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An Empirical Study of Financial Inclusion and Digital India

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Abstract: In 2015, the Government of India launched "Digital India" programme. This is a mass-scale digitization effort whereby the Government of India has been aiming at the process improvements and state-of-the-art governance or what we call e-Governance. In this discipline, several efforts have been made, especially in those fields where the Central Government has complete involvement. Digitization effort has also been made for more comprehensive functioning of the governing bodies at the ground level like Panchayats and Municipalities. Financial inclusion of all Indians is another optimistic aim of digitalization. GoI defines (2008) Financial Inclusion as the process of developing an environment of the most important financial services like opening at least one bank account for every Indian citizen in any bank active in India and facilitating necessary and adequate credit facility for the financially weaker sections and vulnerable groups at an affordable cost. The aim of financial inclusion is to create a financial or economic environment in the country where the economically weaker sections of the group will have equal opportunities. This will help them have the basic necessities of life and enjoy a better standard of living.

Keywords: Digital India programme, financial inclusion, digitalization, Indian economy

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I. INTRODUCTION

However, rural India has not experienced the same level of growth as cities have. The rural economy must develop in order for a country's economy to be robust. Still, malnourishment, illiteracy, unemployment, and a lack of essential infrastructure like schools and universities as well as hospitals, sanitation, and other services afflict rural regions today. For this reason, rural development has risen to the top of national agendas throughout Asia, Africa and South America since a large proportion of people live in rural regions.

There is a significant moral obligation to consider the growth in rural peoples and rural regions in the third world, where rural populations frequently exceed urban ones [1].

For quicker economic growth and better living conditions for the people, rural development has become a sine qua non nowadays. Developing rural regions is not the same as developing the quality of life of rural populations into self-reliant and self-sustaining contemporary small communities. Rural development is both. In India, 72.20 percent of the population lives in rural areas. So, villages are vital to the Indian economy. Pre-British India's economy was based on small, self-sufficient communities that were separated from each other. Simple division of labour was the basis of village life. In addition to farmers who cultivated land and tended cattle, there were also weavers and goldsmiths as well as oil-persons and washermen. Barbers, surgeons, and carpenters were among the other kinds of people. As a result of conventions, traditions and practices, these professions were handed down from father to son. Hence, villages in India were self-contained and isolated entities that formed a long-lasting organization.

With the attainment of independence in 1947, India found itself in a pathetic condition with a shattered socio- economic and cultural structure. The country was backward and undeveloped. Poverty, unemployment, weak industrial base, poor and inadequate infrastructure facilities, low level of saving and investment were the major characteristics of our economy. Government of India faced a gigantic task of re-building the shattered economy so as to provide employment and better standard of living to the people. Naturally there was need to re-construct and further develop the state of affairs of the country at faster rate and for this purpose government intervention was very essential. Desperate for a large boost, the Indian government stepped into a variety of industries for both good and poor motives and in many instances for no cause at all [2].

India has a large rural population, therefore the Indian government gave rural development a greater priority following independence. Five-year plans have consistently focused on rural development. Several programmes have been implemented to improve the lives of rural residents, beginning in 1952 with the country-wide community development initiative. In order to alter people's mentality and instill a desire for better life, this programme was created. The reduction of rural poverty has also been one of the main goals of India's planned development since independence. Policies have been developed and revised with this goal in mind from the beginning of planning. Sixth Plan brought rural poverty into greater emphasis. Seventh-plan stressed social justice together with economic development. In a recent report, it was said that a sustainable policy of poverty alleviation must be built on expanding the possibilities for productive work in the process of development itself.

Unemployment, especiallyunder-employment, and rural poverty go hand in hand. As a result, improving production and increasing employment in rural regions are essential. In 1987-88, the unemployment rate was reported to be just 3%, and it was closer to 5% when you include the percentage of underemployment. According to the planning commission's current approach, the poverty rate was calculated at 30 percent. It's true that rural poverty has declined significantly over time. Despite forty years of planned growth, approximately 200 million people in rural India remain impoverished. In addition to economic development, the government has established specific job programmes to produce additional income in rural regions. Because of this, rural development has been reduced to an assault on poverty via specific job initiatives and land reforms in their more restricted meaning [3].

A number of significant changes have overtaken in Indian villages and have contributed to its transformation. These changes are not always visible, and they have also not maintained an even pace over time and space. While their impact on the rural society have been generally slow and imperceptible, at times the pace of these changes has been quite rapid. The forces which have brought about qualitative changes in the character and organization of village life may have been brought to bear upon the rural societies from without by agencies like the government or they may have been intrinsic to the process of societal change itself.

