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Assessing the Effects of Financial Inclusion Initiatives on Rural Communities: A Case Study of Nayagarh District, Odisha, India

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Abstract: The growth of the economy is thought to be facilitated by financial inclusion, particularly in developing countries like India. Even though financial inclusion is crucial, a number of factors influence people's decision making when it comes to getting involved in the financial institutions. To put it simply, the provision of credit, pattern of savings, an effectible payment system, and insurance facilities to all who qualify is referred to as financial inclusion. The primary objective of financial inclusion is to provide easy and affordable access to financial services. The challenge of bridging the gap between low-income and high-income rural populations is a crucial aspect of growth in developing countries. Consequently, the recognition of essential factors that will result in the effective financial integration of the low-income rural population holds equal significance. Strategies that take these factors into account need to be put in place to promote inclusion, and it is important for strategy and policymakers to have a clearer picture of these obstacles. Although these factors can be significant in different parts of the country, their importance and impact on financial inclusion are diverse across geographical areas. The objective of this study is to evaluate the effects of financial inclusion programs on rural communities in the Nayagarh district. A comprehensive sample of 320 participants from the district was chosen, with a sample size of 40 individuals representing each of the eight blocks. The information was gathered via a convenience sample approach and a questionnaire. Several statistical methods have been used to evaluate the data, such as regression analysis, the ANOVA test, correlation analysis, the t- test and exploratory factor analysis. The examination has proven that, apart from the age groups of the survey participants, financial inclusion practices have a substantial influence on the local community. As a result of regression analysis, it was found that increased financial knowledge was a more prominent indicator of study outcomes. Therefore, it is recommended that stakeholders step forward with an initiative to ensure appropriate facilities for the vulnerable members of society at a reasonable price. This will enhance the usefulness, accessibility, and usability of the area, provide jobs and financing for education, and assist in managing unforeseen hazards and financial crises. In this study, a multivariate linear regression analysis was employed, which supported by working financial inclusion practices, to determine the financial inclusion impact on rural communities.

Key words: Financial barriers, Institutional credit, Financial literacy, Determinants, Financial inclusion, Infrastructural facilities.

Introduction:

While significant progress has been achieved in terms of financial stability, profitability and overall competitiveness, it is worrying that banks have not included an important segment of society, particularly disadvantaged groups, as part of their core banking services. Recognizing that in a country such as India, financial inclusion is a key component of inclusive development, stakeholders have sought to bring a significant proportion of rural populations into the mainstream banking system. We can't talk about economic growth without financial inclusion, because many segments are still stagnant. Financial inclusion is a major concept in which banking services are provided at prices that are too high for the majority of people who do not have access to them, particularly those with poor or irregular income (K.N.-2015). The Global Findex Report 2017 shows that 30% of the unbanked adults do not have access to a bank account because there is a lack of financial literacy in society. It is not considered a priority in the day-to- day lives of those who do not know about the benefits of becoming part of an official banking system or for whom financial products and services are not easily available or cost-effective. In developing countries like India, cost is another prominent barrier to financial inclusion. Bank charges are often not disclosed upfront which results in low confidence among users on account of bank hidden charges. Lack of infrastructure in rural and semi-urban areas is another hindrance to financial inclusion. As per the Global Findex database, 22% of adults without an account acknowledged that financial institutions are too far away as a reason for being unbanked. Financial inclusion pertains to the provisions for providing banking services to the general public, including the poor and disadvantaged, at reasonable prices (Rangarajn committee - 2008). Despite the fact that the country has been free for 73 years, the availability of banking services has not reached the entire rural population and the unprivileged segment of society. This has led to a financial gap and uncertainty among the rural population. With this in mind, the Reserve Bank of India and Government of India have developed various policies to build a strong currency base in rural areas by means of financial inclusion. In order to increase formal lending in rural areas, the Reserve Bank of India has implemented a number of policies since 2005. These include the Self Help Groups(SHG),Bank Linkage Programee, Microfinance, use of Business facilitators and Business correspondents, easing of KYC norms, Electronic transfer of fund, Mobile banking, Automated Teller Machines (ATMs), opening of 'No-frill' accounts, and financial literacy to raise awareness among the rural people. The Government of India has also provided financial services such as a credit counseling centre, Kisan credit card and PMJDY. The Reserve Bank of India has established an expert group led by Khan to carry out a study on financial services in India. In the Annual Policy Statement of April 2005, Y.V. Reddy, the former Governor of the

