Financial Inclusion as an Economic and Public Policy in India: Its Reach in the State of West Bengal

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Abstract

Financial inclusion, an economic and public policy much beyond instilling bank account ownership of the unbanked people dwelves in the present paper around Pradhan Mantri Jan Dhan Yojana, a flagship scheme of the present government. The paper reports about a survey which could examine the reach of the scheme in respect of offering bank overdraft, life insurance cover as an early bird benefit and general insurance cover to the people in the state of West Bengal. It is observed that overdraft-enabled small entrepreneurship, more insurance benefits or the much hyped happiness could hardly be achieved. Severe lack of awareness of the people has also been noticed. The paper concludes on the need of looking into the qualitative aspect of any such policy.

Prologue

Reserve Bank of India, the central bank and principal banking regulator in India has defined *financial inclusion* as "the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by mainstream institutional players." If the term, *financial inclusion* is introspected into, it appears that so far the excluded people or places from any formal financial system are to be included with the help of a few measures. The application of such measures has a pre-requisite of the awareness of the people to be in touch with the formal financial system existing in form of the structured banking and insurance institutions. The process of inclusion is obviously to start with banks which can be more seen around than the insurance companies. Bank branches which are brick and mortar type still face a mental block from a large section of common people for being visited as these branches are representative of government offices to them (though these offices are strictly speaking not so). So after understanding the need of savings and that too in a secured place from which some periodical additions are possible in form of interest, as nominal as it may be, people may think of opening a bank account. Providing such an account to their doorstep remains a challenge for the country as a whole, the state of West Bengal being no exception.

Financial exclusion remained a world-wide problem due to poverty and underdevelopment. Thus, to get rid of this menace, as a first step, providing a *no-frill* bank account, with minimum or no balance to be maintained in such account, has been largely experienced in many countries. Common and poor people suffer also from documentation required for opening such a bank account, if not a nominal balance to keep. Hence, relaxation in documentation like providing proper identity proof or address proof, at least initially, has been given. Once the bank account is provided, the second question comes as to whether the same will remain dormant or active. Thus, the third and seemingly major problem is the mental block to be in touch with the bank. The individual starts thinking of his/her lack of capability in filling up forms, which may not be required only at the time of opening the bank account, but even after that in meeting transactions like filling up pay-in-slip or withdrawal form or cheque. To remove this block, helping hand from those capable is needed which cannot be guaranteed. It is also impossible for any individual bank to provide that kind of human infrastructure at the doorstep of individuals as it is financially not sustainable. Thus, the governments of many developing countries have come forward to bridge this gap by introducing intermediaries in form of banking correspondents (BCs) or facilitators (BFs), who are also called *Bank Mitr*(s). The government has an interest to transfer the subsidies or encashable financial benefits, technically known as direct benefit transfers (DBTs) only through a bank account to stop pilferage through fraudulent activities.

Thus, financial inclusion initiatives should *inter alia* include the following:

- To provide a basic *no-frill* bank account for making / receiving payment,
- To provide saving product (including investment / pension) suited to the pattern of cash flows of poor households,
- To provide simple credit products and overdrafts linked with the bank account,
- To provide remittance - money transfer facilities and
- To provide micro insurance (life and non-life) facilities.