Development implies structural changes. There are many approaches to development being evolved and tried and a number of alternative theories or models have been postulated. Since the main objective of planning has been conceived to be increase of national product, the main attention has been given to 'modeling' the production structure of the economy and to identifying the factors limiting its expansion. Since capital stocks plus foreign exchange are considered to be two of the most important variables that restrict growth, long-term planning models have been developed. This planning has become more important as a tool for achieving a "balanced" growth of rural communities. Rural development is seen as a process that alleviates rural poverty by increasing the productivity of rural employees and families with low income, according to the World Bank. Rather than merely redistribute present incomes and assets, an overall rural development plan that connects production with distributive or equitable goals places a greater focus on increasing output and income of individual families [4].

A. Meaning & Concept of Financial Inclusion

Financial inclusion and timely and sufficient financing when required for disadvantaged individuals such as poorer portions and low-income groups at a reasonable cost is known as Financial Inclusion (FI). Bank accounts, institutional loans, payment, remittance and life insurance services are all examples of financial goods. Micro finance in India has the following connotations [5]:

1. Credit that is affordable
1. Investing in the stock market
2. This section covers the following topics: 3.
3. Advice about finances 4.
4. The use of credit and debit cards
5. Indemnification facility
6. SHGs should be empowered (self-help groups)

A more inclusive financial system, according to Bimlasen [6] allows for more effective deployment of valuable capacity and may possibly lower the cost of capital. This is because allfinancial systemincreases efficiency and well-being by enabling a wide variety of improved capital services such as simple and safe daily administration of finances, safe fund transfers, and so on and so forth These reforms have been made in India's government as well as in the banking sector. A "Commission on Financial Inclusion" was formed by the Indian government to address the problem of financial inclusion. A global problem, access to finance has become a concern not just in India, but in economies of both undeveloped and developed countries. Global awareness of the need of building an inclusive finance system has increased, resulting in the need for development policies that affect all people instead of just a few.

Financial Inclusion in Indian Economic Scenario

Sustainable development is the target of the Government of India. This will be possible when a maximum number of Indian citizens take an active part in the development process. At the same time, the focus should be on the vulnerable groups who are devoid of financial basic facilities in this genre. Lack of awareness regarding the financial systems and instruments among the rural population and weaker sections of society is the main hindrance in the smooth sailing progress of digital India. A major part of the population has no idea about the credit facilities that banks and other financial institutions offer to the citizens of the country. In order to make people aware about these matters and keep them interested in availing various facilities they can access being a part of the financial institutions, several technological innovations are implemented such as Automated Teller Machine (ATM), Debit cards, Credit cards, internet banking, UPI, etc. These innovations has given the urban population a scope to utilize banking facilities at higher levels and in different ways but the rural population is still far away from accepting the facilities or millions of people in rural India are not well-informed about these facilities.

Financial inclusion is imperative for improved and sustainable socioeconomic development off the country. It has empowered the poor and underprivileged people including women to take better financial decisions for themselves and for the respective communities. It has enabled millions of Indians to be self-sufficient initiating their entrepreneurial journeys. Apart from helping people from all sections of society to access the basic banking facilities such as accessing bank accounts or credit facilities, financial inclusion targets at the easy availability of baking and finance facilities. This allows higher investments in business, education, and career.

The availability of financial facilities in India is still low. This condition can be explained from both supply and demand sides. However, the primary problem is the scarcity of banking and other financial facilities in the rural areas. This is the supply side problem. The supply side problem also includes lack of branches, communication issues, and lengthy processes. On the hand, lower financial literacy in the rural belts and low-income levels of people are the primary reasons behind the lower demand of banking services in rural India and among the underprivileged groups.

Since 2005, both the Government of India and Reserve Bank of India have been taking collaborative and individual initiatives to enhance the financial inclusion. Measures like digitalization of KYC process (e-KYC), SHG-bank linkage programmes, door to door account opening facility, customer service points, electronicbenefit transfer, “no-frill” accounts, ATMs, zero-balance account facility, international online transaction facility, and many more have played a significant role in the enhanced banking facility and awareness among the poor and rural population.

Government of India has taken initiatives like Kisan Credit card, Direct Aadhar linked credit facilities abolishing middle-men, and Mahatma Gandhi National Rural Employment Guarantee Scheme. These and other measures including intensive awareness programmes are more focused on mass financial inclusion at the earliest. As the initiatives are implemented quite some years now, this is the high time that their impacts on the urban and rural populations are measured on different parameters [7].

