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Efficacy of Financial Inclusion and Economic Well-Being: A Case Study of Kashmir Valley

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ABSTRACT

This paper intends to study the relationship between financial inclusion and empowerment level in two districts of Kashmir region (Srinagar and Pulwama). The field survey of sample size of 200 households belonged to both the urban and rural areas has been taken using questionnaire. The study has employed the independent t-test, paired t-test, ANOVA and Chi-Square test for estimation purposes, in addition to this for sampling procedure the study used multistage purposive sampling. The study found significant association between those respondents who are availing benefit of these financial inclusion schemes and their level of saving and income. The beneficiaries of the financial inclusion schemes like KCC and SHGs reported a reduction in exploitation, particularly in terms of high-interest rates on debt amounts from the money lenders. People living in rural areas have better knowledge regarding the various financial inclusion programme. The study highlights the potential role of education in empowering individuals to engage with formal financial systems and take advantage of the benefits provided by such schemes. However, they still lacked the infrastructure in terms of education and banking facilities, financial literacy and health. So, there is great need to emphasis on these issues to make people aware and rise their level of the usage of financial inclusion schemes. Besides, financial literacy centres should be opened particularly in the rural area. For people of rural Kashmir residing in far-flung areas, there is not only an issue of connectivity but banks are also not interested in opening branches due to non-profitability of the area. Government should focus on establishing new bank branches in the remote region to enhance their financial wellbeing.

Keywords: Financial inclusion, rural development, socio-economic, empowerment, MUDRA, KCC, SHGs.

JEL: Q14, Q16,

I

INTRODUCTION

The term financial inclusion has become a key agenda for policymakers, researcher, academicians and for the administrations and all the central banks in the developing countries, which includes the India also. Financial inclusion is declared as one of the primary objectives by the World Bank to recognise the financial access universally by 2020 (Camara and Tuesta, 2014). It is defined as financial inclusion is the mechanism of provide financial services and product in appropriate way and at affordable rate to countless parts of the underprivileged and poor households section (Lal, 2018; Ramji, 2009; Arputhamani and Prasanna Kumari, 2011; Mishra, 2012; Divya, 2014; Prashar, 2017; Chandra, 2018). This new concept helps avail the financial services to all those people which are unbanked yet and to link them to bank to check their accounts, savings, credit and debit cards, various type of loans such home loans, kisan loan using KCC scheme, consumer loans, Mudra loans, personal loans to start their business ventures. It was calculated that around two billion of adult population

