“FINANCIAL INCLUSION UNDER MGNREGA SCHEME: A STUDY ON ERNAKULAM DISTRICT WITH SPECIAL REFERENCE TO KUMBALAM PANCHAYATH”

Dissertation

Submitted by

DIVYA V (Reg No: SM23COM009)

Under the guidance of

Smt. SIMI SUSAN SAJI

Assistant Professor

In partial fulfillment of the requirement for the Degree of

MASTER OF COMMERCE

ST. TERESA’S COLLEGE ESTD 1925

ST. TERESA’S COLLEGE (AUTONOMOUS), ERNAKULAM

COLLEGE WITH POTENTIAL FOR EXCELLENCE

Nationally Re-Accredited with A++ Grade

Affiliated to Mahatma Gandhi University

Kottayam-686560

(March 2025)

FINANCIAL INCLUSION UNDER MGNREGA SCHEME: A STUDY ON ERNAKULAM DISTRICT WITH SPECIAL REFERENCE TO KUMBALAM PANCHAYATH

Project Report

Submitted by

DIVYA V (SM23COM009)

Under the guidance of

Ms. SIMI SUSAN SAJI

In partial fulfillment of the requirement for the Degree of

MASTER OF COMMERCE

ST. TERESA'S COLLEGE (AUTONOMOUS), ERNAKULAM

COLLEGE WITH POTENTIAL FOR EXCELLENCE

Nationally Re-Accredited with A++ Grade

Affiliated to

Mahatma Gandhi University

Kottayam-686560

March-2025

ST. TERESA'S COLLEGE, ERNAKULAM (AUTONOMOUS)

COLLEGE WITH POTENTIAL FOR EXCELLENCE

Nationally Re-Accredited with A++ Grade

CERTIFICATE

This is to certify that the project titled **"FINANCIAL INCLUSION UNDER MGNREGA SCHEME: A STUDY ON ERNAKULAM DISTRICT WITH SPECIAL REFERENCE TO KUMBALAM PANCHAYATH"** submitted to Mahatma Gandhi University in partial fulfillment of the requirement for the award of Degree of Master in Commerce is a record of the original work done by **Ms. Divya V**, under my supervision and guidance during the academic year 2023-25.

Project Guide

Ms. SIMI SUSAN SAJI

Assistant Professor

Department of Commerce (SF)

Smt. Lekshmi C

(Head of the Department)

Department of Commerce (SF)

25/4/25

Viva Voce Examination held on 25.04.2025

External Examiner(s)

DECLARATION

I, Ms. Divya V, final year M.Com student(Finance), Department of Commerce (SF), St. Teresa's College (Autonomous) do hereby declare that the project report entitled "**FINANCIAL INCLUSION UNDER MGNREGA SCHEME: A STUDY ON ERNAKULAM DISTRICT WITH SPECIAL REFERENCE TO KUMBALAM PANCHAYATH**" submitted to Mahatma Gandhi University is a bonafide record of the work done under the supervision and guidance of Ms. Simi Susan Saji, Assistant Professor of Department of Commerce (SF), St. Teresa's College (Autonomous) and this work has not previously formed the basis for the award of any academic qualification, fellowship, or other similar title of any other university or board.

Divya

PLACE: ERNAKULAM **DIVYA V**

DATE: 25.04.25

ACKNOWLEDGEMENT

First of all, I am grateful to God Almighty for his blessings showered upon us for the successful completion of our project.

It is my privilege to place a word of gratitude to all persons who have helped me in the successful completion of the project.

I am grateful to my guide **Ms. Simi Susan Saji**, Department of Commerce (SF) of St. Teresa's College (Autonomous), Ernakulam for her valuable guidance and encouragement for completing this work.

I would like to acknowledge **Dr. Alphonsa Vijaya Joseph**, Principal of St. Teresa's College (Autonomous), Ernakulam for providing necessary encouragement and infrastructure facilities needed for us.

I would like to thank **Smt. Lekshmi C**, Head of the Department, for her assistance and support throughout the course of this study for the completion of the project.

I will remain always indebted to my family and friends who helped me in the completion of this project.

Last but not the least; I would like to thank the respondents of my questionnaire who gave their precious time from work to answer the questions.

DIVYA V

ST.TERESA'S COLLEGE (AUTONOMOUS) ERNAKULAM

Certificate of Plagiarism Check for Dissertation

Author Name	Divya V
Course of Study	Master of Commerce
Name of Guide	Ms. Simi Susan Shaji
Department	Commerce (SF)
Acceptable Maximum Limit	20
Submitted By	library@teresas.ac.in
Paper Title	" FINANCIAL INCLUSION UNDER MGNREGA : A STUDY IN ERNAKULAM DISTRICT WITH SPECIAL REFERENCE TO KUMBALAM PANCHAYATH".
Similarity	9% AI-18%
Paper ID	3430946
Total Pages	56
Submission Date	2025-03-25 09:38:11

Divya

Signature of Student

Signature of Guide

Anu Maria

Checked By
College Librarian

* This report has been generated by DrillBit Anti-Plagiarism Software

CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER I

INTRODUCTION

1.1 INTRODUCTION

One such program launched by the Government of India is the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), which tries to give rural households a guarantee of wage employment for 100 days. The laborers in this program are encouraged to use the formal banking channel, which allows direct payment of wages into their bank accounts. This initiative has helped crores of individuals to open a bank or post office account. This not only brings marginalized rural workers into the financial system but also saves from middleman leakages and corruption. Another benefit is that payments to the labourers are not delayed.

The Ministry of Rural Development also focuses on women's involvement through fair payment of wages. Indian women are also major contributors to the scheme. Involvement in the MGNREGA has given a feeling of greater respect and prestige to women at the community level. It has also helped them to contribute to household spending, invest in the education of their children, and become more active in community-level decision-making.

But, women's involvement in MGNREGA also differs between states and regions. Such differences can be analyzed to identify the drivers or the inhibitors of women's participation and inform more effective interventions. While MGNREGA enables financial inclusion by requiring bank accounts for wage payment, the extent of financial literacy among women decides the use of these services. Higher financial literacy can be seen in improved savings and investment choices. Moreover, access to local employment under MGNREGA has stemmed distress migration of women, and they can stay in their villages and work at the local level.

