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A Study On Digital Initiatives Integrated In Various Flagship Schemes Of Financial Inclusion In India

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Abstract: **Digitalization** has its significant contribution in the process of Viksit. The Hon'ble President of India, Smt. Droupadi Murmu in her address to Parliament, on 31st January, 2024 said, "It was beyond the imagination of some people that, even in villages, routine buying and selling will be done digitally", further in the same address she also informed "46 Percent of the world's total real time digital transaction take place in India" and "a record of 1200 crore transactions were done through UPI last month", i.e. as on 31st January, 2024. Even though Digitalization can be said as one of the subsets for achieving Viksit, digitalization by itself is a very large area, as digitalization can be adopted in various sectors viz… finance, health, transport, urbanization (smart city). **Financial Inclusion** also plays a vital role in the overall growth (Viksit). Various studies have reported on matters pertaining to financial inclusion, few studies among them are (i) Financial Inclusion Index (ii) Government of India Population Census (iii) NSSO Survey/Reports (iv) CRISIL – Inclusix, (v) RBI Reports, (vi) IMF Survey on Financial Access (vii) NABARD All India Rural Financial Inclusion Survey. Conducting surveys, reporting data pertaining to financial inclusion has been a continuous process, "Report of the Committee on Financial Inclusion, January 2008", Chaired by C Rangarajan, is one among the surveys and reports, conducted during early 2000. Preface of this report starts with the statement "Access to finance by the poor and vulnerable groups is a prerequisite for poverty reduction and social cohesion" further as per the report scope of financial services includes credit, savings, insurance, payments and remittance facilities. Executive Summary and Recommendations section of the report, defines financial inclusion. Department of Financial Services, under the Ministry of Finance, Government of India, with the moto "Jan Dhan to Jan Suraksha" have rolled out various schemes for achieving financial inclusion, their flagship schemes are (i) Pradhan Mantri Jan Dhan Yojana, (ii) Atal Pension Yojana, (iii) Pradhan Mantri Jeevan Jyoti Bima Yojana, (iv) Pradhan Mantri Suraksha Bima Yojana (v) Pradhan Mantri Mudra Yojana and (vi) Stand Up India. Even though there are studies on Viksit Bharath 2047, Digitalization in India and Financial Inclusions, studies integrating all the three and having the focus on digitalization of various schemes of financial inclusion for a Viksit Bharath can be stated as a research gap. This study is an attempt to explore various flagship schemes rolled out by Department of Financial Services, under the Ministry of Finance, Government of India for achieving financial inclusion and this study has also tried to extract the various digital initiatives integrated in those flagship schemes. This being an exploratory study, have used various secondary data as major source. The recent surveys, reports compared with the data reported in a decade or two i.e. from early 2000s, shows a significant increase towards achieving the financial inclusion, but on the other hand the scope still remains when it comes for matters pertaining to spreading of awareness about Government schemes and initiative, grievance reporting process, catering for the needs of all. India being highly diversified, utmost care to be taken during the execution of various schemes and also need to constantly check as to the intent of the policy maker is not being departed, during the executions.

***Index Terms* - (i) Financial Inclusion (ii) Digital Initiatives (iii) Jan Dhan (iv) Jan Suraksha**

1. Introduction

Financial Inclusion plays a vital role in the overall growth. An individually who is unable to obtain financial services from the mainstream can be said as financially excluded. The reports of the various high-level committee, either formed by Central Government or being the institution under the Central Government, has also highlighted the issues such as a major percentage of people not having access to financial services from the mainstream, which can be termed as financial exclusion. Various studies have reported on matters pertaining to financial inclusion, few studies among them are *(i) Financial Inclusion Index (ii) Government of India Population Census (iii) NSSO Survey/Reports (iv) CRISIL – Inclusix, (v) RBI Reports, (vi) IMF Survey on Financial Access (vii) NABARD All India Rural Financial Inclusion Survey.* Conducting surveys, reporting data pertaining to financial inclusion has been a continuous process, the recent surveys, reports compared with the data reported in a decade or two i.e. from early 2000s, shows a significant increase towards achieving the financial inclusion.

