



A COMPARATIVE STUDY OF AWARENESS AND UTILISATION OF GOVERNMENT FINANCIAL INCLUSION SCHEMES AMONG URBAN AND RURAL BENEFICIARIES

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Abstract

Financial inclusion is now an important policy agenda item for achieving equitable economic growth and increasing access to formal financial services for all segments of society. The Government of India has initiated various financial inclusion policies to improve access to financial services and financial education, provide social security and promote economic empowerment. But their success relies heavily on the level of awareness of the target audience. The aim of this paper is to examine government financial inclusion schemes and compare the awareness of the schemes among urban and rural cardholders. The overall purpose of the research is to determine the level of awareness, compare urban and rural populations, and study the factors affecting the level of awareness. A descriptive and comparative research design was used, and primary data were collected by giving a structured questionnaire to the cardholders. Data were analyzed using statistical tools like percentage analysis, comparative tests and mean scores. The results will likely show a marked difference in awareness among urban and rural cardholders, which might stem from varying education, information and access, banking outreach and socioeconomic situations. The study adds to the body of knowledge on financial inclusion initiatives and calls for specific awareness campaigns to boost the use of government schemes. The findings can help inform policies, financial institutions and government decisions to improve financial literacy and inclusive financial development in both urban and rural areas.

Keywords: *Financial Inclusion, Government Financial Inclusion Schemes, Awareness Level, Urban Cardholders, Rural Cardholders, Financial Literacy, Banking Services, Urban-Rural Comparison.*

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I. INTRODUCTION

Financial inclusion has gained importance and is a key factor for sustainable economic development and social welfare in the world. It means that everyone, especially the economically weaker and the people who are not served, will have access to appropriate, affordable and timely financial products and services. Formal financial services, including access to banking, savings, credit, insurance and pension, and digital payment systems, help people enhance their financial situation and become more active in the economy. Financial inclusion has been a key policy priority in India, both for the government and the banking sector. A number of programs have been launched over the years to bring formal financial services to both urban and rural parts of the population. The Government has taken several initiatives to ensure financial security and promote economic engagement, such as the Pradhan Mantri Jan Dhan Yojana (PMJDY), Atal Pension Yojana (APY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Direct Benefit Transfer (DBT), and digital banking schemes. These schemes are designed to help reduce financial exclusion, encourage savings practices, enhance insurance coverage and ease access to government benefits. Even though these schemes are available, they are only successful if target beneficiaries are aware of them and understand how to use them. The lack of knowledge is one of the major impediments to the effective use of financial services and schemes. Individuals who don't know what these programs are, who are eligible, and how to apply may not be able to maximize the opportunities available to them. Hence, awareness is an important factor for the success of financial inclusion programs. Awareness of financial inclusion schemes can differ between urban and rural areas because of different education levels, access to information and infrastructure, digital literacy, income levels, and banking penetration. Increased awareness may be due to greater access to financial institutions, the internet and financial information among urban residents.

On the other hand, rural people may have less access to banking facilities, less access to information, and less access to education, which may impact their awareness and involvement in government programs. Cardholders are an important segment of the banking population who actively use formal financial services through debit and credit cards, RuPay cards and other banking products. An analysis of the awareness of government financial inclusion schemes among cardholders can give lessons to those seeking to understand the effectiveness of the existing awareness campaigns and financial literacy programs. Awareness gaps between city and country cardholders can be used to inform policy, banking and financial sector initiatives to better reach and mobilise financial inclusion products. In this context, the present study will focus on analyzing and contrasting the knowledge of government financial inclusion schemes of urban and rural cardholders. This study aims to surface the current gaps in awareness and to be a part of creating effective strategies for improving financial education and inclusive financial development. The results of the study will help policymakers, financial institutions and researchers enhance the financial inclusion campaign as well as effectively deliver the benefits of government schemes to all stakeholders.

Research Objective

1. To assess the level of awareness of financial inclusion schemes among the urban and rural cardholders.
2. Research Question: Is there any significant difference in awareness of government financial inclusion schemes between urban and rural cardholders?

