6.1 CONCLUSION

In present study, many objectives has been set such as finding growth of financial parameters from 1991 to 2015, computing composite index of financial inclusion of Haryana, defining the effect of socio-economic factors on financial inclusion in Hisar division and the scope of financial inclusion. To fulfill these objectives, two sources of data were used i.e. secondary and primary sources.

As finance is the backbone of every country, so financial inclusion is very epochal for growth and development of any country or economy. The present study describes different parameters that determine financial inclusion. The policy and programmes of government is necessary to increase the financial status of people.

To measure the extent of financial inclusion, five stage methodologies have been used. In the first phase growth of bank offices of Haryana has been shown by bar diagrams. In the second stage growth rate is measured from 2001-16 that inculcate three phase such as growth rate from (2001-06), (2006-11) and (2011-16), has shown by line diagrams. In the third stage, Index of financial inclusion has computed, that also comprises three phase.

In the first phase computed value of three factors (offices, accounts and deposits), is measured. In the second phase, composite index of financial inclusion of these factors has made and in the third phase, finally ranks are given to every district of Haryana according to their financial index value. In the fourth stage, percentage method is used to measure financially included people in many factors of six blocks of Hisar Division and comparative study of three districts with bar diagrams, line diagrams, pie-charts. In fifth stage, Logit model has applied to find out the status of financial inclusion in Hisar, Fatehabad and Bhiwani districts. Multi- Regression model is used to see the socio-economic effect on financial inclusion in Hisar division.
The output from the secondary and primary survey defines the situation of financial inclusion. The growth rates analyze the increasing extent of three factors in Hisar Division. The index of financial inclusion states rank-wise position of financially included people of every district of Haryana. Logit model is predictive in nature. It explains the relation of one dependent variable with binary values (Financial inclusion) with other more independent variables.

For district Hisar, the result shows that only income is significantly related with financial inclusion and model is 87% classified. For district Fatehabad, logit model results defines that income and education is positively related and significant with financial inclusion and model is 85% classified. In case of Bhiwani district, income, land and occupation are significant but land is negatively related with inclusive financing. It should not happen but may be the reason is that people are not willing to connect themselves from banking facility to avoid taxes.

The comparative analysis of three districts in various financial parameters has been identified with percentage method showing them through bar diagrams. This shows that in Fatehabad, people are more engaged with self help groups and post-offices. Insured people are more in Bhiwani than Hisar. Saving in banks is greater in Hisar (63%) than Fatehabad (57%) and Bhiwani (45%) but in loan through banks, Bhiwani (41%) is followed by Fatehabad (35%) and Hisar (33%). In context of having ATMs and use of ATMs both, are highly used in Hisar (66% 70%) respectively. In having ATMs and use of it Fatehabad is in 2nd position and Bhiwani is in 3rd position. For the key determinant fixed deposits, Hisar performs well. The study shows that 46% people have fixed deposits in banks followed by Fatehabad (37%) and Bhiwani (33%). The persons, who have fixed deposits less than 50000, are more in Bhiwani and more than 50000 are more in Hisar district.

Bank account is the first and main step to be financially included. In Hisar district all people through the survey have bank account but in Fatehabad and Bhiwani, this percentage is 97%. But only opening bank account does not mean the person is financially included. How much and how many times, people use all these above said services is considered financially included.
In overall financial services District Hisar is in better stage than Fatehabad and Bhiwani.

To estimate the effects of socio-economic factors on financial inclusion, the multiple regression model is used, for composite Hisar division. The results show that income, occupation and education have (42%) composite effect on financial inclusion. If a person has better income, he has 38% chances of financially included. This shows that the model is significantly fit for the variables. The coefficient table shows that if income increases of a person then, there are 0.078 times chances to increase financial inclusion. Income, education and occupation level increase then, there is 0.14 times chances to increase financial inclusion.

The Histogram shows that data is normally distributed approximately and normally P-P plot defines that date tends to regress to the linearity.

The survey examined that due to the government policies, 98% people have accounts in Hisar division. But income gap is a big hindrance in using financial services. The survey shows that in Hisar district, 66% people have ATM card but out of that 70% people use it. On the other hand in Bhiwani district 55% population have ATM card and only 65% people use it. This shows gap between having financial services and not using them due to lack of income or far away ATMs.