B. The Digital India Program

The “Digital India” is a Government of India’s dream project focusing on the knowledge future, financial inclusion, and mass empowerment. In the Prime Minister of India, in his articulation while defining the scope of digital India initiative stated that Digital India would bring a remarkable transformation to India within the next decade. According to the prime minister this is a process that would add “Indian Talent” to “Information Technology” for “India Tomorrow”. Digital India programme is an umbrella programme that includes several departments and fields. Digital India is a vision that comprises of several incredible ideas with an aim to give these individual ideas a broader perspective with the help of allied ideas and holistic implementation. As such, Digital India has included several on-going and new schemes of both Central and State Governments restructured or modified to be implemented in a coordinated manner.

Digital India is implemented through Government agencies under the support and guidance of the Department of Electronics and Information Technology, GOI. The estimated cost of the whole project may go up to Rs.1.13 trillion (PIB, 2015; Ministry of Electronics and Information Technology, GOI). This estimation may rise further in future since it is a long-term project (meity.gov.in presentation, Karmakar [8]

Digital India is aimed at developing the following nine pillars of socioeconomic growth in India (digitalindia.gov.in):

1. Broadband facilities for all – This is technically called broadband highways that includes broadband services for all including rural and urban broadband as a part of National Information Infrastructure (NII).
2. When it comes to mobile connection, the country's current shortfall is being filled under a programme called "Universal Mobile Connectivity."
3. The Public Internet Access Program consists of two parts: Post offices and CSCs are examples of multi-service center.
4. E-Governance – Reforming governance through technology with threw introduction of information technology to Governance.
5. E-Kranti – Shifting to e-Governance from traditional form of Governance for more rural penetration.
6. Independence in electronic product manufacturing – The Central Government has taken an initiative for independence in electronic product manufacturing. The long-term target is zero import in this field.
7. Universal information facility –Online accessibility of all important and necessary documents for common use would help people to access information that they need immediately and in real time.
8. IT for jo0bs to all – Training and development of youth in IT and ITES for availing the growing demand of the corresponding.
9. Early Harvest Programmes – Some projects need immediate attention. These will be kept as priority though this project.

II. OBJECTIVES

A. Financial inclusion and digital India will be examined.
B. To see how the digital India project affects the financial inclusion in the country.

III. REVIEW OF LITERATURE

1. Damle et al. [9] discussed the shortcoming of traditional banking system and various existing parameters of financial inclusion along with the recommendation of payment banks. According to their study payment banks can provide services in even farther located area, remote and rural area at any time and for any small amount.
2. Poonam and Chaudhry [10] scrutinized the status of financial inclusion in India by taking main factors like bank offices, bank accounts and total amount. It was a comparative study of all states of India for the year s2001 to 2014. The study had concluded that most of the state has shown a great improvement in extent of financial inclusion. For example, State Haryana was on the rank of 17th in 2001 but it has achieved a very high growth and attained 13th rank in status financial inclusion in 2014.
3. Sood and Mukherjee [11] measured the extent of financial inclusion in ninety-one countries and concluded that countries which were having high levels of income were more financially included than the others having the same at low level. Countries having very low-income levels were far behind in the race of financial inclusion. It was found that growth of GDP has significantly positive impact on the growth of financial inclusion, whereas, a negative relation of expenditure was observed with financial inclusion. Further, it was recommended that for proper policy implementation, factors of supply as well as demand side should be taken care of. They also recommended the utmost importance of financial literacy and timely reforms and changes in banking services to further promote the financial inclusion.
4. Sethy[12] proposed development of financial index to measure growth and extent of inclusive finance. According to him, financial inclusion utilizes and mobilizes credits in a productive way to promote the

growth of economy. Further, it was suggested that index of financial inclusion can be utilized to compare the growth of various economic entities.