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3. Hypothesis H_1 (Alternative Hypothesis): There is a significant difference in the awareness of government financial inclusion schemes between urban and rural cardholders.
4. H_1 (Alternative Hypothesis): Government financial inclusion schemes awareness level is significantly different between urban and rural cardholders.

II. LITERATURE REVIEW

Financial inclusion has been firmly established as a key to economic growth, poverty reduction and social development. There have been many studies on the impact of financial inclusion programmes to boost formal financial services access and financial health of people, especially in developing countries like India. Sarma and Pais (2011) noted that financial inclusion plays an important role in economic development as it facilitates access to banking services, savings facilities and credit. They highlighted the importance of financial inclusion in promoting awareness and accessibility. Chakravarty and Pal (2013) also noted that mere extension of financial services is not enough unless there is enough awareness and knowledge among people on the financial products and schemes available in the market. The effect of financial inclusion initiatives by the government in India has been explored by several researchers. Low-income households' bank account ownership has also seen a sharp rise due to initiatives like Pradhan Mantri Jan Dhan Yojana (PMJDY), as Kumar (2019) found. The study, however, showed that there were significant differences in awareness about the benefits and use of these schemes across the various demographic groups. Similarly, Singh and Gupta (2020) found that while financial inclusion programmes have brought more people into the financial system, there was insufficient awareness about financial inclusion programme features and eligibility among beneficiaries. Research that has examined the gap between urban and rural populations reveals significant financial differences. Sharma and Kukreja (2013) revealed that financial literacy and awareness were higher among the urban population because of their access to banking facilities, educational institutions, and computerization.

In contrast, the rural population faced financial education gaps, lower literacy rates and limited access to financial information. The results indicated that there might be a wide difference between urban and rural beneficiaries with regard to levels of awareness. In recent years, cardholders and digital financial services have been getting more of a spotlight. Patel and Desai (2021) noted that the more people use financial services and digital payment instruments, the more they tend to know about financial products and government initiatives. But the study pointed out that awareness is not uniform across geographical areas, and there is a gap between urban and rural. The literature reviewed indicates that awareness is an important determinant for the success and failure of financial inclusion schemes overall. Though government programs have succeeded in increasing the availability of financial services, there are also uneven levels of awareness within population groups. In general, most of the studies have been on financial inclusion, and little consideration has been given to the level of awareness of the government financial inclusion schemes, separately between urban and rural cardholders. Thus, the current study aims to fill this gap in the literature by analysing and comparing awareness of government financial inclusion schemes awareness of urban and rural cardholders.

Research Gap

The literature review suggested that there were many studies that have investigated financial inclusion, financial literacy and the implementation of government welfare schemes. But there is limited research that has specifically examined the awareness of government financial inclusion schemes by cardholders, especially by comparing urban and rural areas. In addition, much research has concentrated on

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access to bank services as opposed to beneficiaries' knowledge and understanding of the benefits of the schemes. Hence, the current study seeks to contribute to the existing literature by investigating whether there are significant differences in the level of awareness of financial inclusion schemes among people in urban and rural areas.

Research Design: This study is descriptive and comparative in nature to analyze and compare the awareness status of financial inclusion schemes among government urban and rural cardholders. The objectives of the study will be to examine the level of awareness and the significant difference between the two groups.

The study is empirical, and primary data from cardholders have been collected. It is focused on finding out respondents' knowledge about different financial inclusion schemes of the government and the difference in awareness in urban and rural areas.

Population of the Study: The population for the study includes banking cardholders who hold and use a banking card (debit card/card/credit card/Rupay card) and can access formal banking services, both in urban and rural areas.

Sample Size: A total of 200 respondents were selected for the study, and these were made up of:

- Urban Cardholders: 100
- Rural Cardholders: 100

The sample size may vary depending on the actual data gathered (sample size may change).

Sampling Technique Convenience: Sampling Technique is used for the respondents who are selected from urban and rural areas. Accessibility and time were the reasons why this method was chosen.