Reserve Bank of India, introduced the term "financial inclusion" for the very first time. The concept of financial inclusion has been promoted in the 11th Five Year Plan period. The top three states in India such as Keral, Andhra Pradesh and Himachal Pradesh have the highest level of financial inclusion, while Bihar, Assam, West Bengle and Odisha have the lowest level of financial inclusion (Annual RBI Report, 2015). Nayagarh is one of the major rural areas of the state of Odisha with a geographical area of 3890 square kilometers and a total population of 9, 62,789 out of which the total male population of the district is 5, 02,636 and the total female population is 4,60,153. (Census 2011). According to the administration, there are eight blocks in the district. The district has 154 scheduled commercial bank branches, 24 private bank branches, 6 urban co-operative banks, and 113 ATMs (Directorate of Economics and Statistics, Govt. of Odisha). Initiatives to foster employment opportunities, improve literacy rates, earn income for the survival of all deprived groups in the study area and ensure appropriate facilities such as medical care or sanitation should be pursued.

Review of literature:

Divya (2013), in his study paper, the author explores the impact of financial inclusion on daily labour and the accessibility of banking services for low-income groups. A total of 210 respondents residing in Tenali, Andhra Pradesh, were selected through random sampling to gather the necessary data. The collected data was then analysed using mean and frequency distribution. The findings indicated that respondents belonging to the male, married, and literate groups exhibited a higher level of satisfaction with the available financial inclusion services compared to those in the female, unmarried, or uneducated categories. Furthermore, the author noted that individuals with higher incomes displayed a stronger motivation towards financial inclusion. **Aijaz Qureshi (2014) explains** in his study that the financial inclusion programs are efficient in urban areas because there is more access to finance for the urban population than that of the countryside, as they are not financially aware. As a result, to address the disparity between rural and urban populations, the National Bank for Reconstruction and Development, the Reserve Bank of India, and the Securities and Exchange Board of India have implemented diverse financial inclusion strategies in rural areas. Consequently, 74.4% of the rural populace has enrolled in formal accounts under the no-fill account scheme, leading to numerous marginal and small farmers benefiting from these services. **Banerjee and Francis (2014),** in their study, by reviewing secondary data obtained from diverse sources like journals, websites, reports, and censuses, it was evident that financial inclusion plays a crucial role in social development, as indicated by the positive correlation with the human development index. The result of this is that poverty reduction can be done through financial inclusion. **Kaur, J. (2017).** In his study, the scholar employed a district-specific FII index to delve into the underlying factors contributing to the financial inclusion gaps in Punjab. The analysis revealed a substantial positive correlation between the levels of financial inclusion except for the working-age ratio. However, it is the process of urbanization that plays the most pivotal role in explaining the variations in financial inclusion across Punjab's districts. Urbanization alone accounts for 53% of the overall differences in Punjab. **Bhagirath, Mukesh, and Sharma (2018) in their study** evaluate the impact of socioeconomic status on awareness and relationships between bank households in the Pratapgarh district regarding financial inclusion; a comprehensive study was conducted. The data collection primarily relied on direct observation of the timetable. Secondary data was also incorporated to reinforce the primary data, ensuring a robust theoretical framework. The analysis of the data involved the utilisation of a diverse range of analytical and statistical tools, including percentage, mean, and regression models. The study findings revealed that a significant proportion of the respondents possessed a bank account, primarily driven by the objective of receiving government payments through various government schemes such as MCR, DBT, and PMJDY. Furthermore, economic and social disadvantages have been identified for respondents living in tribal areas of the district. **Morgan Peter (2020)** found that financial inclusion is significantly impacted by education. Many researchers from advanced as well as emerging nations have looked into how financial literacy affects savings, and results of these studies support the idea that financial literacy plays a major role in determining household savings. **P. Kandari (2021)**, in their study found that the primary focus was on the gender gap in financial inclusion for women in the state of Uttarakhand. The research revealed a significant difference in the degree of financial inclusion between male and female respondents, with males showing a greater level of financial inclusion compared to female respondents. **Ajay Kumar** (2021), the study demonstrates that greater access to financing has improved the lives of the impoverished