5. Usha and Johnson [13] examined that value of various financial indicators such as credit account, savings accounts, debit card users and ownership of accounts from the year 2011 to year 2014 were reported to be at much higher level in the developed countries as compared to developing ones and there was a significant change in these indicators in study period of four years. Further, it was suggested that required growth of financial inclusion can be achieved only by letting the unbanked people come into the boundary of banking services by providing them money for the livelihood and other emergency situations such as accident, income loss, loss of earning sources, losses in agriculture by natural calamities or other factors.
6. Aro-Gordan [14] studied the policies and strategies of financial inclusion in Nigeria and it was determined that poverty alleviation, employment and income has significantly positive correlation with financial inclusion. It was also suggested in the research that to provide education about management of finances, new discoveries in the field of financial system, technological innovation in the field of online and mobile banking is must to reduce financial exclusion and improve inclusive finance. There was observed a nine per cent reduction in financial inclusion in a period of eight years i.e. from the year 2008 to 2016. It has also been observed that ATM became the main measure to do the transactions. Therefore, it can be concluded that with improvement of literacy rate, customers are becoming more technology-friendly as they are shifting towards digital transactions.
7. Poonam and Chaudhry [15] examined status of financial inclusion based on three parameters i.e bank offices, savings in banks and loan from banks of state Haryana. The study described that Gurugram had attained 1st rank taking the composite index value 0.974 followed by Punchkula (0.744). The study had stated that Mewat and Palwal gained lowest status of financial inclusion. It was observed that income and education have more impact on the service of financial inclusion.
8. Many authors ([16-20]) computed indices of financial inclusion and its determinants on the basis of which polices can be designed to promote financial inclusion.
9. Boro[21] in his study ‘Digital India: Concepts and Implications’, finds that the goals of Digital India are laudatory and can boost India’s economy but they are still far away since most of the nine pillars of Digital India mission are facing serious challenges in implementation. He suggests that for successful implementation of Digital India, there must be amendments in various legislations that have for long hindered the growth of technology in India. There is need for effective participation of various departments and their commitment and efforts. Various policies in different areas should support this goal. PPP models must be explored for sustainable development of digital infrastructure and the private sector should be encouraged for development of last mile infrastructure in rural and remote areas. We need a strong anti cyber-crime apparatus and courses should also be structured around cyber security.
10. Ouma et al. [22] revealed in their research that use of mobile banking for availing banking services increase the likelihood of savings as well as have significant effect on the saving amounts due to desired frequency of transactions. Therefore, it was concluded in the study that mobile phone’s availability boosted the mobilization of savings in underprivileged people due to easy access to banking and other financial services.
11. Iqbal and Sami [23] examined the effect of financial inclusion on growth of an economy for a period of seven years and concluded that number of branches of banks and credit deposit ration have a significantly positive effect on the gross domestic product of the nation. They also suggested a dire need to regularly monitor the financial inclusion in the country as well as awareness of citizens via proper

financial literacy trainings and E- banking programmes. Like some earlier above discussed studies, financial inclusion was found to be strongly linked to the progress and economy of country.

12. Singh and Naik [24] conducted their research on farmers and non-farmers of Gubbi to have an insight of factors impeding financial inclusion in rural zones and it was revealed in the results that distance from banks, long-lasting association with lenders and unawareness regarding banking services and other government plans and polices. It was also concluded in the study that the money lenders act as crucial point source of finance along with the strengthening and expansion of credits.
13. Bigirimana and Hongyi[25] studied the role of commercial banks in financial inclusion in Africa and it was reported that eighty-nine per cent of people in Rwanda were financially included. Thus, a great contribution towards financial inclusion was done by commercial banks as access to use of banking services increased sharply from year 2004 to year 2016. It was concluded in the study that commercial banks contributed only twenty-six per cent, whereas, rest of the achievement was done by microfinance institutions.
14. Ozili[26] studied effect of digital finance on stability of finances and financial inclusion and concluded that it has significantly positive impact on financial inclusion IN well developed economies. Pros (like quick mode of money transactions, reduction in fake money circulation, financial benefits to service providers) and cons (like security breach, unavailability of services without digital devices, other regulatory frameworks hindering digitalization) of the digital financing were also discussed.
15. Gangopadhyay[27] described that Indian banking sector has been undergone vast changes and adoption of new technology of information and communication as well as digitalization will take it on higher stairs playing crucial role in growth and development. According to him banks contribute excessively in risk management by providing payments and other settlement products. But the banking operations should be in the manner so that even poor to marginalized individual can avail the services and products and the banking business should be people or public centered. Costs of various banking operations should be low so that people do not feel hesitation to approach banking services. By adopting these ways, maximum population can be covered under financial inclusion and that will be a boon to our economy.
16. Bakar and Sulong[28] reviewed many theories and explained positive and negative relation between of financial inclusion and economic growth and financial inclusion. The study suggested multidimensional factor to achieve the positive growth of financial inclusion.
17. Behera and Behera [29] explored the extent of financial inclusion and economic growth in state of Odisha. Many factors were used to show the status of financial inclusion by calculating index of financial inclusion of different districts. The study also examined that there was positive relation between economic growth and financial inclusion.
18. Kapadiya and Madhav [30] concluded that there were many barriers of financial inclusion like low literacy, lack of awareness, cultural obstacle and age factor. The study also suggested that bank should lower their cost of financial services. There should be more awareness, financial literacy, knowledge and skill about financial markets. There should be monitoring framework at micro level.
19. Kim and Zoo [31] explored positive impact of technology on financial inclusion by reviewing many articles. They focused on financial inclusion and development with help of mobile financial services. The study concluded that financial inclusion can be increased by using mobile for financial services plays very important role.
20. Molyneux [32] explained financial inclusion with many factors like capital, bank size, liquidity and government intervention. This study showed banking trends for financial inclusion of twenty-five countries.