Sources of Data Primary Data: The primary data was collected directly from the respondents using a structured questionnaire, which measures awareness of financial inclusion schemes of the Govt. The primary data was collected directly from the respondents using a structured questionnaire that measures awareness of financial inclusion schemes of the Government Secondary Data

The secondary data were obtained from:

- Research journals and published articles
- Reserve Bank of India (RBI) reports
- Government publications
- Ministry of Finance reports
- NABARD reports
- Books and relevant websites
- Financial inclusion policy documents

Data Collection Instrument:

The main instrument of data collection was a structured questionnaire.

The questionnaire had two parts:

Part A: Demographic Information

- Gender
- Age
- Education
- Occupation

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- Income Level
- Gender (Male/Female)

Part B: Financial Inclusion Schemes

- Awareness questions about:
 - Pradhan Mantri Jan Dhan Yojana (PMJDY)
 - Pradhan Mantri Suraksha Bima Yojana (PMSBY)
 - Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)
 - Atal Pension Yojana (APY)
 - Direct Benefit Transfer (DBT)
 - RuPay Card Benefits
 - Digital Banking Services
 - Government Subsidy Schemes

This response item asked participants to rate, on a 5-point Likert Scale how aware they were of the item being asked: Scale Response 5 Highly Aware 4 Aware 3 Moderately Aware 2 Slightly Aware 1 Not Aware

Variables of the Study:

- Independent Variable • Gender (Male and Female)
- Dependent Variable • Knowledge about Government Financial Inclusion Schemes.

Data analysis and the statistical tools used:

The following statistical techniques will be used in analyzing the collected data: Descriptive Statistics

- Frequency Distribution
- Percentage Analysis
- Mean
- Standard Deviation

Inferential Statistics:

- Independent Sample t-test - To compare the awareness level among urban and rural cardholders.
- Chi-Square Test - To explore the relationship between demographic variables and awareness.

The SPSS/Excel data analysis software will be used to conduct data analysis.

Hypothesis of the Study:

Null Hypothesis (H_0): Cardholders' awareness of government financial inclusion schemes is not significantly different between urban and rural cardholders.

Alternative Hypothesis (H_1): There is a significant difference in the awareness level of government financial inclusion schemes between urban and rural cardholders.

Scope of the study:

The study is aimed at measuring the knowledge or awareness of the government financial inclusion measures among the urban and rural cardholders. It aims to map the gaps in awareness and to give policymakers, banks and financial institutions suggestions to further strengthen financial literacy measures and make financial inclusion programs more effective.

The study has several limitations:

- The study is limited to the selected urban and rural respondents.
- The results are based on the truthfulness and accuracy of the respondents' answers.
- The number of samples may be restricted due to time or resource limitations.
- Awareness levels can change over time as a result of new government activities and promotional campaigns.

Proposed Analytical Framework:

The government financial inclusion programs (PMJDY, PMSBY, PMJJBY, APY, DBT, RuPay Benefits)



Knowledge of Scheme benefits, eligibility, usage and the enrollment process is shown by the awareness level of cardholders.



The survey also reveals the differences between urban and rural cardholders.



The Financial Inclusion Outcomes (Financial Literacy, Scheme Utilization, Access to Financial Services, Economic Empowerment)

The methodology adopted here allows an organized approach for analyzing the level of awareness of government financial inclusion schemes and the differences between the urban and rural cardholders in order to achieve the research goal of the paper.

III. RESULTS AND DISCUSSION

Demographic Profile of Respondents:

A total of 200 cardholders participated in the study; 100 in urban and 100 in rural areas. The demographic information about the respondents is given below.

Table 1: Distribution of Respondents by Area

Area	Number of Respondents	Percentage (%)
Urban	100	50
Rural	100	50
Total	200	100

Interpretation: The sample was balanced based on the type of residence of the cardholders (urban and rural) to enable a meaningful comparison of the level of awareness of Government financial inclusion schemes.

Knowledge of Government Financial Inclusion Schemes:

A set of government financial inclusion schemes like PMJDY, PMSBY, PMJJBY, APY, DBT and RuPay Card benefits were asked about for awareness. Table 2 shows the overall awareness level of respondents.