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are not having reach of banks (as reported by the Global Findex Database, 2017). The concept of financial inclusion gained momentum in India after the period of liberalisation with a resultant major rise in the number of branches of banks in the urban, rural and semi-urban areas. Still, there is a large section of population is lacking behind the using and financial services and products availability in India (Chaia *et al*., 2009; Fuller, 1998; Peachy and Roe, 2006). In demand to fulfil this objective, Government of India introduced financial inclusion scheme by the name the Pradhan Mantri Jan Dhan Yojna in the year 2016 at the national level (Nandru and Rentala, 2019). In addition to this the central bank of India is consistently explaining and making policies to bring a large number of people of the unbanked sector into the organised banking structure (Leeladhar, 2005). It is considered to be a crucial parameter for development and improvement of social status in the society around the world. It is requirement of time and situation that financial services should be inclusively provided to all at an affordable rate and the same is applicable to countries like India. The Rangarajan Committee Report (2008) states that about financial inclusion approximately 49.77 per cent respondents belong to the SC, 63.68 per cent households belong to ST and 48.58 per cent belong to the other deprived class and were financially excluded. Despite the fact that the economic growth rate of the country in the last two decades is impressive yet there are many communities which falls under the category of marginalized. These communities continue to face challenges in being excluded from various financial, social, and economic opportunities. Therefore, it emerges as a crucial and significant global concern for attaining sustainable long-term economic growth. It is directly associated with its background; the present study attempts to analyse the effect of financial inclusion on social welfare of the downgraded section of Kashmir with the help of economic empowerment. The study found a positive correlation between financial inclusion and socio-economic support for individuals within the impoverished and underprivileged segments of society (Lenka and Barik, 2018; Rastogi and Ragabiruntha, 2018). The review of literature also provides sufficient evidence of association between microcredit in uplifting the people from deprivation. As income increase it leads to the rise in the expenditure on the food, medication and education of children was experienced among poor in the rural area of the Bangladesh (Latifee, 2003; Mustafa *et al*., 1996). There is also found the positive correlation between gross domestic product and financial inclusion parameters by taking into consideration of many country studies (Hannig and Jansen, 2010). One cannot deny the fact financial inclusion play a vital role in terms of empowerment, particularly the poor part of the community, in terms both social and economical and also helps in reducing shortage by providing a consistent base of finance (Sulong and Bakar, 2018; Joseph and Varghese, 2014). It plays a significant role in attaining monetary progress, which helps in the overall economic growth (Lakshami and Visalakashami, 2013). Financial inclusion is a comprehensive policy for fostering inclusive development. It strives to offer essential financial products and services to everyone, particularly those who have been pushed into poverty, whether due to human-made or natural factors, at affordable rates (Nayak, 2012). It improves the living standard of the households and contributes to the advancement of economic well-being (Khera *et al*., 2021; Rautela *et al*., 2010). It directly impacts the employment opportunities, income growth, and accumulation of capital and savings for the economically deprived rural population, as it necessitates any infrastructural changes essential for the economic and social welfare of the society. This type of capital whether human and social has multiplier effect to increase the economic development (Khan, 2011). King and Levine (1993) stated empirically that fiscal mediation through finance facilities raises investment growth and per capita income for around forty-five nations.

II

THEORETICAL FRAMEWORK

The Solow-swan economic model helps to build base for theoretical background and also explained the relationship between economic development and financial inclusion (Solow, 1986). In addition to this neoclassical school of thought the exogeneous growth model explained that economic growth is the function of the saving, an increase in the supply of the labour and capital creation. Financial inclusion play significant role for household belongs to the developing nations without it they can earn only minimum wages, which only can fulfil their necessary and urgent daily consumption. They cannot accumulate their savings. A slow but steady state of development was attained along with declining returns of capital and rise the labor. There is direct relationship of investment and accumulation of savings and it leads to the produce future fiscal growth. Mankiw *et al.* (1992)'s study is an extension to neoclassical this model explains the importance of the capital which is composed of the both human capital and physical capital, productive and skilled labour are the outcome of the human capita. As the model explained that capital decline due to the unskilled labour, it simply suggests that if saving account experience a rise then it leads to the reduction in the lack of liquidity from the untrained worker who may be create the unbanked section. Romer (1994) in his endogenous model of the growth stated that every single unit of the investment in physical stock raise the experience whose effect increase the level of technology in the whole economy. In the study by Romer (1994) the negative effect occur from the rise in the labor supply who disallowed the application of labour-saving inventions. In this direction mobile banking play an important role in the financial inclusion, modern banking which includes the mobile banking and internet banking UPI can be measured to be a technical invention.

III

CONCEPTUAL FRAMEWORK

Financial inclusion refers to the ability of all people to obtain banking and financial services in a fair, transparent, and equitable manner, at a reasonable cost

(Sarma, 2008 and Solow, 1986). This facilitates timely and reasonable access to loans and other financial services for vulnerable groups at a reasonable price. In other words, financial inclusion refers to the availability, accessibility, and use of financial services provided by regulated financial institutions. The article provides an understanding and analysis of the obstacles that prevent people from opening and operating bank accounts, such as price, physical distance from bank branches, etc. The role of Indian Post helps in promoting financial inclusion and socio-economic empowerment. A financial product or service is characterized by its breadth and scope, for example, a loan, overdraft, insurance, passbook, debit card, etc. This term refers to the persistent, coordinated efforts of the community and decision-makers to improve the standard of living and economic health of a particular region. The purpose of this method is to give recipients more actual influence over economic choices that affect both their own priorities in life and those of society in general. It is essential that recipients' social standing and quality of life are improved in order to achieve social empowerment. As a result, enhancement in a person's social status, housing conditions, hygiene living conditions, and health are observed.