Recent data have revealed that women's enrolment in MGNREGA is at a ten-year peak, with more than half of the workers enrolled under the scheme being women. Not only has this high enrolment provided women with more economic independence, but also more empowerment at home and in society. Self-help groups have been instrumental in empowering women through credit and solidarity. Their enrolment in MGNREGA has enhanced women's participation in productive economic activities and brought them higher socio-economic status. Despite all these developments, women still struggle with pay gaps, delayed payments, and the lack of access to on-site childcare facilities in the workplace. Resolving these problems is essential to improving their lives as well as ensuring sustained participation.

This research is based on female workers under the MGNREGA program. This is to acquire a detailed understanding of their savings and investment habits. Encouraging the active participation of women in such programs assists in closing the gender gap by rejecting conventional gender roles and encouraging women to enjoy equal status in society. When women are employed, they become more confident in decision-making and there arises immense respect. This creates a more social and progressive society. Moreover, the involvement of women in the workforce is a major impetus for national economic development.

1.2 STATEMENT OF THE PROBLEM

The MGNREGA Scheme has engaged substantial women in rural employment but the extent to which the scheme has contributed to their financial inclusion remains uncertain. Many women especially in rural areas are still financially dependent due to limited financial literacy, socio-cultural constraints, and inadequate access to financial information. Many women still don't have access to smartphones which restricts them from using electronic banking services and other online facilities.

This study aims to investigate whether the income received through the MGREGA scheme results in the financial empowerment of women, or if barriers persist in connecting their earnings to broader financial inclusion.

1.3 SIGNIFICANCE OF THE STUDY

Financial inclusion ensures that everyone, particularly those who are normally excluded, has access to financial services at reasonable costs such that they can participate in the economy. It protects individuals from poverty, promotes economic stability, and enables people to access financial services, particularly women. This research examines how women employed under MGNREGA in Ernakulam district are able to access banking, receive payment, and comprehend finances. It identifies issues such as not knowing enough, struggling to use technology, and requiring assistance from others to deal with money. The findings will help policymakers and banks improve financial education, simplify banking processes, and enhance access to financial services. This will empower women to be more independent and aid their economic development.

1.4 OBJECTIVES

This study aims to understand:

1. To evaluate the extent to which women beneficiaries of the MGNREGA scheme have access to formal financial services.
2. To study how women employees in MGNREGA use financial services like savings, loans, and digital payments.
3. To identify challenges that women face under MGNREGA in accessing and utilizing financial services effectively.
4. To examine how the MGNREGA scheme helps women gain financial independence and decision-making power.

1.5 HYPOTHESIS OF THE STUDY

H0: There is no significant involvement of women in major household financial decisions.

H1: There is significant involvement of women in major household financial decisions.

1.6 RESEARCH METHODOLOGY

1.6.1 Research Design

This study is conducted using a descriptive research method. The sample will include 120 women employed under the MGNREGA scheme from Ernakulam district. The samples are selected using the convenience sampling method. The data will be collected through structured questionnaires and direct interviews.

1.6.2 Data Collection

In this study, data is collected from both primary and secondary data

- Primary Data – The data which is collected from primary sources that is a source of origin from where the data is generated, they are collected for the first time by an investigation or an agency for any statistical analysis. For collecting primary data, we use the method of questionnaire. The questionnaire is a major technique for the collection of primary data. The structured questionnaire was distributed to samples for gathering primary data.

- Secondary Data – Secondary data on the other hand is one which have already been collected by someone else has been passed through the statistical process. Information from secondary sources like journals, newspapers, books, magazines, reports, websites etc., has contributed to this study.

1.6.3 Sampling Design

Sampling is a process used in statistical analysis in which a predetermined number of observations are taken from a large group. The sampling technique used in this study is Convenience sampling.

1.6.4 Sample Size

Out of the whole women employees employed under MGNREGA scheme, the sample size is limited to 120 for the survey.

1.6.5 Tools Used for Analysis

The data collected were classified and analyzed considering the objectives of the study. Data collected through questionnaires is analyzed using simple statistical techniques like the percentage and Likert scale. Tables, pie charts, and bar graphs are used for presentation.

1.7 SCOPE OF THE STUDY

The study will focus on Ernakulam district, examining local economic conditions and cultural factors. The primary will be on the women beneficiaries of the MGNREGA scheme. The motive is to understand whether the women employed under the MGNREGA scheme have access to financial services as part of financial inclusion and the challenges they face in accessing them. It also assesses the effectiveness of existing government programs aimed at promoting financial inclusion.

1.7 LIMITATIONS OF THE STUDY

- The study focuses only on women employed under MGNREGA, which may limit understanding of broader community-level dynamics influencing financial inclusion.
- The study is confined to one panchayath, so the conclusions may not be generalizable to other regions due to specific local circumstances.
- The short survey period may not capture long-term trends or seasonal patterns in financial behaviour.
- Variation in participant's level of financial literacy could lead to inconsistent or incomplete data.

1.8 CHAPTER SUMMARY

1.8.1 Chapter 1: Introduction

1.8.2 Chapter 2: Review of Literature

1.7.3 Chapter 3: Theoretical Framework

1.7.4 Chapter 4: Data Collection and Analysis

1.7.5 Chapter 5: Findings, conclusion and recommendation

CHAPTER II

REVIEW OF LITERATURE

Angel Priya J, Banumathi Mahalingam (2024): They studied economically empowering women through financial inclusion through a study conducted in Tamil Nadu. This study aimed to evaluate the role of women's economic empowerment through financial inclusion. They found a moderate relationship between financial inclusion and women’s economic empowerment.

Dr. Ravi Kumar K and Ravi N (2024): This study investigates the personal financial planning practices of workers under MGNREGA scheme in Karnataka. The study finds that MGNREGA plays a crucial role in providing safety net and income stability for economically vulnerable rural populations.