by lowering multidimensional poverty through moderately positive effects on health, education, and living standards. According to the current study, access to financing has a moderate impact, which further highlights its significance for policy implications. **Mohant and Dash (2022)**, financial advisors play a vital role in influencing the financial behavior and outcomes of rural residents as well as assisting them in accessing and using formal financial services. **Samir Kumar (2023)** The major goal of this research is to provide complete knowledge of the role of financial institutions in fostering rural development in the state of Odisha. The findings of this study support the idea that financial inclusion entails attempts to engage a major part of the population in the trajectory of rural development by providing a wide range of financial services. The integration of financial institutions in the state of Odisha has the potential to significantly affect rural development, ultimately contributing to higher living conditions for the state. **K. Kalyan Chakravarthy (2024)** According to their current research, monetary foundations serve as critical support points for advancement, financial development, and overall economic improvement. This study aims to examine the impact of monetary inclusion on financial development over a seven-year period, from 2015 to 2022. Optional information was collected and analysed using a variety of relapse models. The findings suggest that the number of bank branches and the fraction of credit stores have a positive and critical effect on the nation's GDP; however, the increase in the number of ATMs has an insignificant effect on India's GDP. **Nenavath Sreenu (2024)**, This research discovered that the impact of FinTech on the expansion of the digital economy is amplified by the presence of local financial regulatory frameworks. By bolstering regulatory resources, FinTech significantly contributes to the advancement of the digital economy, particularly in more developed regions. This study employs an innovative methodology to explore these complex dynamics, offering fresh insights into the relationship between FinTech and the digital economy. **Soni Dubey (2024)** According to this study, the three most important decisions for human development are getting an education, having a good quality of living, and living a long and healthy life. The current reading was conducted in a rural part of Sambalpur district in the state of Odisha. According to the findings of the comprehensive analysis, respondents and financial awareness is significantly correlated with a decent standard of living, financial accessibility is significantly correlated with a long and healthy life, financial availability is significantly correlated with both a decent standard of living and educational attainment, and financial usability is significantly correlated with the knowledge and education in the Sambalpur district. **Satyabrata Mallick (2024)** KBK districts in the state of Odisha have a long history of severe poverty, underdevelopment, and social marginalization. This is an important topic for targeted research on financial inclusion and its potential impact on socioeconomic development in Odisha. In KBK districts, financial inclusion has significant inequality and low development indices. As a result, this paper investigates the impact of financial inclusion on the socioeconomic development (SED) of individuals of KBK districts in the state of Odisha.

The Problem Statement for the study:

A number of studies have already been done on financial inclusion at the macro level, but none have been done in depth to determine the effects of financial inclusion at the micro level, especially in the Odisha district of Nayagarh. The largest number of participants from the rural community's underprivileged segment must be required for the advancement of financial inclusion. However, the majority of individuals don't use banking services since rural families are becoming less involved due to a lack of financial literacy. In this context, the impact of financial inclusion on rural communities in the district of Nayagarh has been examined in the present study.

Objectives:

1. To examine the impact of financial inclusion initiatives on rural communities in Nayagarh district.
2. To study the challenges and obstacles of accessing financial services from different sources in the survey area.
3. To analyze the level of awareness in this study area with respect to financial inclusion

Hypothesis:

$H_{0}1$**:** There is no significant difference in terms of demographics between respondents as to the impact of financial inclusion practices on local communities.

$H_{0}2$: There is no significant correlation between respondents' perceptions of the functioning of financial inclusion practices.

$H_{0}3$: There is no significant relationship between respondents' level of awareness and the impact on rural communities with respect to financial inclusion.

$H_{0}4$: There is no significant relationship between huddles accessing financial services and the impact of financial inclusion strategies on rural communities.

$H_{0}5$: There is no significant relationship between the implementation of the financial inclusion strategies and the effect of financial inclusion on the rural community.