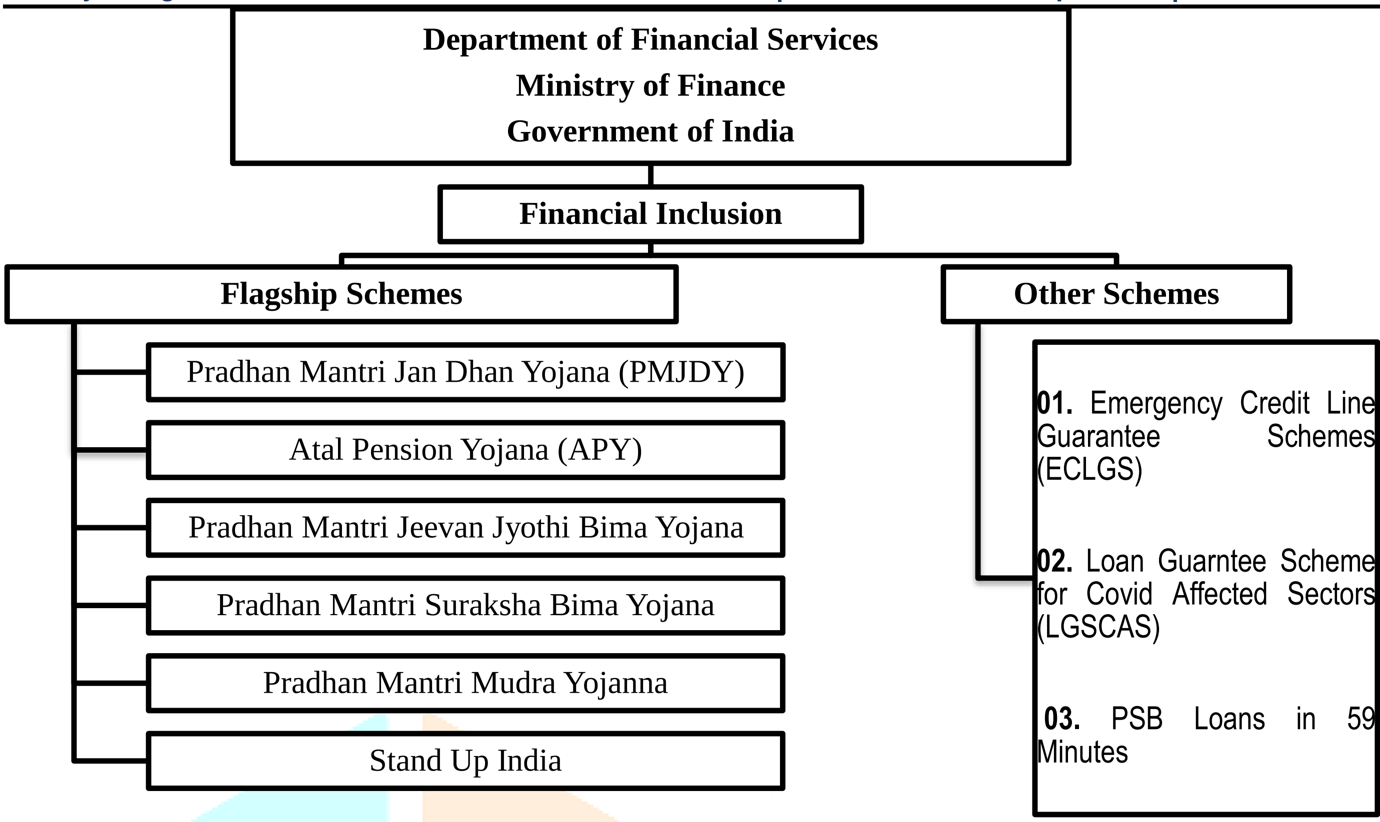
"Report of the Committee on Financial Inclusion, January 2008", Chaired by C Rangarajan, is one among the surveys and reports, conducted during early 2000. Preface of this report starts with the statement *"Access to finance by the poor and vulnerable groups is a prerequisite for poverty reduction and social cohesion"* further as per the report scope of financial services includes credit, savings, insurance, payments and remittance facilities. This report also cites National Sample Survey Office, Government of India (NSSO) data, where NSSO has reported around 51.4% of the farmer won't have access to credit from a formal institution or non-institutional sources, which shows their financial exclusion, further under the Executive Summary and Recommendations section of the report, defines financial inclusion as *"Financial inclusion may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost."*