People remain financially excluded also because of several reasons like lack of awareness and understanding in respect of the formal financial system including the banks and insurance companies, lack of investible fund (at least that minimum amount which is needed to be maintained as bank account balance) and lack of availability of service providing outlets. The government of a geographically vast yet economically developing country had no other way but to cut the infrastructural cost of opening *brick and mortar* branches in every nook and corner of the country. For which we find more and more the alternative channels of banking like appointment of business correspondent (or, facilitator) and opening of Automated Teller Machine (ATM) kiosks or counters being implemented by the government. The alternative channels thus would encash information and communication technology (ICT) to cut infrastructural cost to meet its commitment to the people of the areas where business of banking is not profitable. As we know India has hilly, remote and jungle areas with a very low population density for which the traditional banking business won't be financially sustainable. But, the government started to face problems with the alternative channels of banking too which were basically cost-reducing speedy measures in pursuit of financial inclusion. The BF/BC model to a large extent failed because of meagre earning of the *Bank Mitr*(s) involved in spite of bearing a great responsibility. The ATM channel also could not justify the installation and maintenance cost of large number of ATM kiosks in relation to the volume of transactions these could execute. Further, these kiosks which remain unmanned had suffered a lot of security problems. Also in such ATMs, handling by public seems to be careless. To further increase the woe, the maintenance was really bad thereafter. All these led these many ATMs non-functional. Then came demonetization[1] of old currency notes and successive introduction of new currency notes, requiring recalibration of ATMs. Also to enable further in-built security measures in the ATM-cum-Debit card payments, the features of these cards including shape and size were changed, requiring total replacement of a large number of ATMs too. All these went on adding up the infrastructural cost of banking. Microfinance institutions (MFIs) came into being in the 1990s as banks were reluctant to lend to those without any credit history. The MFIs provided an opportunity to those willing to take risk and organize rural communities. But they were not allowed to accept any form of deposits. Thus, some of these institutions applied for banking operation after the government opened its counter to give new banking license in 2013[2].To increase supply of direct banking or equivalent facilities to the public, the post offices were armed with banking[3]. Also we found emergence of small finance banks[4] and payment banks[5] among the financial institutions. Rather the so-called demonetization made an adverse impact upon the operation of co-operative banks across the country[6]. In the UPA government's *Swabhimaan* programme announced in February, 2011, a target was set to have a bank branch or a banking service point in every village with a population of at least 2000. After having set repeated targets in financial inclusion and failed massively in each occasion, this remains the best government effort before the NDA government took over at the centre in May, 2014. The reason as observed earlier is that there is not much scope to save money by the people to keep in a bank account out of a small[7] and irregular earning with unforeseen contingencies over and above the normal livelihood expenses being borne in mind. But, it is wiser to overcome such contingencies with the savings if any with a bank account only. The common people simply wanted to avoid the culture of getting involved with a bank, rather they would feel quite friendly to interact with the informal lenders even impending exploitation. They could not understand even the intensity of exploitation, rather they would remain happy with the so-called convenience of obtaining credit at the time of need. They also could be easily lured by the chit funds to keep their hard-earned money through the collection agents at their doorsteps. Grid and ignorance thus dominated the mindset of the common depositors. Bank was never a friendly and comfortable place for these people. Even those who could overcome this mental block so as to open bank accounts, dormancy continued to remain. The government also failed miserably from its target set in the said *Swabhimaan* programme. Basic Savings Bank Deposit Account (BSBDA) was introduced by the government before that in 2010 for the lower income group. These no-frill zero balance accounts which could be opened only with photograph initially without any identity proof was named "small account". The "small accounts", valid for a period of 12 months initially, were to follow a few restrictions like (i) the aggregate of all credits in a financial year would not exceed ₹100000; (ii) the aggregate of all withdrawals and transfers in a month would not exceed ₹10000; and (iii) the balance at any point of time would not exceed ₹50000. CRISIL (2013) measured the extent of financial inclusion in India in the form of an index using three dimensions, *viz.* a) branch penetration, which signifies number of branches and ATMs, b) credit penetration, which considers number of loan accounts, number of small borrower loan accounts and number of agriculture advances, and c) deposit penetration, which signifies number of savings bank accounts, also judging the extent of the usage of formal credit. Among the three dimensions of financial inclusion, credit penetration is the key problem in the country. The index, as named *Inclusix* took into account the number of individuals having access to various financial services rather than focusing on the loan amount. *Inclusix* is India's first comprehensive measure of financial inclusion in the form of a relative index in a scale of 0 to 100[8].The three parameters were updated annually based on the availability of data and additional services such as insurance and microfinance were added later.

