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Knowledge of government financial inclusion schemes among rural people

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Abstract
The present study was conducted to assess knowledge of rural people regarding Government financial inclusion schemes. Ten villages of two talukas namely Deesa and Vadgam of Banaskantha district, Gujarat were randomly selected. The total sample of the study was 200 respondents consisting of 100 male and 100 female. Multi stage random sampling was used for drawing sample. Data was collected by using interview technique and analyzed by using frequency, percentage, mean per cent score, and 'z' test. Findings reveal that the majority of the respondents had medium knowledge followed by low and high knowledge about Government schemes that connect people with financial inclusion. Male exhibited higher knowledge about Government schemes than female. Thus, efforts should be made to impart knowledge and develop understanding regarding Government schemes to rural people and increase their level of financial inclusion.

Keywords: Financial inclusion, knowledge, rural people

Introduction
Finance is essential for every section of the society. Financial inclusion is the process of ensuring access to financial services, timely and adequate credit needed by vulnerable groups such as weaker sections and low income groups at an affordable cost (Rangarajan, 2008) [6]. Financial inclusion has emerged as a key policy priority in India, aimed at ensuring access to affordable and appropriate financial services for all sections of society, particularly the rural and economically weaker populations (Reserve Bank of India, 2020) [7]. Over the past decade, the Government of India, along with various state governments, has launched a wide range of schemes to promote banking access, insurance coverage, pension security, and credit availability. These initiatives, such as Pradhan Mantri Jan Dhan Yojana, Atal Pension Yojana, Pradhan Mantri Fasal Bima Yojana, and Ayushman Bharat, are designed to integrate rural households into the formal financial system and reduce their dependence on informal sources. Despite the extensive rollout of such schemes, the success of financial inclusion depends not only on availability but also on the level of understanding among beneficiaries. Knowledge plays a crucial role in influencing individuals' attitudes, decision-making abilities, and adoption of financial services. In rural contexts, where literacy levels, access to information, and socio-economic conditions vary significantly, awareness about financial schemes often remains uneven and incomplete.

Gender disparities also continue to shape access to financial information and services. Women, especially in rural areas, frequently face constraints such as limited mobility, lower educational attainment, and restricted participation in financial decision-making. Usually, women stuck in domestic as well as house hold responsibilities. They are also given less opportunities to involve in financial matters. These factors can lead to gaps in knowledge and utilization of government schemes, thereby affecting the overall goal of inclusive development. Moreover, limited evidence exist on the knowledge level of rural people particularly with gender disaggregated analysis. In this context, assessing the level of knowledge regarding financial inclusion schemes becomes essential to understand the effectiveness of policy implementation at the grassroots level. The present study attempts to assess the knowledge of rural people about various government financial inclusion schemes.

Methodology

The present study was conducted in two talukas *viz.,* Deesa and Vadgam of Banaskantha district of Gujarat. Five villages from each taluka were selected on random basis. Twenty respondents comprising equal number of male and female were selected from each village randomly. Thus, the total sample of the study was 200 respondents consisting of 100 male and 100 female. Multi-stage random sampling method was used for the present study. Data was collected by using structured interview schedule. Knowledge test was developed by researcher. Data were analysed by using frequency, percentage, mean per cent score, and 'Z' test.

Results and Discussion

The findings for the study broadly divided into two parts:

- **Part I:** Personal and socio-economic characteristics of the respondents
- **Part II:** Knowledge level of the respondents regarding Government financial inclusion schemes

Part I: Personal and socio-economic characteristics of the respondents

Majority of respondents were in the middle age group (52.67%), educated up to primary level (37.00%), married (79.00%), belonged to socially and economically backward caste (51.33%) and having nuclear families (99.00%) with 5-8 members (69.67%). Main occupation was agriculture along with animal husbandry (31.33%). Maximum (32.00%) respondents were small farmers, possessed less than three animals (48.00%), had pucca houses (100.00%) and earning income between one to two lakhs (83.67%). The respondents (65.33%) had a low level of mass media exposure and low participation (100.00%) in social organisation.