Rajalaxmi Singh and Hrushikesh Mallick (2024): The paper examined the status and determinants of financial inclusion in India in the 17 selected states of India. It was found that southern and north-eastern states perform better in overall financial index compared to states like Odisha, Madhya Pradesh, and Chattisgarh. Furthermore, it was observed that there are few bank branches and ATMs in rural areas of the country.

Sunayana N, Swasthi.K.S (2023): They studied financial inclusion through the MGNREGA scheme in Mysuru. The research shows a favorable impact on recipients' savings habits. The MGNREGA has been crucial in making loans more accessible to rural populations, increasing people’s creditworthiness. The study’s findings support the positive role that MGNREGA has played in fostering financial inclusion among rural families.

Adhalia Chinnu Bino (2023): This study is on financial inclusion and women empowerment through MGNREGA. According to her findings, the program has greatly aided women in achieving financial security and women empowerment. It was discovered that women participating in this program had better living conditions than those with whom they cohabitated.

Odegouda R T (2023): He studied the MGNREGA and Inclusive growth in Karnataka: A case study of Shivamogga District. The study was conducted to examine the performance of MGNTREGA towards achieving inclusive growth using primary and secondary data. It was concluded that the

MGNREGA scheme in the study area showed a substantial difference according to mean rating scores on inclusive growth.

Muhammed Salim K C (2023): This study assesses the impact of MGNREGS on Financial Inclusion using an exploratory study on the female labour force of Kerala. The study concludes that women are empowered and that the new scheme of employment guarantee introduced into the nation has resulted in social and economic growth of the female workforce in rural India.

Ankush Goyal, Rajender Kumar and Ankit Goyal (2023): This study aims to analyze the recent trends in the financial and physical progress of the MGNREG scheme in Haryana. The study was based on secondary data from the official website of MGNREGA. The results disclosed that the performance of the Haryana state was not satisfactory at all in achieving the objective of providing a minimum of 100 days of employment because only a small fraction of households could complete 100 days of work from 2016–2021.

Dr. Padma Sarkar (2023): This study aims to analyse the role of the MGNREGA in the alleviation of poverty in rural areas by generating employment. It was found that MGNREGS has helped people to bring rural people under financial inclusion as wages are now transferred directly to their bank accounts.

Anusha Goel (2023): This study undertook a thematic literature review of factors responsible for financial exclusion, trends regarding inclusion, and policy initiatives by government and regulatory bodies. It suggests that there are various factors affecting financial inclusion like gender gap, low earnings, etc.

M. Sanjoy Singh, Satish Modi, and Raj Maurya (2022): The research examined the impact of MGNREGA on impoverished rural households, income, and employment patterns by observing the influence of MGNREGA on job security, income production, and governance on the sustainable livelihood of rural poor in Annupur and Dindori districts of Madhya Pradesh. The results indicated that the social level of these tribal areas has greatly benefited from the scheme.

Rahul Singh Gautam, Shailesh Rastogi (2022): They assessed the impact of MGNREGA financial inclusion on poverty reduction in India and rural development. The findings indicated that MGNREGA has no significant association with poverty reduction.

Yashpal (2022): This study evaluates how MGNREGA has impacted women through a primary survey of select Panchayats of Morni block in Haryana. Research indicates that the key factor affecting women's willingness to participate in the workforce and receive fair compensation under the MGNREGA is their awareness of various worker provisions.

Venkatesh, V Tulasi (2022): They studied the performance of MGNREGS of Mahabubnagar District in Telangana State. For the study, they collected 120 sample respondents to analyze the performance of MGNREGS in said district. They concluded that there are challenges in terms of rural development in India despite the efforts taken by the Government to bring in financial inclusion.

Jose Antony (2021): This study assesses the present status of the effectiveness of various factors of financial inclusion in connection with plantation workers in Kerala. The assessment was done in terms of 5 major factors: access, awareness, obstacles, usage, and effectiveness of financial inclusion. The overall findings are that income is a major determinant of financial inclusion along with other factors.

Sadhvi Singh, Ashoke Kumar Sarkar and Kanaya Mahanti (2021): This paper evaluates how financial inclusion affects the economic status of rural residents in Jharkhand using logistic regression analysis. The results show that bank visits, MGNREGA participation, online payments, and insurance policies significantly influence key economic indicators.

Vishal Vyas and Priyanka Jain (2021): The study explored the role of the digital economy and technology adoption for financial inclusion in India. The data was collected from 433 educated adults through a structured questionnaire and was subject to confirmatory analysis. It was discovered that the reliability of observed variables concerning the latent constructs and indices illustrates the overall model fit.

Nilanjan Banik, Buddhadeb Ghosh, and Rahul Choudhury (2021): The study examined the impact of MGNREGA on market wage rates for manual laborers. The findings indicate that MGNREGA's effects on wages vary significantly across regions in India. The authors recommend that MGNREGA should consider specific regional characteristics to effectively target impoverished rural households, given India's diversity.

Sarabjeet D. Natesan and Rahul R. Marathe (2021): The article evaluates the implementation of MGNREGA in the Tamil Nadu districts of Panchetti and Salem, drawing on a preliminary field study. It recommends two key improvements: optimizing wage determination and improving techniques for measuring labor productivity.

Lalitagauri Kulkarni and Anadita Ghosh (2020): This study examines the gender disparity in the digitalization of financial services and analyses the challenges and promises for women's financial inclusion in India. The analysis shows that economic development does not determine the gender disparity of digital financial inclusion. The results indicate that a gender-sensitive approach to financial inclusion is crucial for the effectiveness of policy initiatives.

Shantanu Ghosh and Tarak Nath Sahu (2020): This study analyzes financial inclusion in India from 2003 to 2018. The findings identify Chandigarh as the top performer and reveal significant regional disparities, with no notable differences based on productivity.

Shiji. K (2020): This study evaluates the performance of MGNREGA and its impact on marginalized sections: A study of inclusiveness of MGNREGA in Kerala. The data was collected from MGNREGA workers from the districts of Kottayam, Palakkad, and Wayanad. The outcomes of MGNREGAQ were based on short-term economic gain, transparency effect, and social participation. The findings conclude that MGNREGA can be considered an effective weapon to accomplish livelihood security and social protection.