Then came the game changer, the NDA government's *Pradhan Mantri Jan Dhan Yojana* (PMJDY) which was announced on 15thAugust, 2014. The PMJDY accountholders got a *Rupay* debit card with in-built accident insurance cover of ₹1 lakh (₹0.1 million), an overdraft facility upto ₹5000 and a life insurance cover of ₹30000 (to those who opened their accounts till 26thJanuary, 2015). Further, like a BSBDA, these accounts were also *no-frill* zero-balance account. Accounts could be opened only with photograph initially without any identity proof. But, to enable the account having transactions, the identity proof was to be submitted. PMJDY was accompanied by a lot of publicity and a large-scale public campaign with the banks and banking correspondents being given targets for opening the accounts. The only condition of the scheme for opening a bank account was that an individual should not have an existing bank account. *World Bank's Global Findex Report, 2017*, which had published adults holding bank accounts (%) of the total population of a particular country across the world, showed for India a 35% bank account ownership in 2011, that rose to 53% in 2014, but literally jumped to 80% in 2017[9]. Such a high rate of financial inclusion for India was not ever reflected in any survey with in the country or outside. World Bank's financial inclusion indicator is banking system-centric, measured by *access* (penetration of bank branches or point of sales devices in rural areas), *usage* (average balance in bank account, number of transactions per account), and *quality* (range of products on offer)[10]. But, in spite of attaining a high bank ownership rate, dormancy has been identified to be a problem for India as the 2017 report showed 48% of the PMJDY accounts remaining inactive. In the first phase of the Financial Inclusion Programme (FIP), during 2010–13, 150 million accounts were opened whereas under PMJDY over 318 million new accounts have been opened in the first three years. All BSBDAs have subsequently been converted into PMJDY accounts. The government policy was to make these accounts under PMJDY operative by linking these with insurance or pension contributions[11]. There has been a shift too in respect of looking at financial inclusion. Earlier, it was more from the supply side, *i.e.*, geographical or location-wise availability of bank branches or facilities. But, in recent past, financial inclusiveness of individual is the concern as per which inclusion is looked upon from the demand side. It is true that financial inclusion of an individual starts with a bank account. But it is the most basic requirement. Specially, at present, involvement in the formal financial system includes insurance and holding financial knowledge of the products and services available in the financial system. Thus, the lack of capability to distinguish between savings and insurance also reduces an individual's financial inclusiveness. The last is so commonly found when a common individual is asked a question as to why s/he should insure. Many still understand insurance as an alternative form of investment without thus being able to identify its essential task to cover risk. That is why, there are some insurance schemes in which the insured does not get any amount on the expiry of the term, not even the premiums deposited so far, forget about the interest. Thus, inability to distinguish between an ordinary savings or investment from insurance may emanate from what should be termed financial awareness or literacy. But, financial literacy falls in the demand side of financial inclusion which has lately been given importance. When people become sufficiently aware about financial products including insurance, they would demand service from the providers which if provided would result in enhancement of inclusiveness. On the other hand financial inclusion also advances from the supply side if such servicing points are more and more provided as contemplated traditionally. An inclusive financial system can help in reducing the progress of informal sources of credit namely the money lenders that are often found to be exploitative[12]. *NABARD All India Financial Inclusion Survey* (NAFIS, 2016-17), covering a total of 40327 households across 2016 villages or wards spread over 245 districts from 29 states, reports that a sizeable 40% loans has been taken from non-institutional sources like relatives and friends, and local landlords and money lenders. A RBI-sponsored district level study in the state considering data till the end of the last decade reports money lenders still dominating rural informal credit market in West Bengal (Chattopadhyay, S. K., 2011)[13].