Part II: Knowledge level of the respondents regarding Government financial inclusion schemes

Knowledge is the most important component of the behavior and activities. It plays a major role in the covert and overt behavior of the human beings. It can enable them to take certain action in accepting new things. Hence, efforts were made to know how far rural people were aware about the government schemes that connect people with financial inclusion.

Knowledge about Government financial inclusion schemes

The government launched many schemes and programmes to connect rural people to various financial services.

Table 1: Distribution of the respondents as per the basic knowledge regarding Government financial inclusion schemes (n = 200*)

Sr. No.	Benefits	Male (n = 100)	Female (n = 100)	Total (n = 200)
		%	%	%
1	Pradhan Mantri Jan Dhan Yojana	89	79	84.00
2	Atal Pension Yojana	38	21	29.33
3	Vidhwa Pension Yojana	95	96	95.33
4	Sukanya Samriddhi Yojana	41	29	34.67
5	Pradhan Mantri Fasal Bima Yojana	91	53	72.00
6	Pradhan Mantri Jeevan Jyoti Bima Yojana	53	25	39.00
7	Pradhan Mantri Mudra Yojana	21	0	10.67
8	Ayushman Bharat Yojana	95	34	64.33
9	Pradhan Mantri Kisan Maan Dhan Yojana	44	15	29.67
10	Pradhan Mantri Awas Yojana	91	77	84.0
11	Mahatma Gandhi National Rural Employment Guarantee Act	93	52	72.67
12	Pradhan Mantri Kisan Yojana	95	69	82.00
13	Pradhan Mantri Garib Kalyan Yojana	96	93	94.67
14	PM SVANIDHI yojana	66	45	55.50
15	Vahili Dikri Yojana	98	97	97.50
16	Mukhyamatri Mahila Utkrash Yojana	65	55	60.00
17	Atmanirbhar Gujarat Sahay Yojana	68	49	58.50

*Multiple responses

Table 1 presents the distribution of respondents according to their basic knowledge of government schemes associated with financial inclusion. The results clearly show that basic knowledge about various schemes had variation and in most cases, men had more knowledge than women. Respondents had more knowledge of schemes that were widely promoted and directly connected to daily needs, such as food, housing, and financial help. Whereas knowledge was much lower for schemes related to insurance, pensions, and loans. This means that schemes which are easy to understand and give immediate benefits were better known among people. Data further reveal that most of the respondents had knowledge about Vahili Dikri Yojana (97.50%), Pradhan Mantri Garib Kalyan Yojana (94.67%), and Vidhwa Pension Yojana (95.33%). The reason for good knowledge might be that these schemes are related to basic needs and social welfare. The information about these schemes has been often shared through local offices and communities. Women had equally or even slightly more knowledge than men about few schemes such as Vidhwa Pension Yojana where 96 per cent women were aware compared to 95 per cent of men. It may be due to the direct relevance with the life of women. This shows that schemes specially meant for women or families reach women more effectively. It can be seen from the data that respondents had good knowledge about the schemes such as Pradhan Mantri Jan Dhan Yojana (84.00%), Pradhan Mantri Kisan Yojana (82.00%), MGNREGA (72.67%), PM Fasal Bima Yojana (72.00%), and Pradhan Mantri Awas Yojana (84.0%). The men had more knowledge than women about these schemes as they are related to jobs, farming, and banking. Regarding PM Fasal Bima Yojana, 91 per cent of men and53 per cent of women had knowledge. This shows that women may have less access to information, especially in areas like farming. In total sample, the knowledge was much lower for insurance and pension schemes like Pradhan Mantri Jeevan Jyoti Bima Yojana (39.00%), Atal Pension Yojana (29.33%), and Pradhan Mantri Kisan Maan Dhan Yojana (29.67%). As these schemes require some financial knowledge and long-term thinking, which may be difficult for many rural people to understand. Moreover, sometimes such schemes need some investment to gain long term benefit so people may avoid it. The gender gap in knowledge was also large here viz; only 21 per cent of women knew about Atal Pension Yojana, compared to 38 per cent of men. The lowest knowledge was seen in Pradhan Mantri Mudra Yojana (10.67%), and no women in the study were aware of it (0%). This is important because this scheme provides loans for small businesses. The lack of knowledge among women shows that such schemes are not reaching them properly. State-level schemes like Mukhyamantri Mahila Utkarsh Yojana (60.00%), PM SVANidhi Yojana (55.50%), and Atmanirbhar Gujarat Sahay Yojana (58.50%) had moderate awareness. The gap between men and women is smaller in these schemes as such schemes have been promoted locally and had easier to access. People may have heard about a scheme but may not know its other aspects. This shows that knowledge was often limited and uneven regarding government financial inclusion schemes. People know more about schemes related to basic needs, but less about financial and business-related schemes. Women generally have lower knowledge than men, especially in schemes related to finance and decision-making. There is a need to spread information in a better way, especially among women to improve the existing knowledge. Findings are supported with the study of Jain (2017) [3] who reported that majority of the women had knowledge (74.0-96.2%) of three women specific schemes i.e. Palanhar Scheme Jahani Shishu Suraksha Scheme and Jahani Suraksha Scheme as they had availed benefits from these schemes. The findings are in line with the study of Maroor *et al.* (2016) [5] who concluded that the respondents had less awareness about the role of Atal Pension Yojana and Pradhan Mantri Mudra Yojana in financial inclusion.