Shriram Kadiya (2019): This study is to evaluate the communication dissemination approach applied for MGNREGA by the government of India. The research focuses on MGNREGA beneficiaries' reactions regarding stakeholders' roles in implementing communication dissemination in their villages. The results revealed the need for integrating communication vehicles such as TV, radio, newspaper, etc to bring in synergy and effective reach.

Lakshmi Devi V.P (2019): This study was conducted on tribal households of Attapady block to profile the employment scenario by assessing the coverage ratio and ascertaining the contributions of MGNREHGS on the livelihood of tribal households. Social benefits were analyzed to identify the issues and challenges of the scheme. The study found that the MGNREGA scheme has benefited the tribes of Attapady block by strengthening their livelihoods and mainstreaming their lives.

Kishor Naskar (2018): The study analyses the performance of the MGNREGA in West Bengal. It also analyzed the direct and indirect effects of MGNREGA in the village economy. The study concluded that MGNREGA has a multiplier effect on income and employment of the village economy and the effects are positive but the multiplier effect is limited due to the less fund allocation of MGNREGA. Moreover, it was found that the implementation of MGNREGA has generated indirect employment.

Badar Alam Iqbal and Shaista Sami (2017): The study sought to analyze the effects of financial inclusion on economic growth over seven years. Multi-regression model is used to analyze the secondary data collected. The study's results indicated a positive and significant impact of the number of bank branches and the credit deposit ratio on the country's GDP.

Syed Rizwan Ahmed, Sanjay Kumar, and Murtuza Khan (2017): They studied the impact of MGNREGS on the financial inclusion of rural women labour by comparing the different districts of Punjab and Karnataka. The study found that the use of bank accounts reported account activity has improved moderately during the study period of 2016-17 and highlighted the existence of significant gaps in the ownership of accounts and usage of savings and credit products.

A. V. Hemalatha and K. Midhula Mohan (2016): They studied the women workers employed under MGNREGA in the Kannur district. Their study revealed that most women workers get 100 wage days of employment in each financial year after joining this scheme.

Peter J. Morgan and Victor Pontines (2014): This research raised the question of whether financial stability and financial inclusion are substitutes or complements. For this, the study estimates the effects of various factors influencing financial inclusion and financial stability. The study suggests that policy measures to increase financial inclusions have a side benefit of contributing to financial stability.

N.P. Abdul Azeez, S.M. Javed Akhtar (2011): They studied financial inclusion through MGNREGS across economies. The MGNREGA scheme has been enabling millions of people inclusive growth and financial inclusion, the right to work, the dignity of labour, and rational participation with the State. The wage payments through banks have led to greater transparency for the rural people of India.

CHAPTER III

THEORETICAL FRAMEWORK

Financial Literacy

Financial Literacy is the capacity to know and effectively employ financial abilities, such as budgeting, saving, investing, and debt management. It is a life skill that equips people to make wise financial choices, thereby guaranteeing long-term financial freedom and stability.

With the financial world changing and the individual finance becoming more complicated, the importance of financial literacy has been all the more vital. Individuals today are faced with a wide range of financial options – anything from choosing the appropriate savings account to investing in schemes, dealing with debt, making use of mobile wallets, and retirement planning. A financially literate person is better equipped to handle these responsibilities effectively, avoiding poor financial decisions that could lead to long-term consequences such as debt accumulation, loss of savings, or financial exclusion.

An important aspect of financial literacy is the overall knowledge of financial issues such as interest rates, lending and credit, taxation, insurance, inflation and financial planning. Understanding how the interest rates functions, allows one to handle loans and credit card debt in a more proper way, while understanding taxation and government schemes allows one to take advantage of benefits and incentives to which one is entitled. Additionally, understanding inflation and its effect on purchasing power allows one to adjust savings and investments accordingly.

Along with conventional knowledge, financial literacy in the current context also requires inclusion of digital financial literacy. As more and more individuals opt for digital banking, mobile wallets, UPI platforms, and online transactions, it is crucial that individuals become knowledgeable about how to use digital financial tools and stay safe while doing so. This also entails knowing about cybersecurity, recognizing fraud mechanisms, being digitally private, and being able to conduct simple financial transactions such as checking balance, sending money, or paying bills online.

For the marginalized sections of society, particularly women in rural areas or those working under government schemes like MGNREGA, financial literacy is not only beneficial but a must for real financial inclusion. Some of these women might have bank accounts because of direct benefit transfers, but not the skills to manage them independently. In such a case, financial literacy shatters the reliance on others, enabling women to manage their own finances, save for contingencies, access credit, and make decisions that improve their own and family well-being. It also enhances confidence and consolidates their position in the household and community.

Importance of Financial Literacy

1. Empowerment:

   Financial literacy empowers individuals by providing them with the tools and knowledge needed to make informed financial decisions. It fosters confidence in managing money, ultimately leading to greater financial independence.

2. Avoiding debt traps:

   A solid understanding of financial concepts helps individuals avoid excessive debt and make responsible borrowing decisions. This knowledge is crucial for avoiding pitfalls like payday loans and high-interest credit cards.

3. Improved Savings and Investment

   Financially literate individuals are more likely to save consistently and invest wisely, leading to wealth accumulation. They understand the benefits of compounding interest and the importance of starting to save early.

4. Economic Stability

   A financially literate population contributes to overall economic stability. When individuals make sound financial choices, they are less likely to default on loans or face bankruptcy, reducing the burden on the economy.

5. Informed Consumer Behaviour

   Financial literacy enables consumers to navigate the marketplace effectively, compare products, and make choices that align with their values and financial goals. This leads to better consumer protection and a more competitive market.

Financial Inclusion

The World Bank defines financial inclusion as the capacity of individuals and firms to access useful and affordable financial products and services that suit their specific needs. Such needs include transactions, payments, savings, credit, and insurance, which should be delivered in a responsible and sustainable way.

Access to bank accounts is an important first step towards achieving financial inclusion which allows individuals or companies to send or receive payments and use accounts to store money. By tapping into digital payment systems, financial access makes everyday life easier and supports budgeting for future costs with just a click.