West Bengal – The state selected for reviewing progress of financial inclusion

The state of West Bengal in the eastern part of India covers a total area of 88,752 square kilometers and has a total of 23 districts. The economy of the state is predominantly dependent on agriculture, although the role of and medium-sized industry and service industry have significantly increased over the years. According to the provisional results of the 2011 national census, West Bengal is the fourth-most-populous state in India with a population of 91,347,736 (7.55% of India's population) and population density of 1029 inhabitants per square kilometer (second-most densely populated among the Indian states). The literacy rate of West Bengal is 77.08%, higher than the national average of 74.04%. As per the 2011 Census data, the total number of households in India is 24,66,92,667 including 16,78,26,730 rural and 7,88,65,937 urban households . The mean household size in India is 4.8, the mean being 4.9 in case of rural and 4.6 in case of urban households. In the state of West Bengal the total number of households is 2,03,09,872 including 1,37,84,414 rural and 65,25,458 urban households with a mean household size of 4.5 (the mean being 4.5 in case of rural and 4.4 in case of urban households). One grave area of concern for the state of West Bengal is the recurrent financial frauds that have hit the state time and again. The notorious *Sanchayita* fraud which came to light in 1980 is considered to be the state's first chit fund debacle. Over ₹1billion was collected from investors who were promised astronomically high returns of around 48 percent on their invested funds but ultimately cheated. *Sanchayani* and *Verona*, two residuary non-bank financial companies, had ruined millions of small depositors and wiped out investor wealth worth billions of rupees. In 2013, the collapse of the *Saradha* Group (incorporated in 2008), exposed a financial scam with an estimated loss of around ₹ 24.60 billion involving nearly 1.7 million investors. This group had various collective schemes of investment in Eastern India spread across the states of West Bengal, Odisha, Jharkhand, Assam and Tripura. The investors were convinced that their deposits would be invested in credible projects and they would receive sky-high returns. Agents were also given high commission because of which they collected funds from the public giving their best efforts. The company mainly targeted the daily wage-earners in villages and small towns. The chit funds that they promoted were, in reality, fraudulent ponzi schemes that inevitably collapsed. With the unfolding of the *Saradha* group scam, the other financial scams like *Rose Valley*, *MPS*, *i-Core* and *Prayag* came one after another. The *Rose Valley* scam is considered the biggest ponzi fraud in India till date in which investors, especially across India's north-east and eastern states, were cheated of an amount of around ₹170 billion. The *MPS* Group is also alleged of collecting ₹15.20 billion from investors through fraudulent collective investment schemes. Another scam of the *iCore* Group which raised nearly ₹70 billion from depositors through ponzi schemes was exposed. Similarly *Prayag* Group had collected ₹28.62 billion from investors without the permission from regulatory bodies through fraudulent investment schemes by promising very high returns.

West Bengal has topped the list of states in gross small savings collections for the third financial year in a row that is, 2014-15, 2015-16 and 2016-17 with the collections in 2016-17 being a whooping ₹633.92 billion (Source: *Times of India*, Kolkata issue, March 12, 2018). However before that, the situation was completely different. West Bengal's deficit on account of small savings earnings in 2010-11 and 2011-12 were reported to be ₹9.87 billion and ₹1.65 billion respectively. There are more than 20 million small savings depositors in West Bengal, out of which at least 3 million people are from rural areas and economically weaker sections of the state. The central government has over the recent years sharply reduced interest rates on small savings schemes like *Public Provident Fund*, *Kisan Vikas Patra*, *Senior Citizen Savings Scheme* and *Sukanya Samriddhi Scheme* for the girl child. Although investments in small savings schemes should have a direct correlation with interest rates, it has been found that despite successive reductions in interest rates, investment in such schemes have increased in the state. It may be inferred that after the series of scams, people have stayed away from chit funds and unreliable private company investments due to the awareness created. As a result they have invested more and more in safe and secure small savings schemes of the government. 31.76 crore (317.6 million) PMJDY accounts have been opened till May 30th 2018 across the country with deposit of ₹80,952.14 crore (809.52