Knowledge about benefits of different Government financial inclusion schemes

Table 2: Distribution of the respondents as per the knowledge regarding benefits of different Government financial inclusion schemes (n = 200*)

Sr. No.	Benefits	Male (n = 100)	Female (n = 100)	Total (n = 200)
		%	%	%
1	**Pradhan Mantri Jan Dhan Yojana (PMJDY)**			
	This scheme provides zero-balance bank accounts	80	65	72.5
	Account holders Get RuPay card in Pradhan Mantri Jan Dhan Yojana	69	22	45.5
	The overdraft facility available under this scheme	55	22	38.5
2	**Atal Pension Yojana (APY)**			
	This scheme provides a fixed monthly pension after 60 years	13	4	8.5
	Unorganized sector workers can join this scheme	8	0	4
3.	**Vidhwa Pension Yojana**			
	Widowed women receive monthly financial assistance	37	48	42.5
	Awareness about the eligibility criteria for widows in this scheme	30	38	34
4.	**Sukanya Samriddhi Yojana (SSY)**			
	This scheme is for saving for a girl child's future	35	11	23
	It offers a high interest rate and tax benefits	24	7	15.5
5.	**Pradhan Mantri Fasal Bima Yojana (PMFBY)**			
	Farmers get insurance coverage for crop loss	94	42	68
	This scheme covers natural disasters like drought or flood	82	28	55
6.	**Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)**			
	This scheme provides life insurance at a low premium	82	43	62.5
	The family gets Rs.2 lakh on death of the insured person	60	22	41
7.	**Pradhan Mantri Mudra Yojana (PMMY)**			0
	This scheme provides loans without collateral for small businesses	52	16	34
	Awareness about the Shishu, Kishor, and Tarun loan categories in the scheme	46	12	29
8.	**Ayushman Bharat Yojana (PM-JAY)**			
	Eligible families get free health insurance up to Rs. 5 lakh	95	34	64.5
	Treatment is available in government and empanelled private hospitals?	72	14	43
9.	**Pradhan Mantri Kisan Maan Dhan Yojana**			0
	Farmers get a monthly pension after 60 years under this scheme	13	4	8.5
10.	**Pradhan Mantri Awas Yojana (PMAY)**			
	This scheme provides financial assistance to build houses	96	80	88
	Provide subsidies on home loans under this scheme	72	21	46.5
11	**MGNREGA (Employment Guarantee Act)**			
	This scheme guarantees 100 days of wage employment	27	29	28
	Payment is made directly to bank accounts in this scheme	27	29	28
12	**Pradhan Mantri Kisan Yojana (PM-KISAN)**			
	Farmers receive Rs. 6000 per year in three installments under this scheme.	68	15	41.5
	The amount is directly transferred to bank accounts?	65	10	37.5
13	**Pradhan Mantri Garib Kalyan Yojana**			