Department of Financial Services, Government have extracted the data reported by Indian Population Census 2001 and 2011 pertaining to number of people availing banking services, the values of the extracted data are tabled below:

Availing Banking Service	As per 2001 Census	As per 2011 Census
Rural	30.10 %	54.40%
Urban	49.50%	67.80%
Total	35.50%	58.70%

Source: https://socialwelfare.vikaspedia.in/viewcontent/social-welfare/financial-inclusion/financial-inclusion-in-india?lgn=en

Department of Financial Services, under the Ministry of Finance, Government of India, in its office web portal, have kept dedicate drop down menu for *Financial Inclusion* and under the overview of the scheme, has published the moto of *Financial Inclusion* as *"Jan Dhan to Jan Suraksha"* which symbolize inclusion of both banking services and insurance services under Financial Inclusion. The various schemes rolled out by Department of Financial Services, Ministry of Finance, Government of India, is show below:



In the early 2000 there was concern regarding the cost involved for providing services through digital technologies and was also somewhat classified as being a premium service for availing ATM Cards, Debit Cards and other such services. As the result of various incentives from Government for boosting the digital technology, the landscape has been completely changed, electronic devices like mobile, etc… are now available at an affordable price and also so the data services. The Digital India a flagship programme, was launched by Government of India, on 01st July, 2015 and the same now comes under the Ministry of Electronic and Information Technology, moving forward the Government have approved National e – Governance Plan (NeGP) on 18th May, 2016 comprising of twenty-seven mission mode Projects and eight components, including four projects of 2011. There is also a major shift from Governance to e – Governance. Digital technology is currently used right from launching the scheme, monitoring and grievance handling.

2.0 Review of Literature

2.1 Punjani (2023): The research in this study has made an attempt to explore the awareness of consumers towards various schemes of Financial Inclusion rolled out by Government of India, further the schemes being included in this study are *Pradhan Mantri Jan Dhan Yojna (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojna (PMJJBY), Pradhan Mantri Suraksha Bima Yojna (PMSBY), Pradhan Mantri Mudra Yojna (PMMY), Atal Pension Yojna (APY) and Stand – up India Scheme*. Apart from exploring the awareness of consumers towards various schemes the research has been carried with the objective to study the use of banking services by investor. This being a descriptive research, various secondary data viz… scheme documents, research journals, etc… has been used. *"Jamnagar"* city being the locale of the study, the researcher has collected primary data through questionnaire from the customers of selected financial institution and declares as the sample size being 101. For the purpose of data analysis, the various factors being considered such as *Demographics of the respondents, Purpose of using Bank Account including the frequency of Bank visits in a selected interval* and also the respondents are asked to rate on a scale of five their experience towards each scheme being perceived the benefits. Research has found that level of awareness being low towards various schemes except Pradhan Mantri Jan Dhan Yojana (PMJDY) and also the researcher has opined that as majority of the respondents visits to the bank rarely, bank cannot work as an effective communication channel for information spreading. The research suggests for an online mode of spreading awareness about all these schemes. This study being conducted very recently i.e. in the year 2023, the author has not considered the include the digital initiatives integrated with these schemes and hence it gives a scope for exploring various digital initiatives integrated with these schemes.

2.2 Asif and et. Al, (2023): The group of researchers have carried research to study impact of *Fintech* and *Digital Financial Services* on Financial Inclusion, according to the authors' the backdrop to carry on the impact study is, significant improvement in financial inclusion during the recent years, where there are reports which says nearly Eighty Percent people have bank accounts in India. Rural Business owners who use mobile and related fintech services have been considered as the population of this study, further through a stratified judgmental sampling the samples from three districts viz… Gurugram, Hisar and Jhajjar of the state of Haryana has been selected and the sample size being 400, the primary data has been collected through structured questionnaire. Keeping 95% as level of confidence, various factors being analyzed and one among them is *Fintech for financial inclusion*. The researchers' opine that banking service being one of the fundamental monitory, still peoples from India's most rural and isolated areas are not being covered and also further suggests to make use of various fintech services for covering these group. Even though fintech being rapidly growing using the ladder of digitalization, the various schemes of Financial Inclusion rolled out by Government of India, has a digital Initiatives integrated in each of such schemes, hence the scope remains for exploring such various integrated digital initiatives.