The incorporation of digital financial services has contributed to an increase in the number of bank account holders over time. A major dive in the approval of digital financial services was realized during the COVID-19 pandemic. China, India, Kenya, and Thailand were among the countries that experienced reforms, which were driven by private-sector innovation and efforts to encourage low-cost accounts on these digital platforms.

Financial inclusion is known as a key enabler of 7 out of the 17 Sustainable Development Goals. Substantial progress has been made in financial inclusion as seen from the fall in the number of unbanked adults from 2.5 billion to 1.4 billion in 2021, where 76% of the world's adult population has a bank account as per the World Bank. A large percentage of unbanked adults are women belonging to economically poor rural households or those who are outside the labour force.

In spite of India's impressive economic growth, a significant opportunity to enhance banking access for a large percentage of the population exists. Financial inclusion offers a compelling opportunity to realize the extensive potential within the Indian Economy.

The Key Elements of Financial Inclusion are:

- Access

  Access pertains to provision of financial services to individuals and businesses especially in underserved communities. It provides convenient points within the underserved areas for such services as local branches, mobile banking, ATM, etc. Thus, either digital platforms or physical access is meant to be given so that every individual has an access to find such financial services.

- Affordability

  It focuses on low-cost financial products to cater to the needs of low-income users. Interest rates should be kept reasonable so that financial products and services are available to all, irrespective of income.

- Diversity of Services

  Financial inclusion involves a wide range of financial products, such as transactions, payments, payments, savings, credit, and insurance, to meet different needs. The financial products need to be tailored to suit the unique financial needs of individuals and organizations.

- Responsibility

  To achieve financial inclusion, services have to be provided in an ethical way that supports the long-term financial well-being of customers. Ensuring that all users have transparent information, fair treatment, and privacy protection is crucial to improve their financial health.

- Sustainability

  Creating long-lasting financial solutions that can serve communities can lead to sustainability. This promotes an environment and socially responsible practices in the financial sector.

- Innovation

  Digital finance's innovative building blocks, including artificial intelligence-powered credit investments, blockchain-based investments, and mobile banking, make it possible to extend financial services to hitherto untapped user groups. In addition, enhanced product design, infrastructure, and delivery systems can greatly support accessibility and relevance in the industry.

Innovations Driving Financial Inclusion

1. Mobile Banking

   Conventional banking institutions provide mobile banking features that enable customers to conduct financial transactions through their mobile phones. This technology makes it possible to provide banking services to unbanked and underbanked populations. Customers can access these services through SMS or mobile apps, even without internet connectivity.

2. Digital Wallets

   E-wallets, or digital wallets, allow for financial transactions using electronic means. These systems allow users to make payments, buy goods, and send money without the need for a conventional bank account, with built-in QR code technology. The addition of QR code features greatly improves the convenience of everyday transactions with merchants.

3. Microfinance

   Microfinance institutions (MFIs) offer small products and loans to underprivileged people and businesses, especially in low-income and rural communities. These enable small entrepreneurs to grow or establish businesses. Borrowers' success is also boosted by giving them financial literacy and business skills. Digital microloans can now be used to facilitate this process faster and more easily.

4. Agent Banking

   Banks set intermediaries called agents to act like local representatives to enable basic banking services in remote areas without needing a physical branch. The agents help the customers open accounts, deposit and withdraw cash and make bill payments. This helps the customers build trust in agents thereby expanding financial access.

5. Open Banking

   Open banking enables financial institutions to share customer data securely with consent to create a connected financial ecosystem. This allows users to access diverse services through third-party apps that support new solutions like budgeting, savings, and personalized loans for low-income groups.

Advantages of Financial Inclusion

1. Economic growth

   Credit access, savings, and investment increase economic activity by users that creates growth, especially in the unserved areas. Financial inclusion spurs growth, generates employment opportunities, and increases production through the empowerment of people and small firms to be part of the economy.

2. Poverty Reduction

   Providing low-income individuals and underserved communities access to essential financial services like savings accounts, microloans, and credit facilities directly facilitates poverty reduction. These financial services allow people to use their income more efficiently which enables them to handle their daily expenses, invest in their livelihood, and break the cycle of poverty.

3. Empowerment of Marginalized Groups

   Financial inclusion aims to empower poor families, rural people, women, and low-income individuals. Though women bear a big responsibility in managing the household's finances, they have limited access to finance services. With the use of financial services, individuals can exercise empowerment and control over their finances, hence bridging gender disparities. Financial products like microinsurance and farm loans will help rural people sustain their livelihoods.

4. Increased Financial Literacy

   Public and private organizations have established a series of programs that are designed to educate people on money management, investing, and how to improve money habits overall. The programs are foundational pillars of financial literacy that allow people to improve monetary behaviour through education and knowledge acquisition.

5. Better Risk Management

   Risk can be successfully managed with access to formal savings accounts, microinsurance, and other financial tools. People build a safety net to protect them from unpredicted circumstances like natural disasters or health conditions by accessing these financial services.

Disadvantages of Financial Inclusion

1. Infrastructure Challenges

   There is limited infrastructure in most rural or remote locations in the form of bank branches, ATMs, electricity, and internet access, which renders financial services less accessible and expensive. This usually discourages institutions from reaching out to these areas.

2. Low Financial Literacy

   People lack the ability to use and access financial services properly. Most communities have poor comprehension of terms such as interest rates and repayment of loans, resulting in underuse or abuse of products. Without training, this lack of knowledge tends to devastate efforts of inclusion and encourages suspicion of financial institutions.

3. Cultural and Social Barriers

   Financial inclusion is also hindered by cultural obstacles such as institutional distrust, gender attitudes, and language. Cash orientation, information hesitancy, and limitations on women's financial autonomy can create barriers to access. These have to be addressed through community-driven approaches and local alliances to support inclusivity.

4. Risk of Over-Indebtness

   For first-time formal lenders who are not experienced with debt management, increased access to credit may result in over-indebtedness. In the absence of proper protection and financial literacy, borrowers may accumulate unsustainable loans, lending to debt traps and financial hardship, especially where microcredit is aggressively marketed without sufficient assessment of borrowers.