billion) with an average deposit of ₹2549 per account as against average deposit of ₹4093 per account in the State of West Bengal in 3.03 crore (30.3 million) number of accounts[14]. All the banks in the state issued *Rupay* Cards to 75% PMJDY customers, remaining at par with the national issuance rate of 75%. Number of zero-balance accounts has come down to 10.65% of total PMJDY accounts opened in the state. *Aadhaar* seeding percentage improved to 76% in West Bengal. Government of India has directed the schedule commercial banks operating in the country to set up *Aadhaar* Enrolment Centres (ECs) for providing *Aadhaar* enrolment and update facility at a minimum of 1 out of 10 bank branch premises of each bank. In West Bengal, banks have already initiated the process in selected bank branches. State Level Bankers' Committee (SLBC)[15] Desk, West Bengal along with member banks and State Mission Director of PMJDY are regularly taking notes of the progress of financial inclusion in the state.

The progress of PMJDY in West Bengal

On the completion of fourth year of PMJDY, an effort was made after August, 2018 to review the extent to which the primary objectives of the government's flagship financial inclusion scheme, PMJDY could be achieved. A survey, which was conducted at Indian Institute of Management Calcutta[16] on 1000 respondents from the state of West Bengal, could be identified to be the only exhaustive state-level study till now to review the progress of PMJDY. Using a structured questionnaire, the respondents are approached near bank branches in five selected districts of the state like North 24 Parganas, South 24 Parganas, Haora, Nadia and Hugli. All the districts surround the state capital Kolkata. Literacy rates in these districts are higher than the state average, signifying that people in these districts would be more aware of the scheme. The selected districts representing about 37% population could ideally represent the state too. From each selected district a total of 200 respondents is interviewed from the two most populous towns and villages, 100 of them having a normal bank account before PMJDY having been introduced. In order to align the measure of financial inclusion with the formal definition as proposed by RBI, four criteria have been used: (a) branch visit at least once in month, (b) at least one time use of ATM Card, (c) overdraft/loan obtained, and (d) at least one investment in other institutions. It is observed that PMJDY could enhance merely the arithmetic bank account ownership. About 99% of the both types of accountholders mentioned that safety of hard earned money is the key driver of the decision for opening a bank account. About half of the respondents are infrequent visitors as they visit on need basis. Sinha and Azad (2018)[17], in a national level study, show that one-third of the PMJDY accounts remain dormant – our reported numbers are even higher. Only one respondent has confirmed overdraft to be the reason behind opening a bank account under PMJDY. No one has heard about the automatic life insurance cover as an early-bird benefit. 80% of the respondents mentioned that they were aware of the fact that government subsidies would be channelized through the bank. Thus, severe lack of awareness among the common people about the scheme or its benefits has been noticed. Besides, only 11.8% of the accountholders are aware of the general facilities attached to a bank account as most of them (81%) could be identified to the urban areas. Therefore, it appears that rural households, by and large, had opened the PMJDY account, without any knowledge of its principal benefits.

The study reports that PMJDY scheme did not improve financial inclusion in West Bengal, quite contrary to the findings in extant literature. It further reports that those holding bank accounts under PMJDY hardly visited bank and/or availed various facilities offered under the scheme. The real objectives like overdraft-enabled small entrepreneurship or more insurance benefits could hardly be achieved in the state. Among the control variables, self-decision making capacity and higher income are found to significantly influence the likelihood of inclusiveness. Citizens who earn and have economic independence are the ones using the banking facilities the most. Gender of the account holder was not a determinant of financial inclusion and hence women empowerment through the accounts under PMJDY is still a distant dream in West Bengal. The much hyped bank account-induced family happiness could not be identified after analysis of response, money (income) being found to be the ultimate source of happiness.