Research Gap

There are studies pertaining to Financial Inclusion also studies where the entire research is carried exclusive concentrating on any one the schemes of Financial Inclusion viz… Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Mudra Yojana (PMMY) etc… and even there are studies on areas such as digitalization, fintech, but no significant study as to exploring the various digital initiatives the policy maker, being integrated in each of the schemes of financial inclusion and this study is an attempt to fill this gap.

3.0 Research Methodology

3.1 Objective of the Study: This research paper is carried out with the following objectives

(i) To explore various flagship schemes rolled out by Department of Financial Services, under the Ministry of Finance, Government of India for achieving financial inclusion.
(ii) To extract the various digital initiatives integrated in the flagship schemes rolled out by Department of Financial Services, under the Ministry of Finance, Government of India for achieving financial inclusion.

3.2 Research Methodology: This study is and exploratory research and have used various secondary data as major source.

3.3 Scope of the study: This study covers flagships schemes under Financial Inclusion rolled out by Department of Financial Services under the Ministry of Finance, Government of India.

3.4 Limitation of the study: The study uses secondary data as a major sources and majority of these data are reports of the committee framed by the Government or reports by the policy making institutions of the Government.

4.0 Discussion

4.1.1 Pradhan Mantri Jan Dhan Yojana (PMJDY) (Launched on 28th August 2014)

This scheme has completed one decade as on August 2024, *Guinness World Records* has recognised the achievement under this scheme and certified as *"The most bank accounts opened in one week as a part of financial inclusion campaign in 18,096,130 and achieved by Department of Financial Services, Government of India (India) from 23 to 29 August 2014"* Pradhan Mantri Jan Dhan Yojana was rolled out with the objective of providing financial services which includes basic banking, access to need based credit and also insurance and pension facilities for those people who are excluded from financial inclusion.

4.1.2 Digital Initiatives integrated in PMJDY:

Under Pradhan Mantri Jan Dhan Yojana a basic bank account with a zero balance is opened in order to facilitate every house hold universal accessing to banking. Right from opening of bank account, operating, grievance handling the digital platforms are used, to list the few, they are

(i) Aadhaar Based Account opening – No physical forms
(ii) Rupay Debit Card
(iii) Account Linking to various BHIM/UPI Apps
(iv) Access to Net Banking, Mobile Banking, e – passbook
(v) Enrolling for designated bank app viz… SBI Yono, Bank of Baroda BoB, etc…

4.2.1 Atal Pension Yojana (APY) (Launched on 09th May, 2015)

This pension scheme mainly caters for people of unorganized sectors, as those employed in an organized sectors might be covered under any one of the recognized provident fund schemes, whereas on the other hand workers from unorganized sectors or people who are self-employed or street vendors, auto driver etc… might not be covered under any pension scheme. As per the reports of DD News dated 09th October, 2024, seven crores' enrollments have already been crossed by the end of the FY 2024 – 25. Under Atal Pension Yojana there is a guaranteed minimum pension ranging from Rupees One Thousand per month to maximum of Rupees Five Thousand per month, apart from this, the scheme also has a life risk cover where a lumpsum amount shall be paid to the nominee upon the death of the subscriber and also gives the option of availing lifelong pension for the spouse of the subscriber.

4.2.2 Digital initiatives integrated in APY:

Pension Fund Regulatory and Development Authority (PFRDA) regulates various pension schemes of Central Government of India. One among them is also APY being a pension scheme for the unorganized sectors. Protean *(Formerly NSDL e – Governance Infrastructure Limited),* CAMS (Computer Age Management Services Limited) NPS and KFINTECH are facilitating online modes right from opening of account, contribution, record keeping, subscriber services, grievance handling, etc…

If we take a tour of Protean *(Formerly NSDL e – Governance Infrastructure Limited)* website npscra.nsdl.co.in it has the following main sections:

(i) **Introduction** – where complete scheme details, brochure in almost eleven vernacular languages apart from Hindi and English and altogether thirteen languages including Hindi and English can be found in downloadable and printable (PDF) format.