21. Rajasekaran[33] pointed out various barriers those creates hindrance in the growth of financial inclusion like illiteracy about financial services, unavailability of bank branches, high cost of financial services, poverty and rude behavior of employees. The study also described government policies to remove these barriers. The study suggested that government should impose such policy that would include equally rural and urban population, financial literacy by educational institutions, particular area should be given to the banks for financial growth and job opportunity to the people.
22. Singh and Naik [34] analyzed financial inclusion after launching of Prime Minister Jan DhanYojna in district Gubbi of Karnataka. The study surveyed that this scheme has broadly successful in opening the account. It was also observed that people need financial literacy for access of financial services like operating ATMs, mobile banking and online banking. It was suggested that technological improvement, socio- economic factors and financial literacy should be there for increasing financial inclusion.
23. Zetterli[35] presented the extent and nature of digital mode of financial inclusion in his report. The study reported that women were highly excluded in using financial services. The study also concluded that poverty was the main reason of not having bank account. The age group of 32-44 and educated people were using more mobile banking. The extent of financial inclusion was reported low by insurance policies. Many factors were described as barriers in financial inclusion such as financial illiteracy, not having smart phones, lack of technological knowledge and gender gap.
24. Siddiqui [36] examined the importance of financial inclusion in economic growth of society and concluded that it has great impact in alleviation of poverty of country. Results of his studies were similar to the previous studies.
25. Poonam and Chaudhry [37] analyzed state-wise index of financial inclusion of India by taking three determinants such as number of offices, credits and deposits of all state of India. They have used index of financial inclusion (IFI) based on used by UNDP. The study observed that Chandigarh and Delhi were having maximum financial inclusion whereas minimum was recorded in Bihar and Manipur. The moderate level of financial inclusion was observed in Dadra Nagar.
26. In her study of Digital India, Borah [38] stresses that digitization was need of the hour in order to make everything accessible digitally or electronically and hence, Digital India Mission was launched by the government of India in 2015. Her paper tries to give a brief understanding of the Digital India program, the visions, pillars, initiatives under the program, challenges faced in the implementation of the program and possible suggestions to achieve the desired goals. As a result of Digital India, digital literacy of India has improved. The Digital India program is likely to benefit citizens by generating employment opportunities, creating new chances in regard to start-ups, quality of service delivery. The main objective of the program was to push digitization and connectivity as a vehicle for boosted economic growth. Even though the paper states that there are a lot of issues that the programme has experienced in execution, but at the same time it lauds the contribution it has made towards economy, health, governance sector making everything more transparent and closer to people. In conclusion, the paper suggests that the problems being faced in implementing Digital India can be resolved by creating awareness among the people, maximizing internet connectivity, improving skills in cyber security, participation of various departments and amendments in various relevant legislations.
27. Anantha Lakshmi and Anandhi[39] start their study by stating the ubiquity of technologies and the digital world. According to them, the digital world is a world where the best possible use is made of digital technologies. Thus, the 'Digital India' programme targets to make government services available to people digitally and let them enjoy the benefit of the newest information and technological innovations. It is a programme to prepare India for a knowledge future. The motive behind the concept

is to connect rural areas with high-speed internet network and improving digital literacy. According to the study, Digital India is a great plan but one which requires proper and efficient implementation.

IV. ISSUES IN FINANCIAL INCLUSION

IMPLEMENTATION:

The government of India began several significant community development initiatives, including health insurance plans, free public education, a minimal standard minimum, and food for work program. Financing inclusion is accorded comparable weight to other development programs [40]. The NachiketMor Committee's recommendations, on the other hand, have been determined to be theoretical [41], and policymakers are still unsure on how to proceed with implementation.

INFRASTRUCTURE:

Bangladesh, Malaysia, and China scored higher on the global financial inclusion index than India. According to reports from the Reserve Bank of India, India's 157 banks have 1,046,647 branches, of which 40,000 are rural banking branches and 95,686 ATMs. Fewer than 2,68,000 of India's 6,28,050 villages have access to a formal banking system. According to the 2001 census, there are 3,976 settlements with at least 10,000 people. However, there are 2,36,004 communities with fewer than 500 people. There are towns with less than 50 people (Debroy, 2010). These data highlight the challenge of establishing financial inclusion in rural regions, which is made more difficult by the lack of adequate physical and technological infrastructure.