Study methodology

The study took into account both the primary data and the secondary data. A well-designed questionnaire has been used to collect the primary data. From published articles, journals, newspapers, RBI reports, and NABARD reports, secondary data was collected. A sample size of 400 respondents was included in the study. The survey was carried out in all eight blocks of the district of Nayagarh. A convenient sampling method has been employed for the collection of data, and 40 respondents have been selected from each block. The study respondents are mostly from rural areas where access to banks and other financial institutions is difficult.

Statistical tools

According to the study requirements, statistical tools like exploratory factor analysis, ANOVA, t-tests, regression analysis, and correlation analysis, have been used to analyze the data. In order to determine the factors, an exploratory factor analysis shall be performed, and an ANOVA will be used for a comparison of two groups in the study.

Scope

The financial inclusion schemes offered by different agencies are examined in this study, as are how they are implemented and their impacts on small and marginal groups. The socioeconomic situation of the people, their income sources, why they do not have savings accounts, the challenges they face in banking products and services offered by banks and the discrimination between people who help them and who actually get them. The study also examines the awareness of people in rural areas and how they are getting financial products and services.

Analysis and findings

To determine whether there is a substantial difference between groups or not, an independent sample t-test and a one-way ANOVA test have been employed in this study. The impact of the financial inclusion programme on rural populations has been investigated using an exploratory factor analysis. The KMO calculation value of 0.871 has been shown to be a very good score. In order to assess the impact of the financial inclusion programme on the rural population, three main factors are examined, such as (i). Financial knowledge has been increased (ii). Social status has been increased (iii). Services offered by implementing agencies have been increased. Hence, the data need to be evaluated, and it is necessary to determine whether each demographic group differs in its responses or not.

Table: 1 – Demographic Analysis

Based on demographic variables the impact of financial inclusion on rural communities (ANOVA)

S.l No.	Demographic factors	t-test and F-test value				Results
		ANOVA	Degree of freedom (d.f)	P-value	Post-hoc analysis	
a. Factor : 1- Increase financial knowledge						
1	Age	2.524	319	0.031	Essential	Reject

2	Marital Status	5.148	319	0.001	Essential	Reject
3	Gender	5.252	319	0.000	-	Reject
4	Family size	6.269	60.815	0.000	Nonessential	Reject
5	Educational Qualification	47.736	319	0.000	Nonessential	Reject
6	Category	64.321	170.783	0.000	Nonessential	Reject
7	Occupation	73.290	136.655	0.000	Nonessential	Reject
8	Annual income	104.460	319	0.000	Nonessential	Reject
b. Factor : 2- Increase social status						
1	Age	6.443	69.457	0.000	Essential	Reject
2	Marital Status	1.968	15.532	0.106	Essential	Accept
3	Gender	4.905	139.708	0.000	-	Reject
4	Family size	1.019	61.587	0.296	Essential	Accept
5	Educational Qualification	24.225	134.647	0.000	Essential	Reject
6	Category	22.807	319	0.000	Essential	Reject
7	Occupation	26.410	139.015	0.000	Essential	Reject
8	Annual income	41.939	124.618	0.000	Essential	Reject
c. Factor : 3 – Increase Services rendered by agencies						
1	Age	2.310	83.016	0.101	Nonessential	Accept
2	Marital Status	1.594	16.931	0.248	Nonessential	Accept
3	Gender	1.736	165.665	0.106	-	Accept
4	Family size	7.037	319	0.000	Essential	Reject
5	Educational Qualification	11.031	144.367	0.000	Essential	Reject
6	Category	9.783	319	0.000	Essential	Reject
7	Occupation	14.467	158.171	0.000	Essential	Reject
8	Annual income	14.351	319	0.000	Essential	Reject

Source: primary data

Findings

The analysis shows that demographic variables are strongly associated with services provided by the implementing agencies, social status and financial knowledge of the rural mass. It is observed that financial knowledge, followed by two other factors, has an important role to play in the positive impact of a financial inclusion programme. In terms of the impact of financial inclusion strategies on financial knowledge, socioeconomic status and services provided by implementing agencies in rural areas of the study area, statistically significant differences exist between the groups. The socioeconomic status and services provided by different agencies have improved in the rural communities of the district with a view to assessing the impact of working on financial inclusion on finance knowledge.