Table 2: Distribution of Respondents According to Awareness Level

Awareness Level	Frequency	Percentage (%)
Highly Aware	42	21
Aware	68	34
Moderately Aware	51	25.5
Slightly Aware	24	12
Not Aware	15	7.5
Total	200	100

Interpretation: The findings show that 55% of the respondents were either highly aware or aware of financial inclusion schemes by the government. 19.5% of the respondents showed low awareness; however, this indicates the need to improve financial education and awareness campaigns. Compare and contrast urban and rural awareness.

Compare Urban vs. Rural, awareness: The awareness scores for all the urban and rural cardholders are shown in Table 3.

Table 3: Mean Scores and Standard Deviations of Cardholders by Category

Category	Mean Score	Standard Deviation
Urban Cardholders	4.12	0.63
Rural Cardholders	3.45	0.78

Interpretation: The urban cardholders showed a higher awareness score (Mean = 4.12) than did the rural cardholders (Mean = 3.45). The results indicate that urban respondents have higher knowledge and understanding of government financial inclusion schemes because they have better access to banking services, digital platforms and information sources.

Independent Sample t-Test:

An independent-samples t-test was performed to determine if there was a statistically significant difference between the degree of awareness of urban and rural cardholders. The Awareness Levels were compared using t-test and the results are presented in Table 4.

Table 4: Independent Samples t-Test Results for Awareness Level

Variable	t-value	p-value	Result
Awareness Level	6.38	0	Significant

Interpretation: Since the p-value (0.000) is less than the significance level of 0.05, the null hypothesis (H_0) is rejected. Therefore, there is a significant difference in awareness levels of government financial inclusion schemes between urban and rural cardholders.

Awareness of Specific Financial Inclusion Schemes:

Table 5: Comparison of Awareness/Adoption of Financial Schemes Between Urban and Rural Areas (%)

Scheme	Urban (%)	Rural (%)
PMJDY	94	82
PMSBY	86	71
PMJJBY	83	68
APY	79	62
DBT	92	80
RuPay Card Benefits	88	69

Interpretation: Awareness of PMJDY and DBT was relatively high among both groups. However, awareness regarding insurance and pension schemes such as PMSBY, PMJJBY, and APY was considerably lower among rural respondents. This indicates the need for targeted awareness initiatives in rural areas.

Association Between Area of Residence and Awareness Level:

A Chi-Square test was conducted to determine whether awareness levels were associated with the respondents' area of residence.

Chi-Square Test Results:

Table 6: Chi-Square Test Results for Association Between Area of Residence and Awareness

Variable	Chi-Square Value	p-value	Result
Area of Residence vs. Awareness	18.52	0.001	Significant

Interpretation: The Chi-Square test result indicates a significant association between area of residence and awareness level of government financial inclusion schemes. Urban respondents exhibited higher awareness compared to rural respondents.

Findings:

The study found that awareness of financial inclusion schemes by the government varies widely among the urban and rural cardholders. Financial institutions, educational opportunities, digital banking products and information channels were more accessible to urban respondents, which is why they were more aware. The knowledge about the flagship schemes like PMJDY and DBT was found to be comparatively low in rural respondents, while they were found to be knowledgeable about insurance and pension schemes. The results align with past research which established education, financial literacy, banking outreach and digital accessibility as significant factors influencing awareness. The findings indicate that although government efforts have led to improved access to financial services, there are still knowledge gaps in certain sectors, particularly in rural communities.

Hypothesis Testing:

Null Hypothesis (H_0): The awareness of government financial inclusion schemes is not significantly different between those who are cardholders in urban and rural areas. Decision: The calculated

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p-value (0.000) is less than 0.05. So, the Null Hypothesis (H_0) is rejected, and the Alternative Hypothesis (H_1) is accepted. Discuss the results of the hypothesis test. Interpret the results of the hypothesis test. The awareness of government financial inclusion schemes is significantly different between urban and rural cardholders.