ASSISTANCE OF NBFCS IN ROLE:

Non-Banking Financial Institutions (NBFIs) may play an essential role in financial inclusion since they are located in every area and corner of the nation. NBFCs do not follow the RBI's guidelines for cash reserve ratios and statutory liquidity ratios [42]. Convergence in philosophy is needed to bring NBFCs within RBI's purview, which is another obstacle to financial inclusion's widespread adoption.

Bank Licensing:

Financial inclusion is hampered by the large number of bank branches scattered throughout the nation. The Reserve Bank of India (RBI) began to license new banks to close the gap between demand and supply of current branches. Regulators, however, did not evaluate companies' needs or the readiness of applicants when determining whether banks may enter the market. [43].

TECHNOLOGY:

The successful implementation of financial inclusion in a nation with an efficient delivery strategy relies heavily on technology. Large numbers of transactions at cheap costs may satisfy the appropriate demands of huge crowds, and this approach is proven effective when it can do so. Banks have a significant challenge in expanding financial inclusion to the country's unbanked population because of the widespread availability of technology in rural areas. Depositing money into different government programs to microloans and micro-insurance necessitates the use of cutting-edge technology. Smart Cards, Biometric ATMs, Point-of-Service Devices, and Mobile Phone Applications are just a few of the advanced technological solutions in use today. Due to its high cost and lack of infrastructure in India, it is difficult to make the technology mentioned above accessible. Telecom providers have a technological hurdle in implementing financial inclusion plans in India's rural areas. [43].

White Label ATMs are also a worry for bankers because of the wide disparity in expenditures spent in the metro, urban, and rural areas, considered hits (per-day use of ATMs). The argument for constructing new branches and installing ATMs by banks in rural areas is undermined by the high cost per transaction in ATMs/attachments.

CONFIDENCE IN BONDS:

Several questions arise in light of introducing new corporate entities into the banking industry. The blueprint for implementing financial inclusion is evident at the regulators' end. The real question is whether or not these companies meet the definition of "financial inclusion." Is it possible for these businesses to gather and distribute the money of others? Is there a short-term way to verify the legitimacy of newly licensed banks?

INTEREST OF THE BANKRUPTCY FREE MEN:

Despite the vast distribution of banking branches, increasing literacy rates, and the connection of the sanctions and disbursements of funds via banks for the Central and State Governments, many individuals in remote communities nevertheless feel thrilled about visiting the bank [44]. It is the job of the bank's local staff to make the transactions seem like home to the unbanked. It is a fundamental economic premise that the cost of transactions per customer decreases as the number of transactions increases. On the other hand, bankers have a significant obstacle in financing operations in rural areas with low population density. Due to the high expense of delivering services promptly to the unbanked in rural areas, lenders must find ways to reduce their financial burden.

V. FINANCIAL INCLUSION PROGRAMS IN INDIA

- **Pradhan Mantri Jan Dhan Yojana (PMJDY)**

In his Independence Day address on August 15, 2014, the Hon'ble Prime Minister announced Pradhan Mantri Jan Dhan Yojana as the National Mission on Financial Inclusion to ensure that all households have complete financial inclusion providing universal access to banking services. To start an account, one does not need to have a minimum balance, and if they self-certify that they do not have any of the formal legitimate papers necessary for creating a savings account, they may create a small account.

As a result, PMJDY provides unbanked individuals with simple access to banking services and financial education programs. A RuPay debit card with built-in accident insurance of Rs. 2 lakh is also provided, as is access to an overdraft facility after six months of successful account operation or credit history. On May 9 May 9, 2015, the Hon'ble Prime Minister inaugurated a series of social security programs that allow qualified bank account holders to receive personal accident insurance, life insurance, and guaranteed minimum pensions via their bank accounts.

In the beginning, PMJDY was envisaged as a daring, original, and ambitious objective. PMJDY accounts in rural regions account for 28.70 million (66.69 percent) of all PMJDY accounts, while 23.87 million (over 55.47 percent) of all PMJDY account users are women.

For PMJDY accounts, the deposit base has grown. The balance in PMJDY accounts as of August 18, 2021, is Rs. 1,46,230.71 crore. A deposit of Rs. One thousand sixty-four in March 2015 has increased to Rs. Three thousand three hundred ninety-seven in August 2021, more than tripling [45].