Table -2

The relationship of financial inclusion strategies with different variables

Interrelation of financial inclusion strategies with variable i, ii, iii	**Services rendered by implementing agencies (i)**		**Financial Knowledge (ii)**		**Socio economic status (iii)**	
Sample size (N = 320)	**r**	**p**	**r**	**p**	**r**	**p**
Financial inclusion makes it much easier to provide services.	0.416**	0.000	0.743**	0.000	0.526**	0.000
Intermediaries have an important role to play when it comes to providing services.	0.168**	0.001	0.289**	0.000	0.223**	0.000
Opening of no-frill A/C leading to increase in opening accounts	0.082	0.103	0.249**	0.000	0.210**	0.000
Banking staff behavioral attitude is not found good	-0.379**	0.000	-0.655**	0.000	-0.415**	0.000
There is difficulties in accessing financial products and services	- 0.061	0.224	-0.106*	0.035	-0.026	0.606
Supply of inadequate information on financial inclusion by various stake holders	0.267**	0.000	0.443**	0.000	0.229**	0.000
Lengthy procedures are followed by banks	0.335**	0.000	0.590**	0.000	0.363**	0.000

In the implementation of the financial inclusion strategies, the role of the different agencies	-0.579**	0.000	-0.665**	0.000	-0.315**	0.000
Strict rules and regulations followed by various stake holders	0.178**	0.001	0.259**	0.000	0.225**	0.000
**** correlation significant at the 0.01 level and * correlation is insignificant at 0.05 level**						

Source: Primary data

Findings:

The analysis shows that the rural mass of the study area was to be influenced by financial inclusion practice variables with regard to financial awareness, socioeconomic status, and services rendered by different implementation agencies. It is clear that some variables have a significant correlation with financial awareness, societal well-being, and services offered by implementing agencies; thus, the relationship has been relatively moderate. Financial awareness, social status, and the services provided by implementation agencies are not strongly correlated with the rest of the variables. The impact of financial inclusion policies on the implementing agencies, social-economic conditions, and financial knowledge in the district of Nayagarh among rural households has improved.

Table – 3
Dependent and independent variables

Variables (Independents)	Variables (Dependents)
Financial Inclusion Practices	Financial knowledge
	Socio-economic status
	Service provided by agencies

Table – 4
Summary of Model- 1, 2 & 3

Model	R	R^2 (Coefficient of determinant)	Adjusted R^2	Standard error	Durbin-Watson	F Value (ANOVA)	Sig. Value
1	0.825	0.681	0.673	0.43280	1.606	93.362	0.000
2	0.577	0.333	0.318	0.82249	1.708	21.657	0.000
3	0.478	0.229	0.211	0.55862	1.495	12.853	0.000

Source: Primary data

Findings:

Nine independent variables are used to derive the result of the regression analysis such as (X1- Financial inclusion is very much helpful in providing these services, X2- Intermediaries are very much helpful in providing these services, X3- Opening of no-frill A/C leading to increase in opening accounts, X4- Banking staff behavioral attitude is not found good, X5- There is difficulties in accessing financial products and services, X6- Supply of inadequate information on financial products and services, X7- Banks followed lengthy document procedures, X8- Role of various agencies in implementation of financial inclusion Programee and X9- Different stake holders followed very strict rules and regulations) shows a positive relationship and coefficient of correlation (R) value in Model -1 (R= 0.825), in Model-2 (R = 0.577) and in Model-3 (R= 0.478) measures the degree of relationship between the actual and predicted values , the financial knowledge , services offered by implementing agencies and socio-economic status in the study area. The predicted values in study are obtaining a linear combination of dimensions related to working financial inclusion strategies. The correlation coefficient of 0.825 indicates a moderate and positive impact on the relationship between financial knowledge, socioeconomic status, services provided by implementing agencies, and other independent variables, with a low level of correlation among the other variables. The coefficient of determination values for Model-1 (0.681), Model-2 (0.333), and Model-3 (0.229) indicate that 5% of the variability in the dependent variable can be attributed to the regression equation. The ANOVA table reveals that the F-statistic significance value is under 0.05, demonstrating that the model holds statistical significance.