5. Technology Barriers

   Not all individuals have access to or familiarity with technology. Low-literacy, remote communities, and older people can be at odds with digital platforms, which also needs high quality internet and mobile coverage, commonly lacking in underserved populations. Such constraints restrict digital access, necessitating alternatives or training of users to be inclusive.

Mahatma Gandhi National Rural Employment Guarantee Act

Mahatma Gandhi once told, "The soul of India lives in its villages". This speaks for itself regarding rural development and why the village economy needs to be boosted through employability and green development.

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a revolutionary law adopted in India during 2005 that seeks to promote livelihood protection in rural sectors. This social security scheme with a twist offers a minimum 100 days of skilled wage employment for the entire rural household that places an application. Through its coverage of rural employment and underemployment, MGNREGA not only serves as a safety net for the poor but also generates sustainable rural development through the development of vital infrastructure and social assets.

The bill aims to empower weaker sections, foster financial inclusion, and improve rural livelihoods, thus helping to reduce poverty and ensure economic growth in rural India. By its focus on transparency, accountability, and participatory governance, MGNREGA has emerged as a key tool in helping the country to enhance the socio-economic status of its rural citizens.

Apart from wage employment. MGNREGA has gone a long way in developing long-lasting assets like roads, ponds, canals, check dams and irrigation facilities. These increase rural productivity as well as the quality of life in general. Environment sustainability is also encouraged through measures such as water conservation, afforestation, and drought proofing, which are in alignment with climate-resilient development objectives.

In addition, MGNREGA has helped prevent rural-urban migration by creating jobs at he local level, enabling families to remain intact and contribute to local economy. The use of technology, such as geo-tagging of assets, online job cards, and Aadhaar-linked payments, has increased transparency and limited cases of corruption. With ongoing developments and state-level innovations, MGNREGA continues to be a responsive tool in alleviating rural distress and achieving inclusive growth.

Importance of MGNREGA

1. Guaranteed Employment
   One of the primary aims of MGNREGA is to provide a guarantee that each rural family receives at least 100 days of unskilled wage employment in a financial year. By offering a statutory guarantee for employment, the act tries to establish a protective wall around rural families so that they are able to earn a steady income during agricultural lean periods or times of unemployment.

2. Poverty Alleviation
   MGNREGA aims to reduce rural poverty by raising family incomes and extending financial support to vulnerable groups. Through the guarantee of a constant flow of income, the program ensures that families can access basic needs like food, healthcare, and education, hence helping in a general decrease in poverty rates in rural India.

3. Rural Infrastructure Development
   The legislation encourages the establishment of long-lasting community assets, including roads, irrigation, and water conservation projects. Not only do these activities offer short-term

employment but also contribute to long-term rural development through better infrastructure, market access, and agricultural productivity.

4. Social Inclusion

   MGNREGA lays significant stress on social equity through the involvement of marginalized sections, such as women, Scheduled Castes (SC), and Scheduled Tribes (ST). The scheme is designed to empower these by offering them equal job opportunities, thereby ensuring inclusiveness and minimizing social disparities.

5. Sustainability and Environmental Protection

   Encourage sustainable development practices by launching projects that prioritize environmental conservation. Soil and water conservation, forestation, and land degradation have been undertaken through MGNREGA initiatives that enhance ecological balance while providing employment.

Challenges faced by MGNREGA

1. Corruption and Mismanagement

   Corruption is a commonplace feature of MGNREGA implementation. Cases of fund diversion, ghost workers, and exaggerated wage payments undermine the program’s integrity. These corrupt activities not only redirect resources away from intended beneficiaries but also deter genuine participation.

2. Lack of Awareness

   Most eligible rural households also lack knowledge of their rights and entitlements under MGNREGA. Such ignorance may be caused by inadequate outreach and education activities, hindering individuals from applying for work or comprehensively realizing the benefits that they are entitled to.

3. Geographical Barriers

   Distance between job and administrative locations can result in physical remoteness of villages, which might include poor roads, few vehicles, and infrequent bus runs, hindering workers from accessing administrative offices to apply and collect wages. Physical distance can severely restrict entry into the program.

4. Fiscal Constraints

   MGNREGA needs significant funding to achieve its goals. Government budgets, however, can vary with the state of the economy and result in insufficient allocations for the scheme. During periods of financial stringency, states can cut back on MGNREGA expenditure, affecting the provision of jobs and prompt payment of wages.

5. Focus on Unskilled Labour

   Although MGNREGA mostly offers unskilled job opportunities, this focus can restrict the scope for skill development. Most participants continue to work in low-wage jobs without acquiring skills to move into higher-paying jobs in the future. This absence of upward mobility can reinforce poverty cycles.

6. Cultural Barriers

   In spite of initiatives towards promoting gender inclusiveness, societal normal and cultural barriers tend to limit the access of women of the benefits of MGNREGA. Women can be subject to mobility, safety, and discrimination issues, and these can discourage them from working. Moreover, societal gender roles could deter women from working away from home.

Financial Inclusion v/s Financial Literacy

Aspect	Financial Inclusion	Financial Literacy
Definition	The process of ensuring access to financial services for all individuals, particularly underserved populations.	The ability to understand and effectively use financial concepts and products.
Focus	Access to financial services.	Knowledge and skills to manage financial resources wisely.
Goal	To provide individuals with the means to participate in the financial system.	To empower individuals to make informed financial decisions.
Key Components	Access to banking, credit, insurance, and investment services.	Understanding budgeting, saving, investing, interest rates, and debt management.
Importance	Essential for economic growth and poverty alleviation.	Critical for avoiding debt traps and achieving financial goals.