- **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)**

The PMJJBY is open to persons between the ages of 18 and 50 who have a bank account and have given their permission to join/activate auto-debit. Aadhar is the primary KYC for the bank account. The Rs. 2 lakh life insurance policy is valid from June 1 to May 31 and may be renewed. Under this plan, in the event of the insured's death for whatever cause, their estate will get Rs. 2 lakhs in benefits. There is a one-time fee of Rs. 330 each year, which is to be deducted from the subscriber's bank account on or before May 31 of each year's coverage term under the policy. With the requisite permissions and bank tie-ups, the Life Insurance Corporation and all other life insurers prepared to sell the product on identical conditions are offering the product. PMJJBY has about 10.65 million participants as of July 28, 2021.

- **Pradhan Mantri Suraksha Bima Yojana (PMSBY)**
  In order to participate, you must be 18 to 70 years of age and have a bank account. You must submit your approval to join/enable auto-debit on or before May 31, for coverage from June 1, to May 31, May 31. Banks need Aadhar for all new account sign-ups. Rs. 2 lakh for accidental death and total disability and Rs. 1 lakh for partial disability are covered under the plan. There will be a single 'auto-debit' payment of Rs.12 per year taken from the account user's account. Public Sector General Insurance Companies or any other General Insurance Company prepared to provide the product on identical conditions with the requisite approvals and tie-ups with banks are offering the plan. PMSBY enrollees are around 24.03 crores as of July 28, 2021 [46].

- **Atal Pension Yojana (APY)**
  On May 9 May 9, 2015, Prime Minister Narendra Modi unveiled APY. Account-holders between the ages of 18 and 40 are eligible to participate in the APY program, which is accessible to all savings bank/post office savings bank account holders in this age range. Subscribing members would get a monthly pension of Rs. 1,000, Rs. 2,000, Rs. 3,000, Rs. 4,000, or Rs. 5,000 at the age of 60 years old. Amounts accrued at the age of 60 of the subscribers would be returned to the subscriber's nominee under APY, and the monthly pension would be accessible to both the subscriber and his or her spouse. Because of the government's obligation to provide a reasonable retirement income, the government would cover any shortfall in the minimum guaranteed pension that accrues through contributions. Instead, larger investment returns would mean greater pension benefits for subscribers.
  When a subscriber dies before he or she has reached the age of 60, the government has determined that his or her spouse will be able to continue contributing to the APY account for the remaining vesting time. Subscriber's spouse will get the same pension benefits as the subscriber until passing away. Nominees of subscribers are eligible to receive the subscriber's pension money up to the age of 60 if both the subscriber and his or her spouse die. A total of 321.02 lakh users has signed up for APY as of July 31, 2021.

- **PradhanMantri Mudra Yojana**
  On April 8 April 8, 2015, the program was started. There are three sub-schemes under the program: "Shishu," "Kishore," and "Tarun." Each sub-scheme provides loans of between Rs. 50,000 and 5.0 Lakhs, respectively, to borrowers who meet the criteria. In order to get a loan, no security is needed. In order to encourage more young, educated, or talented employees to become first-generation entrepreneurs, these measures are being implemented. Existing small firms will also be permitted to extend their operations on August 20, 2021, Rs. 16,22,203 crores in 30.7 crores accounts were sanctioned.

- **Stand Up India Scheme**
  On April 5 April 5, 2016, the Indian government unveiled the Stand Up India initiative. One woman and one Scheduled Caste/Scheduled Tribe borrower per bank branch are eligible for loans up to Rs.1 crore under the Scheme, which encourages women to start new businesses. An agricultural-related business may be involved in manufacturing, services, or trade. All Scheduled Commercial Banks have agreed to participate in the program, which can benefit up to 2.5 lakh borrowers. Scheduled Commercial Banks around the nation are now disbursing the loan.

As a part of Stand Up India, the government supports entrepreneurship among women, people with disabilities, and others who cannot get enough and timely financing. With this plan, it will be possible to reach out to untapped segments of the population using the existing institutional credit framework. It may be used by both experienced and novice borrowers.

Stand Up India Credit Guarantee Fund was established by the Indian government to provide collateral-free coverage (CGFSI). The Stand Up India Scheme, in addition to providing financing, also aims to assist prospective borrowers. It allows for coordination with government programs at the federal and state levels. The Stand-Up India website has a form for submitting applications for the program (www.standupmitra.in). A total of Rs 26,688 crore has been authorized in 1,18,462 accounts as of the 23rd day of August 2021 [47].