6.2 SIGNIFICANCE

Findings of present study impart and dispense significant empirical evidences for designing of future policy framework and regulations to further promote the growth of financial inclusion.

6.3 RECOMMENDATIONS AND POLICY IMPLICATIONS

The policies of government of India like cooking gas subsidy, different types of scholarship, old age pensions, and rural employment wages have increased the status of financial inclusion by opening new accounts. But today, the problem is not about the number of accounts but it’s about active use of accounts because people do not use the opened accounts. It has been clearly indicated in a report of NITI (National Institute of
Transforming India) Aayog (2017) that 38.5% of the opened accounts were inactive in 2017.

- It has been examined in the present study that there was lack of financial literacy among people, especially, among rural people. As shown by financial status of people in three districts in the current research, people were not aware about interest rates on different types of financial services like savings in banks, loans and other benefits from insurance policies. Therefore, Reserve Bank of India and National Agriculture Bank for Rural Development should take necessary steps to literate the people regarding financial services beneficial to them by organizing special campaigns.

- It has been observed in the present primary survey that people have ATM cards but they were using these cards in less frequency. This has been shown in the figure 4.47 in chapter 4. Present study recorded the causes for lesser use of cards and it was reported from the people that transaction cost was high of pulling out cash from ATMs more than four times. For example State Bank of India charges 25 rupees per transaction after more than four transactions in a month. Also, issuance of new debit card or cash book has high charges by every bank. When a customer swipes his/her debit card without any sufficient amount, then different banks deduct 17 to 25 rupees. These charges vary from bank to bank. Therefore, many a time people fear to keep debit card or ATM cards to avoid useless loss of money. Banks should decrease transaction charges so that people can avail these facilities without higher costs that will eventually lead to increase in financial inclusion.

It has been reported in the present primary survey that only 25 per cent and 18 percent people were using mobile and online banking respectively and it has also been observed in present research that education has significant and positive effect on cashless transaction (Table 4.3, 4.5 and 4.7 of chapter 4). Therefore, there should be improvement in the existing policies to increase the education level so that people can use digital banking/ cashless transaction such as mobile banking and online banking for their financial purposes.
Service tax on online transaction is also high and should be decreased to increase the extent of financial inclusion by cashless transaction.

It has been reported in the present research that cast has no significant effect on having financial services. This is the commendable achievement of government policies for financial inclusion and should be continued further.

Income has the positive and significant effect on financial inclusion. It has been well indicated in the present primary survey (Table 4.2, 4.4 and 4.6). If the people will be financially healthy then there will be more financial inclusion. It means that people should have income source to be financially included so that they can save in banks, can opt for insurance policies, take loan for more investment for production purpose etc. Therefore, government should give job opportunities and earning source to unemployed population.

The present research results have shown that occupation has significant effect on financial inclusion. The farmer and labour class were less financially included because the primary survey shows that 32 per cent people of Bhiwani and 50 per cent of respondent out of total sample size have no land. This shows that they are doing agriculture but as tenants. There earning is not sufficient to use financial services. As the occupation level go high like private earners and government employees, their income also increases and they become more capable to use financial services. (Table 4.11). Therefore, the government should start those programmes that can increase their income because land cannot be increased. The people who are engaged in agriculture activities but have very less earning should start their self employed work. The farmers who have lack of finance for agriculture production should be helped by government by providing seeds and other inputs at reasonable rate.

The credit facilities should be more liberal for poor households.

Excessive Regulatory requirements like excessive paper and documentation work while applying for providing loans, is observed as the major limitation to increasing financial inclusion in the present primary research survey (Table 4.45). In nutshell, it can be said that complete financial inclusion cannot be achieved just by opening new bank accounts but there should also be economic activities linked
with the accounts like credit or debit activities. This can be increased by creating more awareness, enhancing level of literacy, providing source of employment and other business activities. If we talk about the real financial inclusion for the poor, then this mission still has to go with long distance. Our credit facility should be in favors of low income people and farmers so that they can increase the production which will eventually enhance their purchasing and saving power.