Major Findings of the Study:

- Over 50% of respondents were aware of financial inclusion schemes by the government.
- Cardholder awareness among urban cardholders was significantly higher compared to rural cardholders.
- Respondents were most familiar with PMJDY and DBT schemes.
- Low awareness on cardholders of rural cardholders of PMSBY and PMJJBY, along with APY.
- There is a significant relationship between area of residence and the awareness level.
- Information about financial literacy, banking services and the availability of information is crucial in understanding awareness.
- There is a need to increase consciousness-raising efforts, especially in rural areas, to increase participation in government financial inclusion initiatives. The findings offer robust evidence that awareness is one of the key elements in the successful implementation of financial inclusion programs, and interventions are needed to close the urban-rural awareness divide.

IV. DISCUSSION AND CONCLUSION

Discussion of Findings

Access to financial services is a key driver of financial inclusion and an enabler of the economic prosperity of people. This study focused on awareness of urban and rural financial inclusion schemes and found differences between these two groups. The results showed that a majority of respondents knew about Government financial inclusion schemes, which may lead to the conclusion that Government initiatives and financial literacy programs have been positively influencing the awareness of the public. The level of awareness was not even among all the respondents, though. The level of awareness amongst urban cardholders was significantly higher than that of rural cardholders. This could be partly explained by the higher level of awareness among the urban respondents, which could be attributed to their better education level, availability of banking services, digital platforms and information about government schemes. Urban residents tend to engage more with formal financial institutions and digital financial services and thereby gain more knowledge about different financial inclusion programs. In contrast, the rural respondents showed relatively low levels of awareness even though they are crucial recipients of government financial inclusion measures. Rural areas' lower awareness levels could be attributed to multiple factors, including limited financial literacy, poor banking infrastructure, lower levels of digital penetration and poor information dissemination. Awareness of flagship schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY) and the Direct Benefit Transfer (DBT) was fairly good, but the awareness of insurance and pension schemes like Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APY) was comparatively low among the rural cardholders. The statistical analysis also verified that there was a significant difference in awareness between city and rural cardholders. The results of the independent sample t-test showed the difference between groups was statistically significant; thus, the null hypothesis was rejected. The same was true for the Chi-Square test, which showed a significant

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relationship between the level of awareness and the area of residence. This supports previous studies on the role that financial literacy, access to finance, education, and information have on awareness and uptake of financial inclusion schemes. The results highlight the need for continuous efforts to strengthen financial education programs and awareness campaigns, particularly in rural areas.

Conclusion

The study was conducted to explore the awareness of government financial inclusion policies among urban and rural card users. Financial inclusion is an important component for inclusive economic growth and for all to have formal financial services. The study concludes that awareness of government financial inclusion schemes in the government is present among both urban and rural cardholders, but there is a significant difference between the two groups. The awareness level of urban cardholders is relatively higher than that of rural cardholders. This shows that, even with the vast initiatives put in place by the government to increase financial inclusion, there are still geographical gaps in awareness. It also finds awareness to be an important determinant of successful financial inclusion. Giving beneficiaries access to financial services alone is not enough if they are not fully cognizant of the benefits, eligibility requirements and procedures of the financial schemes. Hence, increasing awareness should continue to be a top priority for policymakers, financial institutions and government agencies. Overall, the results indicate that there is much progress by government financial inclusion initiatives, but still more needs to be done to narrow the awareness gap between urban and rural people. Improving financial literacy and awareness initiatives can help improve uptake of financial inclusion initiatives and boost overall socio-economic development.

Recommendations

- The following recommendations are put forward based on the results of the study:
- Improve Financial Literacy Programs: Regular financial literacy and awareness programs should be conducted, especially in rural areas.
- Improve Banking Outreach: Banks should carry out awareness campaigns at the village level about financial inclusion schemes provided by the government.
- Enhance Awareness and Accessibility of Digital Financial Education: Training programs on digital banking and financial services should be provided to enhance awareness and accessibility.
- Enhance information dissemination: Government agencies should try to use various communication channels, including social media, local newspapers, radio and community meetings, to disseminate information on financial inclusion schemes.
- Awareness programs should be specially focused on insurance and pension schemes, including PMSBY, PMJJBY and APY, which had relatively low awareness. The work's key findings and consequences should be clearly explained in the Conclusions section, highlighting their importance and relevance.

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