IV

REVIEW OF LITERATURE

By providing accessible, affordable, and availability of financial services to women a nation can attend global progress in terms of achieving gender equality and women empowerment (Holloway *et al.,* 2017). A direct relationship between financial inclusion and variables like income, education, gender inequality, physical infrastructure was also found (Sarma,, 2008). Moreover, evidence was found between the period ranging from 2011 to 2014 regarding the very first-time adult members of the population as account holders in different banks (Ghosh and Vinod, 2017). In India, post-liberalisation, a significant number of bank branches opened and increased in numbers mainly in the metropolitan, urban and semi-urban regions (Peachy and Roe, 2004). But, still, a large no of people is not able to avail of financial services (Chaia *et al*., 2009; Fuller, 1998). Moreover, in India, 110 million population is financially excluded (Fernando, 2009). There exist five different kinds of financial exclusion namely access exclusion, condition exclusion, price exclusion, marketing, and self-exclusion (Sarma, 2008). To solve this problem, in 2014, the Indian government introduced PMJDY to provide financial services at a reasonable rate for the 20-65 age group especially targeted women (Bhatia and Singh, 2019). To achieve women's financial inclusion the first step is to have a formal bank account (Soumare *et al*., 2016). In developing countries, "mobile money" and other financial services to with financial inclusion are considered one of the most promising ways of providing financial services (Donovan, 2012). In addition, women can get empowered by accessing financial services in order to have self-decision-making power and control over the allocation of resources. An individual saving account of women helps them to deal with uncertain economic shocks. Moreover, it helps in reducing their dependency on the informal financial system; besides, enhanced bargaining power of women within the family (Kast and Pomeranz, 2014). But the problem arises when they avail credit from formal banking system some collateral loan. Women have limited ownership of assets (Reboul et al.,2021). However, women have a 50 per cent share of the total population in the world, and still in developing countries considering India in it too, to access financial facilities is a challenging task (Sangare and Guérin, 2013). Some of the barriers faced by women in accessing financial services and benefits are the paucity of funds, non-reachable financial institutions, higher cost of financial services, inadequate documents, and lack of confidence in financial institutions (Ghosh and Vinod, 2017).

V

OBJECTIVES

Keeping in view the above the study attempts (i) To analyse the socio-demographic conditions of marginalised communities in Kashmir valley. (2) to evaluate the association between empowerment of marginalized communities through financial inclusion schemes and (3) to examine the difference of empowerment among marginalised communities through their socio- economic status.

VI

DATA SOURCE AND METHODOLOGY

The study used the primary data collected with the help of questionnaire to assess, evaluate and measure the usage of financial inclusion schemes among different socio-economic community in the study area. Multistage random sampling which involved various stages of sample selection. In the first step, the region of Kashmir was selected, followed by the two districts from South and North Kashmir picked based on PMJDY performance, namely (Pulwama being the rural district and least performer and Srinagar being the urban district but the best performer). Overall the data was collected from a sample of 200 respondents 50 each from 4 villages of 4 blocks (Noorpora, Giru Kadal from rural and Nowgaon and Bagh-e-Mehtab) from two urban districts i.e., Pulwama and Srinagar of Kashmir, India. In view of achieving and testing the formulated objectives and hypotheses, responses of respondents have been recorded various items related to financial inclusion schemes and its unique features, usage, benefits and its impacts on beneficiary for their savings, economic benefits and financial assistance to overall economic empowerment and well-being. In the first section demographic and socio-economic profile of the economically weaker households are described along with access and usages of schemes. The statistical methods of frequency distribution, mean, percentage. Custom tables and the following statistics summarise and describe about collected Data. In this work, Independent T-test, Paired T-test, One Way ANOVA, Chi-square test to investigate empowerment among various socio-demographic conditions.