	This scheme provides free ration to poor families	96	93	94.5
14	**PM SVANidhi Yojana**			
	Street vendors can get loans without collateral	42	2	22
	Get interest subsidy on timely repayment	28	0	14
15	**Vahli Dikri Yojana (Gujarat)**			
	this scheme provides financial support for girl child education	84	72	78
16	**Mukhyamantri Mahila Utkarsh Yojana**			
	Women get interest-free loans for self-employment	42	44	43
	This scheme supports women self-help groups (SHGs)	38	41	39.5
17.	**Atmanirbhar Gujarat Sahay Yojana**			
	This scheme provides low-interest loans to small traders and workers	23	3	13
	This scheme has repayment flexibility and subsidy benefits	15	0	7.5

*Multiple responses.

The table 2 presents gender-wise distribution of respondents' knowledge regarding the benefits of various government schemes. The results indicated that knowledge varies widely across schemes and there is a clear gender difference in most cases. Most of the respondents (94.5%) had knowledge about free ration benefits of Pradhan Mantri Garib Kalyan Yojana where both males (96%) and females (93%) had good knowledge about it. Similarly, Pradhan Mantri Awas Yojana (PMAY) shows high knowledge (88%), as people can easily see and understand its benefits in the form of housing. It can be said that the schemes which has visible impact and direct benefits were better understood by people. Regarding knowledge about benefits of Pradhan Mantri Fasal Bima Yojana (68%) and Ayushman Bharat Yojana (64.5%), respondents had moderate knowldge. Gender wise data reveals that male (94%) had more knowledge than female (42%) about crop insurance. In the case of Ayushman Bharat Yojana, 95 per cent of males had knolwdge, while only 34 per cent of females knew the benefits of it. This may be because men are more involved in farming and decision-making, and have better access to information sources.

In Pradhan Mantri Jan Dhan Yojana (PMJDY), 72.5 per cent respondents knew about zero-balance accounts whereas 45.5 per cent aware of RuPay cards and 38.5 per cent knew about overdraft facilities. The gap between males (69%) and females (22%) is quite large for RuPay cards. This indicates that even if women have bank accounts, they may not fully understand how to use them. Schemes related to loans and self-employment, such as Pradhan Mantri Mudra Yojana (34%) and PM SVANidhi (22%), had low knowledge about their benefits and female knowledge was especially low (2%). This may be due to limited participation of women in business activities and lack of proper information reaching them. Findings are supported with the study of Jain (2024) who concluded that male respondents were more aware than female about government schemes such as PM Jan Dhan YojanaPradhan, Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha BimaYojana.

Pension schemes like Atal Pension Yojana and Pradhan Mantri Kisan Maan Dhan Yojana show very low knowledge about their benefits i.e. fixed monthly pension after 60 years (8.5%). This indicated that people were less aware of long-term financial security schemes. One reason could be that people focus more on their immediate needs rather than future planning. Schemes for women and children depicted diversifying results. Respondents had high knowledge (78%) about the benefits of Vahli Dikri Yojana while low knowledge (23%) about Sukanya Samriddhi Yojana. This difference may be due to better promotion and implementation of state-level schemes compared to national schemes. Social welfare schemes such as Vidhwa Pension Yojana (42.5%) and Mukhyamantri Mahila Utkarsh Yojana (43%) showed moderate knowledge. In these schemes, female knowledge was equal to or slightly higher than males. This may be because these schemes are directly related to women and information is shared through local groups and communities. Many times benefits of women related schemes might be shared directly with females who are main beneficiary. MGNREGA showed low knowledge (28%), even though it is an old scheme. The people were not involved in the scheme thus they did not know about its benefits and provisions. It can be said that the knowledge was higher for schemes that provide direct and visible benefits. There was a clear gender gap as females had lower knowledge than male respondents. Further it was found that people had basic knowledge of schemes but lack detailed understanding of their benefits.