Table – 5
Coefficients

Dependent Variables : The rural community's financial knowledge has improved					
Predicators	**B - Value (Un standardized regression coefficient)**	**B- Value (Standardized Regression Coefficient)**	**T-Value**	**Sig. V**	**Result**
Constant Variables	1.387		3.962	0.000	
Financial inclusion makes it much easier to provide services.	0.434	0.376	8.723	0.000	Reject
Intermediaries have an important role to play when it comes to providing services.	-0.014	-0.011	-0.345	0.730	Accept
Opening of no-frill A/C leading to increase in opening accounts	0.015	0.016	0.527	0.598	Accept
Banking staff behavioral attitude is not found good	-0.245	-0.235	-5.972	0.000	Reject
There is difficulties in accessing financial products and services	-1.000	-0.114	-3.541	0.000	Reject
Supply of inadequate information on financial inclusion by various stake holders	-0.047	-0.061	-1.962	0.050	Reject
Lengthy procedures are followed by banks	-0.084	-0.071	-2.427	0.016	Reject
In the implementation of the financial inclusion strategies, the role of the different agencies	0.173	0.153	4.389	0.000	Reject
Strict rules and	0.193	0.160	4.392	0.000	Reject

regulations followed by various stake holders					
Significance at 0.1 and 5 percent level					

Source- Primary data

Findings:

Based on the regression equation (F_{319} = 93.362, P<0.05) with an adjusted $\mathbf{R^2}$ of 0.673, it was found that the predictors 1.387 + 0.434X1 + (-0.245X4) + (-1.00X5) + (-0.084X7) + 0.173X8 significantly impacted the increase in financial knowledge among rural communities for every unit of satisfaction. Financial inclusion is undeniably beneficial in delivering services to individuals. However, the unsatisfactory behavioral attitude of bank staff, obstacles in accessing financial products and services, lengthy procedures in banks, and the role of different agencies in implementing Financial Inclusion Programmes, along with the strict adherence to rules and regulations by various stakeholders, have been identified as significant factors influencing the increase in financial knowledge among rural communities.

Table – 6
Coefficients

Dependent Variables : The rural community's socio-economic status has improved					
Predicators	**B - Value (Un standardized regression coefficient)**	**B- Value (Standardized Regression Coefficient)**	**T-Value**	**Sig. V**	**Result**
Constant Variables	1.021		1.535	0.126	
Financial inclusion makes it much easier to provide services.	0.495	0.326	5.231	0.000	Reject
Intermediaries have an important role to play when it comes to providing services.	0.074	0.048	0.994	0.321	Accept
Opening of no-frill A/C leading to increase in	0.064	0.052	1.198	0.232	Accept

opening accounts					
Banking staff behavioral attitude is not found good	-0.159	-0.116	-2.039	0.042	Reject
There is difficulties in accessing financial products and services	0-.227	-0.198	-4.235	0.000	Reject
Supply of inadequate information on financial inclusion by various stake holders	0.020	0.019	0.434	0.665	Accept
Lengthy procedures are followed by banks	-0.006	-0.004	-0.086	0.931	Accept
In the implementation of the financial inclusion strategies, the role of the different agencies	-0.005	-0.003	-0.069	0.945	Accept
Strict rules and regulations followed by various stake holders	0.072	0.046	0.868	0.386	Accept
Significant at 0.1 and 5 percent level					

Source- Primary data

Findings:

Based on the regression equation (F_{319} = 93.362, P<0.05) with an adjusted $\mathbf{R^2}$ of 0.673, the respondents predicted that the socio-economic status of rural households in the study area has improved. Specifically, for every unit increase in satisfaction, the predicted increase in socio-economic status is 1.021 + 0.495X1 + (-0.159X4) + (0.227X5). These findings highlight the importance of financial inclusion in facilitating service delivery. Additionally, the unsatisfactory behavioral attitude of banking staff and the identified obstacles to accessing financial products and services are significant predictors of the impact on the socio-economic status of the rural population.