VII

SOCIO-ECONOMIC PROFILE OF HOUSEHOLDS

This section highlighted the demographic profile of respondents surveyed, such as their income, educational, social category, economic status etc., has been obtained using descriptive statistics, and the results are portrayed in the given below tables.

TABLE 1. SOCIO-ECONOMIC STATUS OF HOUSEHOLDS

Variables (1)	Categories (2)	Frequency (3)	Per cent (4)
Gender	Female	53	26.5
	Male	147	73.5
Social Category	GEN	137	68.5
	OSC	48	24
	SC	13	6.5
	ST	2	1
Earning Members in Family	Only 1	52	26
	2 Member	25	12.5
	3 or More	100	50
	None	23	11.5
Education Status	Illiterate	34	17
	Primary	31	15.5
	Secondary	35	17.5
	High Second	35	17.5
	Graduate & above	65	32.5
Family Monthly Income (In)	Less than 10000	78	39
	10000 – 20000	36	36
	20000 – 30000	37	18.5
	Above 30000	49	24.5
Economic Status	APL	81	40.5
	BPL	119	59.5
Occupation	Self Employed Agriculture		13.5
	Self Employed Non-Agri		19
	Casual Labour		2.5
	Non-Casual Labour		11.5
	Salaried Person		29
	Others		24.5

Source: Field survey, 2022 *SC= Social caste, OSC= Other social castes.

The majority of respondents (73.5 per cent) were males because the head of the household being male rather than female and social category shows that 68.5 per cent of respondents were from the General category because of their wealth and standard of living. In addition to this the earning member from a family were (50 per cent) who have three or more earning members in their family because they earn their livelihood by working on their piece of agricultural land, which means it absorbs almost family members of the family but does not increase the income due to disguised employment. The education level of the respondents (32.5 per cent) was graduates or higher due to urban participation. In the sample, 42 out of the total 65 graduates, belongs to the urban area because they are more educated than rural and had better schools and college facilities than the rural areas. The monthly earnings amount of the families (39 per cent) has a monthly income of less than ₹10,000, due to the whole family working on a fixed land of piece. The table also depicts the economic status of respondents, revealing that 59.50 per cent fall into the APL category because their combined family income crossed the poverty line criteria. The recent survey, 2021 conducted by the NITI Aayog revealed why 10.35 per cent of the population in J&K is living below the poverty line. The bulk of respondents (29 per cent) were salaried, in which 40 per cent of respondents hailed from urban areas due to their high literacy level and better employment opportunities in various government activities and non-government jobs in the organised private sector.

TABLE 2. AVAILING THE LOAN FACILITY

(*per cent*)

Category	Consumer Loan		Housing Loan	None	Personal Loan
(1)	(2)		(3)	(4)	(5)
Locality	Rural	10.0	33.0	57.0	0.0
	Urban	0.0	13.0	60.0	27.0
Reason for A/C		For Saving		For Schemes	
	Rural	83.0		17.0	
	Urban	62.0		38.0	

Source: Field Survey, 2022.

The table showed that the majority, 57 per cent of rural respondents, did not take any loans due to a lack of awareness regarding the provision of loans, and also the banking procedures were very complicated. Only a few of them reported that if they could get loans, they will not be in a position to repay at regular intervals. As far as urban areas are concerned 27 per cent of the urban respondents availed a personal loan, and most of the respondents did not take any loan. The majority of respondents (83 per cent) from the rural area reported that they opened a bank account to save money, which comes from multiple sources, and they also reported that they prefer to keep the money in the type of account in which they could earn a reasonable rate of interest.

