help groups (SHGs) are connected to banks. Increase in the number of ATMs. It has also launched a project called the Financial Literacy Project and the goal of this task is to disseminate facts about imperative bank and generate banking standards to numerous goal groups including especially women, students, rural and urban poor, military and senior citizens. Access to financial services can reduce poverty and create jobs among women by providing access to financial resources to the poor and marginalized in society. It would serve multiple purposes, such as providing access to an organised source of funding for the women and poor, freeing them from the clutches of moneylenders, enabling governments to provide income support instead of subsidies, and most importantly eliminating all intermediaries. The benefits of financial inclusion are deeply rooted in citizen empowerment (Chibba, 2009). As women make up half of the population, women's equal participation in society is a prerequisite for sustainable development.

OBJECTIVE

1. To know the role of government schemes in women financial inclusion.
2. To know the impact of government schemes on women financial inclusion.

METHDOLOGY

Sample of 240 women were considered for the study survey to know the role and impact of different government schemes in financial inclusion. The survey was conducted with the help of a structured questionnaire. The researcher had collected the primary data through convenient sampling method. Data was analysed and evaluated by mean and t-test.

FINDING

Table below is sharing general details of the respondents where total 240 women respondents were surveyed in which 36.2% are below 36 years of age, 38.3% are between 36-40 years of age and rest 25.4% are above 40 years of age. 22.1% of the respondents are intermediate and below, 19.6% are graduate and above, 28.3% are having professional degree, 24.6% are holding diploma and rest 5.4% are having other educational qualification. 10.8% of them are students, 21.2% are salaried, 25.0% are self-employed, 23.7% are in business sector and rest 19.2% are house makers. 61.3% are married and rest 38.7% are unmarried.

Table 1 General Details

Variables	Respondents	Percentage
Age (years)		
Below 36	87	36.2
36-40	92	38.3
Above 40	61	25.4
Total	240	100
Education		
Intermediate and below	53	22.1
Graduate and above	47	19.6
Professional Degree	68	28.3
Diploma	59	24.6
Others	13	5.4
Total	240	100
Occupation		
Students	26	10.8
Salaried	51	21.2
Self-employed	60	25.0
Business	57	23.7
House maker	46	19.2
Total	240	100
Marital status		
Married	147	61.3
Unmarried	93	38.7
Total	240	100

Table 2 Role of Government Schemes on Financial Inclusion

S. No.	Statements	Mean Value	t value	Sig.
1.	Rashtriya Mahila Kosh mortgage Scheme provides loans to specific classes of women	3.12	1.892	0.030
2.	Pradhan Mantri MUDRA Yojana (PMMY) encourage women entrepreneurs to actively seek out MUDRA loans	3.16	2.538	0.006
3.	Aajeevika performed a crucial function in bringing monetary inclusion	3.09	1.451	0.074
4.	Annapurna Scheme offers a range of programs to help women who want to start a business	3.10	1.579	0.058
5.	The Mahila Shakti Kendra Initiative empower girls financially by offering assist for abilities development and virtual literacy	3.15	2.408	0.008
6.	"Pradhan Mantri Jan-Dhan Yojana (PMJDY)" scheme ensure women to access to financial services	3.08	1.262	0.104
7.	Pradhan Mantri Mahila Shashaktikaran Yojana (PMMSY) helps women to avail training, awareness generation and capacity building programs	3.19	3.027	0.001
8.	Stand Up India (SUPI) helps to enhance financial inclusion of women	3.14	2.240	0.013
9.	"Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)" scheme is for financial inclusion and entrepreneurship development among women	3.18	2.845	0.002
10.	"STEP (Support to Training and Employment Program for Women)" provides skill development training programs and promise women employment	3.13	2.091	0.019

Table above is showing different role of Government Schemes on Financial Inclusion and found that Pradhan Mantri Mahila Shashaktikaran Yojana (PMMSY) helps women to avail training, awareness generation and capacity building programs with mean value 3.19, "Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)" scheme is for financial inclusion and entrepreneurship development among women with mean value 3.18 and "Pradhan Mantri MUDRA Yojana (PMMY)" encourage women entrepreneurs to actively seek out MUDRA loans with mean value 3.16. The respondent says that Mahila Shakti Kendra Initiative empower girls financially by offering assist for abilities development and virtual literacy with mean value 3.15, Stand Up India (SUPI) helps to enhance financial inclusion of women with mean value 3.14 and "STEP (Support to Training and Employment Program for Women)" provides skill development training programs and promise women employment with mean value 3.13. Respondent also says that Rashtriya Mahila Kosh mortgage Scheme provides loans to specific classes of women with mean value 3.12, Annapurna Scheme offers a range of programs to help women who want to start a business with mean value 3.10, Aajeevika performed a crucial function in bringing monetary inclusion with mean value 3.09 and Pradhan Mantri Jan-Dhan Yojana (PMJDY) scheme ensure women to access to financial services with mean value 3.08. Further t-test shows that all the statements are significant (with the value below 0.05) except *Annapurna Scheme offers a range of programs to help women who want to start a business (0.058), Aajeevika performed a crucial function in bringing monetary inclusion (0.074) and Pradhan Mantri Jan-Dhan Yojana (PMJDY) scheme ensure women to access to financial services (significance value 0.104).*

CONCLUSION

With the above research we have come to the conclusion that if Financial inclusion succeeds in each and every country, it will be because there is a strong political will to implement bold structural reforms and schemes successfully with use of technology to achieve this goal. This includes the need to reduce inequality while promoting human prosperity and well-being and protecting the environment. The financial sector must take responsibility as a financial institution to create an ecosystem in which the capital of this container can be used. Financial inclusion status has improved significantly over time. These schemes and government initiatives support and encourage women entrepreneurs and help women protect their lives, families and health, and ultimately achieve their financial goals (Ahl & Nelson, 2015). India needs to take more important steps to empower women, but these initiatives prove that women have hope for a better future. Time has come for women to achieve full financial independence through the use of several of the aforementioned government programs and financial incentives. But despite the challenges, early success in expanding financial inclusion is encouraging.

The study had explored different roles of government schemes in financial inclusion and found that Pradhan Mantri Mahila Shashaktikaran Yojana (PMMSY) helps women to avail training, awareness generation and capacity building programs, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) scheme is for financial inclusion and entrepreneurship development among women, Pradhan Mantri MUDRA Yojana (PMMY) encourage women entrepreneurs to actively seek out MUDRA loans, Mahila Shakti Kendra Initiative empower girls financially by offering assist for abilities development and virtual literacy and Stand Up India (SUPI) helps to enhance financial inclusion of women. The study concludes that there is significant impact of government schemes on women financial inclusion.

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