Epilogue

Financial inclusion entails not just the availability of financial products – credit, deposit, insurance, etc. but also the ability to transfer money around in an affordable manner. While banks have found this transfer unviable, the mobile technology platforms came to the fore offering services like mobile wallet, mobile money, etc. However, despite the penetration of the mobile channel, this platform has been vastly underutilized for monetary transactions. One reason is the requirement of the bank as a partner for the cash-out transaction. Thus, the person performing the cash-out needs to have a bank account. Other important issue with the system is that of risk transfer and market inefficiency[18]. The government has intended its keenness in digitization of the economy based primarily on maximum possible digitization in the banking sector. The government has of course the issue of sustainability of these banking organizations in its back of mind to digitize operations. As the banks must have to economize overall banking operation after satisfying all the targets pushed forward by the government from time to time. The government's aim to develop a trinity in the form of JAM that would link *Jan Dhan* (PMJDY) accounts with Aadhaar and Mobile phone so as to bring the people "into a common financial, economic and digital space" could not be achieved[19]. The government has failed in convincing the Supreme court too about the need of the Aadhaar linkage for obvious reason. The role of *Micro insuranc*[20] has also proven to be important in pursuit of insuring the people of the country by any criterion. But as it was dominated by the attempts of the PSU giant LICI only, for which it could not fulfil the real objective of financial inclusion behind. Rather, by launching social security schemes like *Pradhan Mantri Jeevan Jyoti Bima Yojana* (PMJJBY), *Pradhan Mantri Suraksha Bima Yojana* (PMSBY)[21], and *Atal Pension Yojana*[22], the government undoubtedly has taken the financial inclusion drive a step further. It is good to see an integrated effort of the government in recent times.

The Government claims that PMJDY was a success by any measure - more than half of the *Jan Dhan* account holders are in rural and semi-urban areas, more than 75 million account holders regularly receive DBT, and 244 million debit cards were issued to the account holders[23]. Buoyed by the 'success' the government has extended the PMJDY scheme beyond August 2018 (the second phase). The government has announced more liberal incentives to attract every unbanked adult. In fact, the focus of the scheme is now shifted from "every unbanked household" to "every unbanked adult". Further, the overdraft limit is raised to ₹10000 (from ₹5000), the accidental insurance coverage for new accounts raised to ₹2 lakhs (₹0.2 million) from ₹1 lakh (₹0.1 million), and the age limit to 65 from 60. The government should now look into the qualitative aspect of financial inclusion. Whenever a new government scheme for the common people either for bank account or insurance or credit[24] has been launched, more thrust has been given on fulfilling its target. This often jeopardizes the main objective behind introduction of a scheme.

Notes and References

[1] An unprecedented high-level decision of the Indian government as announced by none other than the prime minister on 8th November, 2016 came into effect immediately that high denomination currency notes of ₹500 and ₹1000 be banned. This demonetization resulted in much controversies and was severely criticized by a section of academia, journalists and researchers as a measure of curbing black money.

[2] Bandhan was granted "in-principle" approval by the RBI in April 2014 to set up a bank in the private sector. Bandhan Bank started operations in August 2015, being the first instance of a microfinance entity having a separate banking entity as well.

[3] The India Post Payments Bank (IPPB), as inaugurated by the prime minister on September 1, 2018, aims to offer a range of products such as savings and current accounts, money transfer, direct benefit transfers, bill and utility payments, and enterprise and merchant payments. This will create the country's largest banking network with a direct presence at the village level. IPPB has been allowed to link around 17 crore postal savings bank accounts with its accounts.

[4] In 2014, the RBI announced a framework for developing "small finance banks," a new class of bank that would cater to low-income and underserved customers. In 2016, India's small finance banks started operation which required 75 percent of bank credit and 50 percent of loan portfolios to serve low-income customers, small businesses and other priority sectors like farmers and students. Mainly larger MFIs like *Equitas Holdings* or *Ujjivan Financial* turned themselves into small finance banks and thus started to obtainthe benefit of lending at higher rates by virtue of being a bank overcoming the barriers of MFIs to have a capped margin of 10%.