TABLE -3 USAGE OF PMDJY & PMMY SCHEME

(*per cent*)

Variables		PMJDY		MUDRA	
		No	Yes	No	Yes
(1)	(2)	(3)	(4)	(5)	(6)
Locality	Rural	36.4	63.6	100.0	0.0
	Ur ban	23.5	76.5	70.6	29.4
Social	General	32.6	67.4	89.5	10.5
Category	OBC	33.3	66.7	85.7	14.3
	OSC	18.2	81.8	100.0	0.0
Education Level	Graduate and above	29.4	70.6	79.4	20.6
	High Secondary	28.0	72.0	96.0	4.0
	No Formal	44.4	55.6	92.6	7.4
	Primary	15.4	84.6	92.3	7.7
	Secondary	40.7	59.3	88.9	11.1

The table showed the number of people who benefited from the Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri Mudra Yojana. In the rural area, 63.6 per cent of respondents profited from the PMJDY programme, the people in the rural areas had more awareness relative to people living in the urban areas as per the responsiveness of the respondents was concerned, while 76.5 per cent of respondents benefited from the urban area. The PMJDY plan benefited 81.8 per cent from the OSC category, they have better knowledge about the benefits of the scheme and the banking procedures in comparison to the other category. In the rural area, no respondents profited from the MUDRA plan, the respondents in the rural areas do not know the benefits provided under this programme, while 100 per cent of respondents in the urban area benefited, the urban people had employment opportunities and had taken loans to meet their immediate business needs. The table indicates that there is an increase in the utilization of financial initiatives as the level of education rises, with graduates being the primary users of Mudra schemes.

TABLE 4. USAGE OF KCC AND SHGS SCHEMES

(per cent)

Variables		KCC		SHGs	
		No	Yes	No	Yes
(1)		(2)	(3)	(4)	(5)
Locality	Rural	29.5	70.5	13.6	86.4
	Urban	100.0	0.0	51.0	49.0
Economic Status	APL	63.0	37.0	27.8	72.2
	BPL	50.6	49.4	27.1	72.9

The table showed the 86.4 percent of respondents in rural areas benefited from the SHGs scheme. As observed in the field survey, the respondents living in rural areas had better information about the benefits available under this programme as compared to people living in urban areas. In the rural region, 100 per cent of respondents benefited as people mostly do agricultural and horticultural activities and they need financial help to buy fertilisers, equipment and other materials for their orchards.

TABLE – 5 USAGE OF PMUY SCHEME

(per cent)

PMUY		PMUY	
		No	Yes
(1)		(2)	(3)
Locality	Rural	42.0	58.0
	Urban	19.6	80.4
Economics Status	APL	37.0	63.0
	BPL	31.8	68.2

The table showed the number of people who benefited from the Pradhan Mantri Ujjwala Yojana (PMUY). The rural area is lacking behind in this scheme due to the access and availability of the programme at their place, on the contrary 80 per cent of total respondents benefited in the urban area. There were 68 percent who got benefited of this scheme belongs to the BPL as their social category because they are part of the urban region. To reach the benefits of this programme to the 100%

population of the respective regions, the concerned authorities should put more and more effort and making people aware of the benefits of this programme.

TABLE -6 FINANCIAL INCLUSION SCHEME AND SOCIAL EMPOWERMENT

(per cent)

Variables		PMJDY	MUDRA	KCC	SHGs	PMUY
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Financial Exploitation Reduced	Yes	80.0	93.3	100.0	100.0	81.5
	No	20.0	6.7	0.0	0.0	18.5
Financial Need Fulfil	Yes	90.5	93.3	100.0	100.0	100.0
	No	9.5	6.7	0.0	0.0	0.0

The table showed how many people were able to gain financial independence as a result of the financial inclusion programme. Financial inclusion schemes KCC and SHGs beneficiaries are 100 percent who were reported that their exploitation reduced in terms of charging high interest rates by moneylender on debt amount and fulfil their financial need through banking. People living in rural use KCC and SHGs in rural areas have better knowledge about the various financial products and services available to them in comparison to the people living in urban areas.