Overall knowledge of the respondents about Government financial inclusion schemes

The overall knowledge about financial inclusion is presented in Table 3. The respondents were grouped in three categories *viz.,* low, medium and high as per total score. Categories were framed by using maximum and minimum score and number of categories.It is evident that respondents had medium knowledge (55.0%) followed by low (31.0%) and high knowledge (14.0%) about various government financial schemes. The data clarifies that male respondent's possessed medium (72.0%) to high (28.0%) while female respondents had low (62.0%) to medium (38.0%) knowledge regarding government financial schemes. The reason for higher knowledge of male might be more exposure, interest, involvement and time devoted in financial matters. Female respondents might not be able to devote proper time for getting knowledge about government financial schemes due to domestic responsibilities and societal restrictions.

Table 3: Distribution of the respondents as per over all knowledge regarding government schemes (n = 200)

Sr. No.	Level of knowledge	Male (n = 100)	Female (n = 100)	Total (n = 200)
		%	%	%
1	Low (1-16)	0.0	62.0	31.0
2	Medium (17-32)	72.0	38.0	55.0
3	High (33-49)	28.0	0.0	14.0

Comparison of knowledge level of male and female about government financial schemes

The comparison of knowledge level of the male and female respondents about government financial schemes has been done and presented in Table 4. The 'Z' test was used for comparing the knowledge level of the respondents.

Table 4: Comparison of knowledge level of male and female respondents about Government financial inclusion schemes (n = 200)

Sr. No.	Knowledge aspects	Mean		'Z' value
		Male (n = 100)	Female (n = 100)	
1	Basic knowledge Government schemes for financial inclusion	72.88	50.53	2.4011**
2	Benefits of government schemes	50.61	26.39	3.8243**

** Value significant at 1% level of significance

The findings reveal a statistically significant gender difference in both dimensions of knowledge assessed. In the case of basic knowledge of government schemes for financial inclusion, male respondents had a higher mean score (72.88) compared to female respondents (50.53). The calculated Z-value of 2.4011 is significant at the 1 per cent level, indicating that the observed difference is not due to random variation but reflects a real disparity in knowledge levels. This reflects that men had relatively greater exposure and understanding of financial inclusion initiatives such as banking, insurance, and credit-linked schemes. Finding regarding knowledge of the benefits of government schemes show that male respondents had a higher mean score (50.61) than female respondents (26.39). The Z-value of 3.8243, which is also significant at the 1 per cent level, indicated wider gap between the two groups in terms of understanding of specific benefits offered under these schemes. It is a very important aspect as knowledge of benefits directly influences the utilisation and effective adoption of such programmes. The main reason for higher knowledge of male might be more access and control over financial decisions. Whereas less knowledge of female about financial inclusion might be due to low financial literacy, lack of access to financial resources and minimum exposure.

Conclusion

It can be concluded from the findings that the financial inclusion in rural areas is still at a developing stage, where outreach has improved but meaningful understanding remain limited. While government efforts have succeeded in making several schemes visible at the grassroots level, but the depth of knowledge required for effective participation is lacking among rural people. It is essential to optimize the participation in such schemes by enhancing knowledge for the same. Awareness and knowledge are largely skewed towards schemes that offer immediate and tangible benefits, whereas those requiring financial planning, risk understanding, or institutional engagement continue to be poorly understood. The persistence of low and medium levels of knowledge among respondents indicates that inclusion initiatives have not yet translated into comprehensive financial literacy. The situation is further compounded by a clear and statistically significant gender disparity, where women remain at a disadvantage in both awareness and understanding of financial schemes. This reflects deeper socio-economic and cultural constraints that limit women’s access to information, decision-making spaces, and financial resources. It can thus be said that achieving true financial inclusion requires a shift from scheme-centric approaches to knowledge-centric and people-centric strategies. Focused efforts are needed to strengthen financial literacy, simplify scheme communication, and ensure inclusive dissemination mechanisms, particularly for women and other marginalised groups. Without addressing these gaps, the transformative potential of financial inclusion policies will remain only partially realised.

Conflict of interest

There is no conflict between the authors.

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