CHAPTER IV

DATA ANALYSIS AND INTERPRETATION

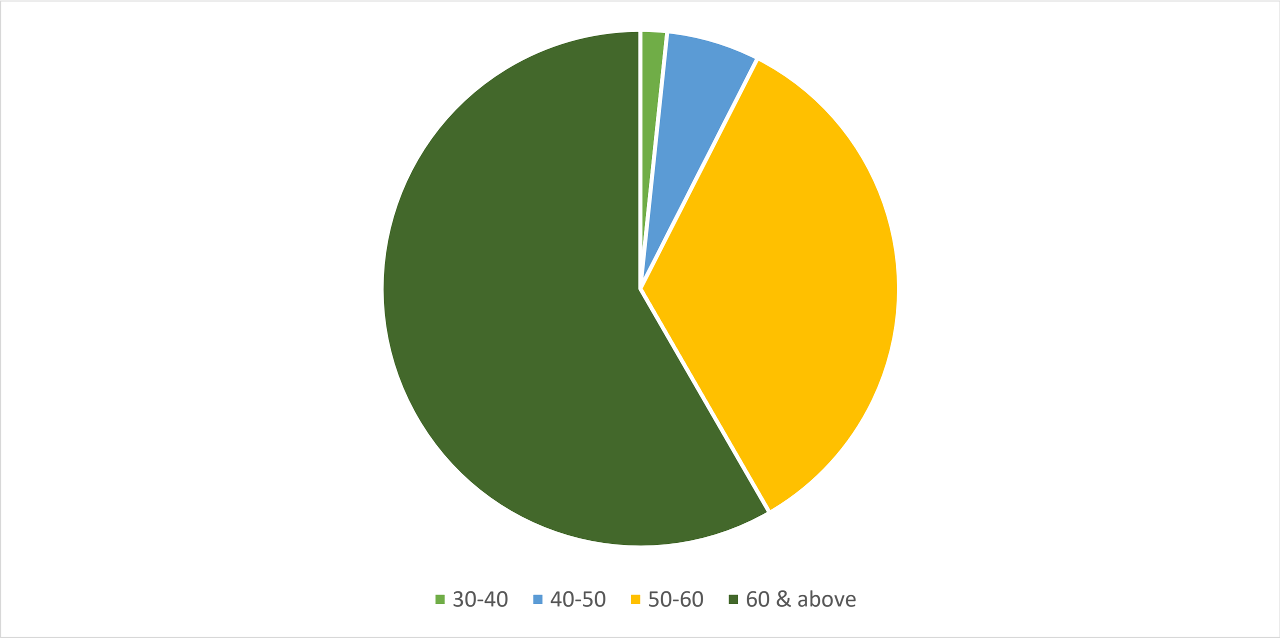
Age of Respondents

Table 4.1 – Age of Respondents

Age	Responses	Percentage
20-30	0	0
30-40	2	2
40-50	7	6
50-60	41	34
60 & above	70	58
Total	120	100

(Source: Primary Data)

Figure 4.1 – Age of Respondents



(Source: Primary Data)

Interpretation

This questionnaire was filled out by workers of the age group from 30 to 60 and above. The majority belongs to the category of 60 and above of age. The age group 20 – 30 put forward the least active participation.

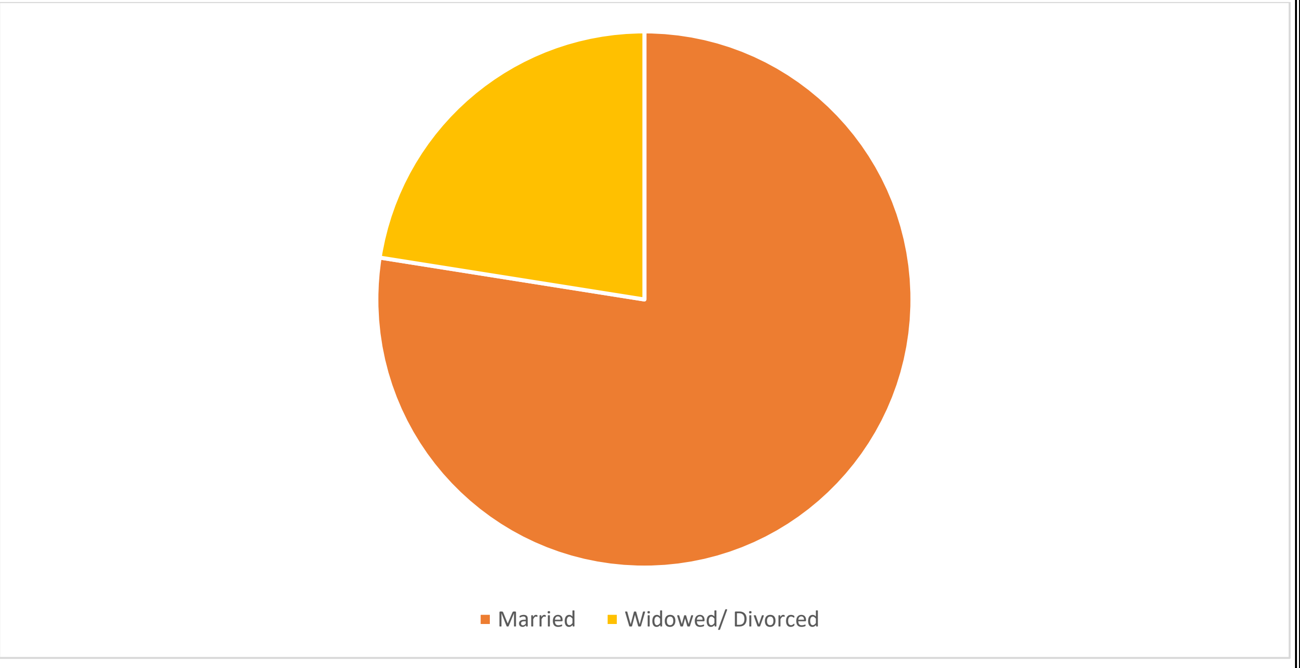
Marital Status of the Respondents

Table 4.2 – Marital Status of the Respondents

Marital status	Responses	Percentage
Married	93	78
Widowed/ Divorced	27	23
Total	120	100

(Source: Primary Data)

Figure 4.2 – Marital Status of Respondents



(Source: Primary Data)

Interpretation

Figure 4.2 shows that the majority of women employed under the MGNREGA scheme are married. This consist of 78% and the rest was filled by widowed/divorced women employees which consists of 27%.