MUDRA	N	Mean		
Post Income		NO	124	19838.71
		YES	15	32133.33

Independent Samples Test

Levene's Test for Equality of Variances			t-test for Equality of Means		
Postal income	F	Sig.	t	df	Sig. (2-tailed)
Unequal variances	3.692	.057	-2.782	16.188	.013

The relationship among variables of the benefits of “Pradhan Mantri Mudra Yojana” scheme and post income is tested in the above table. It is observed that there is no significant difference between the benefits of “Pradhan Mantri mudra Yojana” scheme and post income is tested in the above table. Hence, Null hypothesis is accepted. This suggests the No (N = 124) did not have a major different total score (M = 19838.71) and Yes (N = 15; Mean = 32133.33), t (16.188) = -2.782, p = .013). Levene’s test indicates variances for MUDRA user and no user of MUDRA schemes have not difference much from each other (p = .057).

	PMUY	N	Mean
Postal income	NO	47	18021.28
	YES	92	22771.74

Independent Samples Test

Levene’s test value for equality of Variances			t-test for Equality of Means		
Postal Income	F	Sig.	t	df	Sig. (2-tailed)
Unequal variances	9.745	.002	-2.080	114.946	.040

The above table tested the relationship between beneficiaries of the “Pradhan Mantri Ujjwala Yojana (PMUY)” scheme and Post income. It has been found that there is no significant difference between the beneficiaries of the Pradhan Mantri Ujjwala Yojana and Post income. Hence, Null hypothesis is rejected. The test shows No (N =

47) do not have major difference between these two (Mean = 18021.28) and Yes (N = 15; Mean = 22771.74), t (114.946) = -2.080, p = .040). Levene's test indicates variances for PMUY beneficiaries and non-beneficiaries have difference between these two (p = .002). This result suggesting to use the unequal variance test.

	Locality		N		Mean
Postal income	Rural		88		19556.82
	Urban		51		23941.18
Independent Samples Test					
Levene's Test for Equality of Variances			t-test for Equality of Means		
Post income	F	Sig.	t	df	Sig. (2-tailed)
Unequal variances	8.553	.004	-1.712	89.043	.090

The above table showing the result of the association between Postal income and Locality. It has been found that there is significant difference between Postal income and Locality of respondents. Hence, Null hypothesis is rejected. The result indicates rural (N = 88) did not have major difference between the scores of both (Mean = 19556.82) than Urban (N= 51; Mean = 23941.18), t (89.043) = -1.712, p = .090. above table shows that variances for rural to urban is significantly difference (p = .004). Levene's test value indicates significant differences, so we used the value of test of unequal variance

Eco status	N	Mean	Std. Deviation	Std. Mean	Std.Error mean
Postal income	APL	54	30796.30	13093.826	1781.844
	BPL	67	14746.27	10131.474	1237.757
Independent Samples Test					
Levene's Test for Equality of Variances			t-test for Equality of Means		
Post income	F	Sig.	t	df	Sig. (2-tailed)
Unequal variances	8.553	.004	-1.712	89.043	.090

The above table tested the relationship between Post income and Economic status. It has been found there is noteworthy difference between post income and economic status of households. Hence, null hypothesis is rejected. The result indicating that the APL (N = 54) do not have a major difference between the scores of both (Mean = 30796.30), BPL (N = 67; Mean = 14746.27), t (89.043) = -1.712, p = .090. To measure equal variance or not Levene's test shows that APL and BPL both have noteworthy difference from each other (p = .004). Levene's test show significant differences, so the unequal variance test values were into the consideration.