[5] Payments bank is a new model of banks conceptualised by the RBI which can accept a restricted deposit, currently limited to ₹100,000 per customer. These banks can operate both current account and savings accounts but cannot issue loans and credit cards. Payments banks can issue services like ATM cards, debit cards, net-banking and mobile-banking too. On 19 August 2015, the Reserve Bank of India gave "in-principle" licences to eleven entities to launch payments banks.

[6] Swain, N.R. and Sahoo, R., 2017. An Analysis on Effects of Demonetization on Cooperative Banks, *Indian Journal of Scientific Research*, Vol. 14 (2), pp. 85-90.

[7] The all India annual average wage rate for the unskilled manual workers under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) workers is ₹172.20/day *w.e.f.* 1st April 2014 (Source: Website of Ministry of Agriculture & Farmers Welfare, Govt. of India)**.**MGNREGA, 2005 provides direct supplementary wage employment to the rural poor through public works, thus giving a guarantee for 100 days of employment at minimum wages to at least one able bodied person in every rural household. In 2009, the government mandated the transfer of MGNREGA wages directly to the bank accounts of the workers to reduce leakage.

[8] *https://www.crisil.com/en/home/what-we-do/financial-products/inclusix.html*

[9] *https://globalfindex.worldbank.org/*

[10]*http://www.worldbank.org/en/topic/financialinclusion/brief/how-to-measure-financial-inclusion* (accessed on May 14, 2019)

[11] "The Government will expand the coverage under Prime Minister Jan Dhan Yojana by bringing all sixty crore (or, 600 million) basic accounts within its fold and undertake measures to provide services of micro insurance and unorganized sector pension schemes through these accounts.", Finance Minister Arun Jaitley, Union Budget, 2018-19.

[12] Sarma, M. (2010). Financial Inclusion and Development, *Journal of International Development*, published online in Wiley Interscience. available at *www.interscience.wiley.com.*

[13] Chattopadhyay, S. K. (2011). Financial Inclusion in India: A Case Study of West Bengal, Department of Economic and Policy Research, RBI, Working paper series 8/2011.

[14] *http://slbcbengal.com/FinancialInclusionDetails.asp*

[15] The State Level Bankers' Committee (SLBC) constituted in April 1977 as an apex inter-institutional forum to create adequate coordination among all States holds meetings on quarterly basis as convened by the SLBCconvenor bank of the State.

[16] Banerjee, A. and Gupta, A. (2019). Pradhan Mantri Jan Dhan Yojana as a financial inclusion drive: a case study of West Bengal, *Decision*, Vol. 46, No. 4, December, pp. 335-352.

[17] *Sinha, D. and Azad, R. (2018). Can Jan Dhan Yojana Achieve Financial Inclusion? Economic & Political Weekly, Vol. 53, Issue 13, 31 March.*

[18] Singh, Charan*et al*, 2014. Financial Inclusion in India: Select Issues, IIM Bangalore Working Paper No. 474, November, Available at *https://www.iimb.ac.in/sites/default/files/2018-07/WP_No._474.pdf*

[19] The aim was expressed by the union finance minister in the Economic Survey of India, 2014-15.

[20] IRDAI has created in 2005 a special category of insurance policies called micro-insurance with a sum assured of ₹50,000 or less to promote insurance coverage among the economically vulnerable sections of society.

[21] PMJJBY and PMSBY provide for auto-debit of ₹330 and ₹12 annually from the beneficiary bank accounts respectively for separate life and accidental coverage of ₹200000.

[22] *Swavalamban* (upgraded to *Atal Pension Yojna* from June, 2015), an initially co-contributory pension scheme for the unorganized sector, launched in September, 2010, already existed. The government would contribute maximum upto ₹1000 upto March, 2020 annually in each National Pension System account if opened before December, 2015.

[23] *http://pib.nic.in/PressReleaseIframePage.aspx?PRID=1545090* (accessed on March 6, 2019).

[24] *Pradhan Mantri Mudra Yojana* (PMMY) has been launched in April, 2015 to promote non-farm self- employment.