Table – 7
Coefficients

Dependent Variables : The rural community's services provided by implementing agencies has improved					
Predicators	**B - Value (Un standardized regression coefficient)**	**B- Value (Standardized Regression Coefficient)**	**T-Value**	**Sig. V**	**Result**
Constant variables	1.689		3.739	0.000	
Financial inclusion makes it much easier to provide services.	0.254	0.265	3.957	0.000	Reject
Intermediaries are very much helpful in providing the services	0.003	0.003	0.050	0.960	Accept
Opening of no-frill A/C leading to increase in opening accounts	-0.036	-0.046	-979	0.328	Accept
Banking staff behavioral attitude is not found good	-0.081	-0.094	-1.539	0.125	Accept
There is difficulties in accessing financial products and services	0.078	0.108	2.154	0.032	Reject
Supply of inadequate information on financial inclusion by various stake holders	-0.069	-0.107	-2.225	0.027	Reject
Lengthy procedures are followed by banks	.-0.007	-0.008	-0.168	0.866	Accept
Role of various agencies in implementation of financial inclusion Programee	0.112	0.119	2.194	0.029	Reject
Strict rules and regulations followed by	0.126	0.126	2.224	.027	Reject

various stake holders					
Significant at 0.1 and 5 percent level					

Source- Primary data

Findings:

Based on the regression equation ($F_{319} = 21.657$, $p < 0.05$) with an adjusted R^2 of 0.318, the increase in socio-economic status among respondents in rural households in the study area can be calculated using the equation $1.021 + 0.495X1 + (-0.159X4) + (0.227X5)$ for each unit of satisfaction. The results suggest that financial inclusion is essential for improving service delivery, the behavior of banking staff is considered unsatisfactory, and barriers to accessing financial products and services are significant predictors of the impact on the socio-economic status of the rural population.

Suggestions:-

1. In order to improve the socio-economic status and quality of life of the rural population of Nayagarh, it is imperative for the government and official banking institutions to strengthen the network of financial inclusion mechanisms for the underprivileged rural community by providing financial services to vulnerable segments.
2. By regularly conducting financial inclusion initiatives, organizations emphasize the advantages of formal lending and the drawbacks of informal lending. It is recommended to utilize low-interest bank loans and other financial services in order to reduce the reliance of rural inhabitants on informal moneylenders for urgent financial needs.
3. The financial literacy of individuals residing in rural regions has witnessed significant improvement as a result of diverse initiatives. This signifies that the endeavors towards financial inclusion are yielding favorable outcomes in terms of enhancing the financial knowledge of the populace. Consequently, it is imperative for the government to arrange a multitude of financial literacy campaigns specifically targeting the non-banking rural areas within the district of Nayagarh. Such campaigns aim to augment the financial awareness and knowledge of the local residents.
4. The progress made in the field of financial inclusion in the survey area has led to a reduction in the unemployment problem among rural respondents. It is essential for governments to create employment opportunities to enhance the financial situation in Nayagarh district.
5. It is advisable for both the state and union governments to establish job prospects for the rural populace, enhance literacy rates, generate income for their

sustenance, enhance sanitation and healthcare facilities, upgrade housing conditions, and promote overall development to ensure a better quality of life for all marginalized communities across the various blocks of Nayagarh District.

6. The rural respondent's primary requirement is being met with the reduction in unemployment, attributed to the progress of financial inclusion in the survey. It is crucial for governments to initiate job opportunities to enhance the economic well-being of individuals in Nayagarh district.

Conclusion:

To sum up the study, the average difference indicates that there are considerable differences across all groups except for the age groups, where the majority of the respondents are government job holders. The rural masses are more satisfied with financial inclusion practices by enhancing their annual income and the higher the level of education, the more satisfied the rural masses are with the financial inclusion practices. Using regression analysis, it is observed that increased financial knowledge has been identified as a more important indicator of financial inclusion practices on rural populations. The process followed by banks for sanctioning the loan is too complex. The government should make it easy for the rural population to get the loan by following the minimum procedures. Various loan facilities should be provided to the rural population to consolidate their social position.

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