PAIRED SAMPLE TEST

variable		N	Mean	correlation	sign	Std. deviation	Std. Error Mean
Pair 1	Pre income	139	18503.6	0.997	0	11753.74	996.939
	Savings with post-income	139	20287.77			12759.34	1082.233

PAIRED DIFFERENCE

Mean	Std. Deviation	Std. Error Mean	95% CI Difference		t	df	sig.(2-tailed)
-2661.871	3320.018	281.6	-3218.68	-2105.061	-9.453	138	0
-1784.173	1350.054	114.51	-2010.594	-1557.751	-15.581	138	0

This paired-samples t-test analysis indicates that for the 139 subjects, the mean post income with saving (M = 20287.77) was significantly greater at the $p < .01$ level (note: $p = .000$) than the mean pre income (M = 18503.6). table shows a noteworthy correlation exists between these two variables ($r = .997$, $p < .001$); those who income high the pre income tend to have high on the post income.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Savings with post-income	Between Groups	2723991423	2	1361995712	9.382	**.000**
	Within Groups	1.974E+10	136	145165424.9		
	Total	2.247E+10	138			

The findings from One-Way Anova output from one-way ANOVA using different demographic variables revealed existence of significant mean difference in the empowerment of beneficiaries of different social category (F=9.382, Sig.=.000).

MULTIPLE COMPARISONS, SCHEFFE

Dependent Variable	(I) socia L category	(J) social category	Mean Diff (I-J)	Std. Error	Sig.	95% Confidence Interval	
Savings with post-income	General	OBC	7746.955*	2268.103	.004	2133.50	13360.41
		OSC	12627.907*	3858.086	.006	3079.32	22176.49
	OBC	general	-7746.955*	2268.103	.004	-13360.41	-2133.50
		OSC	4880.952	4080.830	.491	-5218.92	14980.82
	OSC	general	-12627.907*	3858.086	.006	-22176.49	-3079.32
		OBC	-4880.952	4080.830	.491	-14980.82	5218.92

*. The mean difference is significant at the 0.05 level.

The test is used to check whether there is major mean difference between socio-economic variables and economic empowerment of respondent. Respondents were categories into three social categories. The test of one-way ANOVA indicates that there is noteworthy difference between each group. All the categories General, OBC and OSC are significant at 1 per cent for economic empowerment. It is concluded that there is a significant difference in the empowerment of the respondents belongs different category. So, alternate hypothesis is partially failed to reject. With regard to post income with save.

ANOVA

		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Savings with post-income	Between Groups	5042665994	3	1680888665	13.024	**.000**
	Within Groups	1.742E+10	135	129065357.1		
	Total	2.247E+10	138			

The findings from One-Way Anova output from one-way ANOVA using different demographic variables revealed existence of significant mean difference in the empowerment of beneficiaries of different groups of earning member in the family (F=13.024, Sig.=.000).

MULTIPLE COMPARISONS, SCHEFFE

Dependent Variable	(I) Earning Member	(J) earning Member	Mean difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
Savings with post-income	0	1	-16644.156*	3926.932	.001	27761.63	-5526.69
		2	-20710.227*	4449.697	.000	33307.69	-8112.77
		3	-7194.805	3661.883	.282	-17561.90	3172.29
	1	0	16644.156*	3926.932	.001	5526.69	27761.63
		2	-4066.071	3428.435	.704	-13772.25	5640.11
		3	9449.351*	2315.978	.001	2892.62	16006.08
	2	0	20710.227*	4449.697	.000	8112.77	33307.69
		1	4066.071	3428.435	.704	-5640.11	13772.25
		3	13515.422*	3121.339	.001	4678.65	22352.19
	3	0	7194.805	3661.883	.282	-3172.29	17561.90
		1	-9449.351*	2315.978	.001	-16006.08	-2892.62
		2	-13515.422*	3121.339	.001	-22352.19	-4678.65

*. The mean difference is significant at the 0.05 level.