- **PradhanMantriVayaVandanaYojana**

To safeguard the interests of senior people over the age of 60 from falling owing to uncertain market circumstances, the government has created the "PradhanMantriVayaVandanaYojana" (PMVVY). The Life Insurance Corporation of India (LIC) is in charge of implementing the plan, and applications may be submitted up to March 31, 2023.

PMVVY guarantees a 7.40 percent annual return for 2020-21 for policies lasting ten years. During the first year of operation, the promised rate of return will be revised annually to match the relevant rate of return of the Senior Citizens Savings Plan (SCSS) up to a maximum of 7.75 percent, with a further evaluation of the Scheme if this threshold is breached at any time.

As a Yojna member, you may choose to receive your pension payments on a month-to-month or quarterly, half-annually, or yearly basis. In order to get a monthly pension of at least Rs. 9,250/-, a senior person must pay a minimum purchase price of Rs. 1,62,162/-, while the maximum purchase price is Rs. 15 lakh for a pension of Rs. 9,250/- [47].

VI. THE IMPACT OF DIGITAL INDIA ON FINANCIAL INCLUSION

1. The government plans to spend $18.4 billion on an internet connection, increased access to government services, and the development of IT skills.
2. By June 2016, India will have a fiber-optic network covering the country.
3. The availability of free Wi-Fi in major cities and tourist attractions with populations over one million.
4. By 2019, provide a broadband internet connection to 250000 village clusters at the cost of USD 5.9 billion.
5. Everyone in the country will have a digital vault for their information and papers.
6. Internet connection points totaling 40000 were installed.
7. The creation of 1.7 million direct IT sector employment.

VII. THE WAY FORWARD IN FINANCIAL INCLUSION

When financial inclusion is established, economic resources become more accessible, and the concept of saving becomes more popular among the poor. Financing inclusive development is a critical first step. It contributes to the overall economic growth of disadvantaged people. For the poor and disadvantaged in India to be raised out of poverty and disadvantage, financial products and services tailored to their specific needs must be made available.

The fact is that most of the worlds impoverished are still reliant on cash for their everyday needs. The digital world has not been connected to the physical world through a secure, scalable, and robust bridge provided by Fintech. According to a recent article by CGAP CEO, "Beware the hype of the fintech revolution; it might lead us to forget about the needs of the poor in pursuit of innovation or shining technology." Rural poverty concerns cannot be solved alone by a single technology, actor, or coalition. A significant number of decision-makers in the financial and adjacent systems, such as the food system, need to learn and implement more collaborative problem-solving processes.

To improve the country's digital infrastructure, the country's bank branches, BC shops, Micro ATMs, and PoS devices need to be appropriately networked, along with energy. Work must be done in coordination with multiple parties to guarantee that the infrastructure is in place for clients' 100% digital onboarding [48].

Adopting digital payments and integrating individuals into the official financial system should be prioritized. Cooperative banks, Payments Banks, Small Finance Banks, and other non-bank entities, such as fertilizer shops, fair price shops, Office of the Local Government Bodies, Panchayat, Common Service Centers, and educational institutions, may also be involved in efforts to promote efficiency and transparency through digital transactions in addition to the traditional banking outlets.

Encouraging and rewarding BCs to get certification and access to various financial products is a step in the right direction for improving their capability [49].

The National Rural Livelihood and Urban Livelihood Missions' goals should be aligned to increase financial inclusion [50].

VII. CONCLUSION

The aim of Digital India is process simplification and process improvement for easier and faster accessibility of various Government services and benefits, abolition of middlemen concept in providing Government services, and better monitoring of the public works and distribution of public facilities. Online tax filing, auditing, transfer of benefits to common people, assessment of service facilities, and many other Government and related services are included in Digital India initiative. Any change in the Government services are tough to implement due to gigantic size of the system. Digitalization of the process will mitigate the issue as it will not be necessary to implement the changes physically. Thus, the continuous and improved support of Digital India is not an option but a necessity. This in turn makes support system for the citizens availing various online services prompt and apt. Grievance redressal should be accessible, hassle-free, and need-based. It should be decentralized in order to keep it dynamic and prompt. As far as the policy implementations are concerned, State Governments also have the vital roles to play in Digital India. Moreover, since the State Governments have larger influence on the daily lives of the mass, without the complete support from the State Governments, it will not be possible to realize the actual benefits of Digital India. Hence, full participation of the State Governments is highly expected to empower people and help Digital India concept touch every nook and corner of the country. The Digital India programme is a perfect initiative of GOI. It's continuation even after the targeted initial phase of 7 years depicts its relevance for modern India.

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