(ii) **Enrolment details of APY** – where it navigates options such as downloading PRAN (Permanent Retirement Account Number), or even downloading financial year wise account statement, etc…
QR Code is also available to download NPS Mobile Application.

(iii) **Form** – Under this option various form are grouped under the sub – head viz… Subscriber Registration Forms, Subscriber Maintenance Forms, Withdrawal and Continuation Forms, Service Provider Registration Forms, Forms pertaining to registration of Grievance by Subscribers. Majority of these forms are also available in vernacular language apart from Hindi and English. These forms are in downloadable and printable formats (PDF). Based on the nature of the form a subscriber and download, fill, affix signature, scan it and send it through E Mail.

(iv) **FAQ** – Frequently asked pertaining to APY, Grievance Redressal and withdrawal modules are hosted, which help for both the prospective subscribers and also existing subscribers.

(v) **Benefits of APY –** Flyers pertaining to benefits of APY along with the illustration and graphical representation is hosted. These flyers are in 21 languages *(including Hindi and English)*, again these flyers are helpful for prospective subscribers and those who need to explore about the scheme.

Apart from these paras (i) to para (v) mentioned above, this portal also has an option for:

- opening Account Online and also for making Contribution Online.
- opting for E Mail Statement in lieu of paper statement.
- requesting for Subscriber Awareness Programme.
- Aadhaar Seeding

4.3.1 Pradhan Mantri Jeevan Jyothi Bima Yojana (PMJJBY) (Launched on 09th May, 2015)

As per the post released by Press Information Bureau (PIB), Government of India, dated 10th February, 2025; vide release ID 2101428 based on the information given by Hon'ble Union Finance Minister, in a written reply to a question in Lok Sabha, PMJJBY, Cumulative Enrolments (as on 15.01.2025) stood to 22,52,20,758 Twenty two Crores Fifty Two Lakhs Twenty Thousand Seven Hundred and Fifty Eight. PMJJBY is a term insurance plan, where life of the insured is covered for one – year, further subject to renewal each year, the risk continues. This insurance covers death due to any reasons i.e. natural or accidental, for the age group of eighteen years to fifty years and renewable up to the age of fifty five years.

4.3.2 Digital initiatives integrated in PMJJBY:

As PMJJBY is a group life insurance, announced in the Budget Speech on 28th February, 2012, with a cover Rupees Two Lakhs for savings bank account holder hence one who wish to enroll, need to have at least one basic bank account or post office savings bank account. This scheme by itself do not have major exposure and also won't have various digital initiatives integrated, one of the major digital initiatives integrated is **Seeding of AADHAAR** and one more **Auto Debit** facility of premium from Savings Bank Account. **Online Enrolment to Scheme through Net Banking has been enabled by the respective banks.** This scheme indirectly encourages opening of bank account, once the bank account is opened, as discussed in the earlier section of this paper, it drives to various technology based digital services.

4.4.1 Pradhan Mantri Suraksha Bima Yojana (PMSBY) (Launched on 09th May, 2015)

This scheme is also an insurance coverage, where accidental death cum disability being covered for Rupees Two Lakhs and incase of partial disability a coverage of Rupees One Lakh. This entire cover comes with a nominal premium around rupees twenty per annum. As per the PIB report mentioned above, the PMSBY Cumulative Enrolments (as on 15.01.2025) is 49,12,25,285 Forty-Nine Crores Twelve Lakhs Twenty-Five Thousand Two Hundred and Eighty-Five.

4.4.2 Digital initiatives integrated in PMSBY:

Apart from the nature of cover, age group and premium amount, all other modus operandi right from enrolling, premium payment and Aadhaar Linkage is same as in PMJJBY hence digital initiatives integrated in PMSBY is also as same as in PMJJBY.