In case of post income with saving, the multiple comparisons Table reveal no significant difference among the earning member group except that of no earning member and single and two family member earner and one family member earner and three family member earner and two family members earner and three family member earner in family. However, the mean scores are statistically significant between the number of family member earner. Therefore, the alternative hypothesis is partially accepted in relation to savings with post-income.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Savings with post-income	Between Groups	1162275572	2	581137786.1	3.710	.027
	Within Groups	2.130E+10	136	156648629.7		
	Total	2.247E+10	138			

The findings from One-Way Anova output from one-way ANOVA using different demographic variables revealed existence of significant mean difference in the empowerment of beneficiaries of different family size groups (F=3.710, Sig.=.027).

MULTIPLE COMPARISONS, SCHEFFE

Dependent Variable	(I) family size	(J) family size	Mean Diff (I-J)	Std. Error	Sig.	95% CI	
Savings with post-income	3 Member	more than 4	-5945.455	2600.841	.077	-12382.42	491.51
		more than 8	877.273	2531.473	.942	-5388.01	7142.55
	more than 4	3 Memb	5945.455	2600.841	.077	-491.51	12382.42
		& more than 8	6822.727*	2734.303	.048	55.45	13590.00
	more than 8	3 Member	-877.273	2531.473	.942	-7142.55	5388.01
		more	-6822.727*	2734.303	.048	-13590.00	-55.45

*. The mean difference is significant at the 0.05 level.

In case of post income with saving, the multiple comparisons Table reveal no significant difference among the family size group except that of three family member and more than four family member and more than eight-member and more than four members with three family members. However, the mean scores are statistically significant between the three-family member and more than four family member and more than eight-member and more than four members with three family members. Hence, the alternate hypothesis is partially accepted. With regard to post income with save.

ASSOCIATION BETWEEN EMPOWERMENT AND USAGE OF FINANCIAL INCLUSION SCHEMES
CHI-SQUARE TEST

Variables	Pearson Chi-Square value	Df	Asym. Sig (2-sided)
(1)	(2)	(3)	(4)
Empowerment and PMJDY	16.177a	13	0.24
Empowerment and SHGs	51.857a	13	0
Empowerment and PMUY	60.096a	13	0
Empowerment and MUDRA	29.135a	12	0.004
Empowerment and KCC	24.030a	12	0.02

Ho= There is significant influence between beneficiaries of various financial inclusion schemes and Empowerment.

The Chi-Square analysis given in table p-value is less than 0.05, the null hypothesis suggests that there is no significant association between Empowerment and beneficiaries of SHGs, PMUY, MUDRA, KCC is Rejected. Hence there is significant association between those respondents who are availing benefit of these financial inclusion schemes and their level of saving and income, except PMJDY whose, chi-square value of 16.177 and p-value of .24 between Empowerment and beneficiaries of PMJDY. Since p-value is more than 0.05, the null hypothesis suggests that there is no significant association between Empowerment and beneficiaries of PMJDY is accepted. Hence there is no significant association between those respondents who are having or not having PMJDY account beneficiaries.

VIII

CONCLUSION

This analysis was necessary to answer the question of whether focusing on financial inclusion results in economic development and societal welfare, which has been raised in the development literature. This report demonstrates the extent of the Kashmir valley's economic empowerment brought about by financial inclusion. Financial inclusion is undoubtedly a great strategy for achieving economic inclusivity, but for a diverse nation like India, it is essential to first build the infrastructure before customising the models to meet the requirements. If not, financial reforms won't produce a system that can hasten inclusive economic growth. Financial inclusion is not achievable without a proper comprehension of and knowledge of the layout and structure of the current financial tools and procedures.

There is a significant demand side constraint that has not yet been removed. As a result, there is a need to boost participation by improving financial education and counselling. To promote profitable investment, formal financial institutions need to mobilise more money from a larger client base and issue loans for the commercial endeavours of the most vulnerable members of society. In the near future, effective information and communication technologies can assist create a framework for the development of rural areas and can result in a more equitable and sustainable economic structure.

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