4.5.1 Pradhan Mantri Mudra Yojana (PMMY) (Launched on 08th April, 2015)

Pradhan Mantri Mudra yojana is one of the business loans, the scheme has been launched with objective or the tagline as *"funding the unfunded",* which means providing the formal credit facility to those whom lacked the access to formal credit. The scheme formerly has three categories of loan under it viz… Shishu for loans up to Rupees Fifty Thousand, Kishore for loans above Rupees Fifty Thousand but not exceeding Rupees Five Lakhs and Tarun for loans above Rupees Five Lakhs and up to Rupees Ten Lakhs. **Tarun Plus** a new category was introduced w.e.f. 24th October, 2024, covering loans above Ten Lakhs and up to Rupees Twenty Laksh. These loans are collateral free and covered by Credit Guarantee Fund for Micro Units (CGFMU) under the flagship of National Credit Guarantee Trustee Company Limited (NCGTC) incorporated under the Companies Act, 1956 and established by Department of Financial Services *(a wholly owned company of the Government of India).* These credit guarantee share the lending risk of the lending institution and facilitate credit access to prospective borrowers.

4.5.2 Digital initiatives integrated in PMMY:

This scheme having a business loan amount as low as from Rupees Fifty Thousand or even less than that under *"Shishu Category"* a prospective borrower can approach the lending institution with a simple white sheet application, for availing the loan. This scheme has integrated various digital initiatives in it, to name a few are:

- **(i)** Exclusive web portal www.mudra.org.in, having complete information about the scheme.
- **(ii)** Application for loan under this scheme can be done in the online portal *psbloansin59minutes.com.*
- **(iii)** RuPay Mudra Credit Card and My Mudra Prepaid Debit Card can also be listed as one of the Digital initiatives integrated in the Scheme

Apart from the above, as one who wish to avail loan under PMMY needs to have at least one basic bank account, once the bank account is opened, as discussed in the earlier section of this paper, it drives to various technology based digital services.

4.6.1 Stand Up India (Launched on 05th April, 2016)

Stand Up India is also a business loan, where each commercial bank branch needs to lend loans under this scheme to at least to one Scheduled Caste or Scheduled Tribe Borrowers and one women borrower. The loan amount rages between rupees ten lakhs up to one crore. Apart from collateral, these loans can also be covered under Credit Guarantee Scheme for Start-ups (CGSS) launched on 06th October, 2022 under the flagship of NCGTC.

4.6.2 Digital initiatives integrated in Stand-Up India:

This scheme is also being a business loan and when compared with PMMY, scale of the loan is higher and other Digital initiatives integrated in Stand-Up India are similar to PMMY. Stand Up India also has an exclusive web portal, with the domain address www.standupmitra.in. The portal has the complete update detail about the scheme and also claims the portal is based on three pillar support viz… (i) Handholding Support, (ii) Providing Information on financing and (3) Credit Guarantee and also have links to various official portal for providing *Training, Skill Development, Mentorship, etc…* Application for loan under this scheme can also be done in the online portal *psbloansin59minutes.com.*

5.0 Findings, Suggestion and Conclusion:

The six yojana under the flagship scheme of Financial Inclusion can broadly classified under three major heads viz… (i) Banking (ii) Insurance and (iii) Social Security i.e. Pension. When compared inter alia, Attal Pension Scheme (APY) has more digital initiatives, as it facilitates pre investment activities such as FAQs, Calculators etc… about the scheme further it also has the option for online contribution, statement viewing, downloading, exclusive section for grievance raising without merging with CPGRAMs, APY also has a mobile application, on the other hand when it comes for Insurance Schemes, there is minimal or almost no independent digital initiatives. When it comes for Banking i.e. Pradhan Mantri Jan Dhan Yojana, major digital initiative is Aadhaar based opening bank account, which is paper less and required data being fetched from the Aadhaar database upon the consent for the same. It can be said a one single bank account makes a significant contribution for using various digital *(Fintech)* platforms, both for domestic use and business purpose.

Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima being two schemes under the insurance category, apart from payment of premium through bank account, does not have much digital initiatives. A digital platform may be developed for checking or updating of existing Nominee details, address, contact number and also to make sure based on the Aadhaar number, an individual not being covered from more than one bank.

The recent surveys, reports compared with the data reported in a decade or two i.e. from early 2000s, shows a significant increase towards achieving the financial inclusion, but on the other hand the scope still remains when it comes for matters pertaining to spreading of awareness about Government schemes and initiative, grievance reporting process, catering for the needs of all. India being highly diversified, utmost care to be taken during the execution of various schemes and also need to constantly check as to the intent of the policy maker is not being departed, during the executions.

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