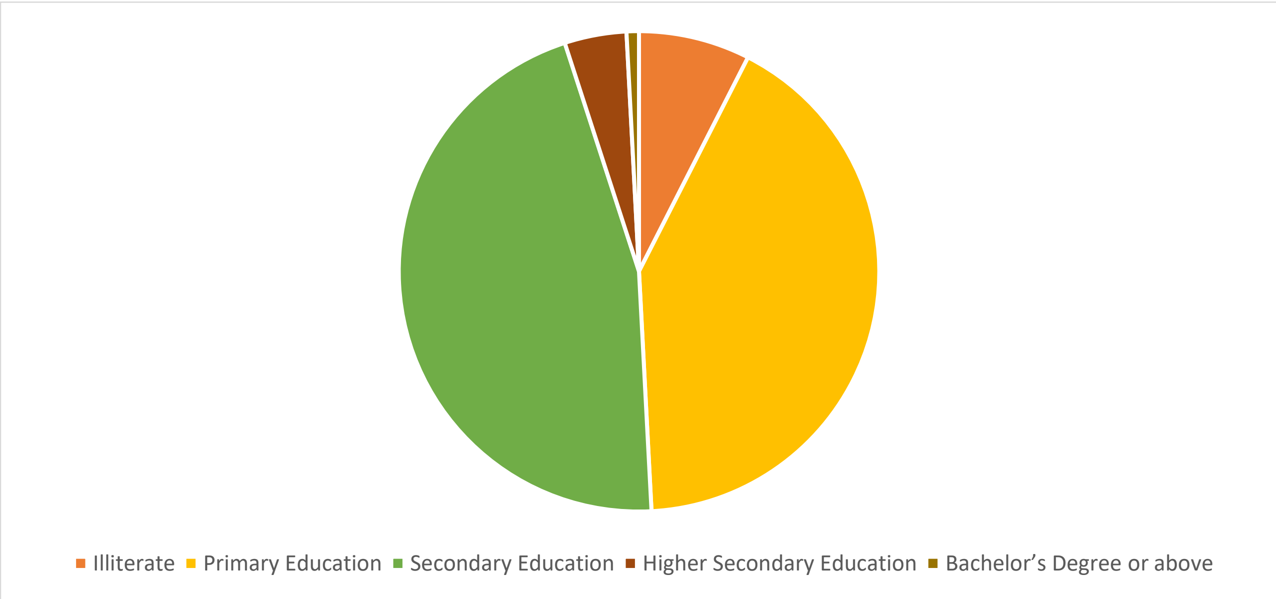
Educational Qualification

Table 4.3 - Educational Qualification

	Responses	Percentage
Illiterate	9	7.5
Primary Education	50	41.7
Secondary Education	55	45.8
Higher Secondary Education	5	4.2
Bachelor’s Degree or above	1	0.8
Total	120	100

(Source: Primary Data)

Figure 4.3 - Educational Qualification



(Source: Primary Data)

Interpretation

The data reveal that most women employed under MGNREGA have primary education (41.7%) or secondary education (45.8%), indicating a moderate level of literacy. However, only a small percentage have higher education, and 7.5% are illiterate. This suggests that while basic financial services can be accessed, limited education may hinder deeper financial literacy initiative.

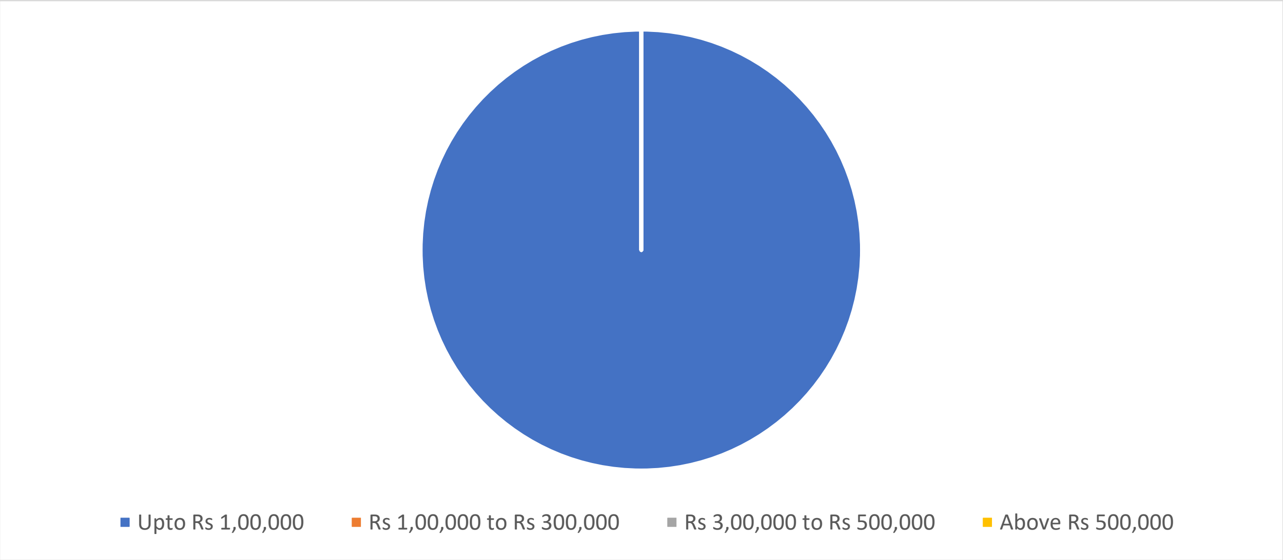
Annual Household Income

Table 4.4 – Annual Household Income

	Responses	Percentage
Up to Rs 1,00,000	120	100
Rs 1,00,000 to Rs 300,000	0	0
Rs 3,00,000 to Rs 500,000	0	0
Above Rs 500,000	0	0
Total	120	100

(Source: Primary Data)

Figure 4.4 – Annual Household Income



(Source: Primary Data)

Interpretation

The findings suggest that all the interviewed women employed under the MGNREGA scheme, have an annual household income of Rs 100,000 and below. This suggests economic vulnerability and dependence on MGNREGA income. The lack of higher-income groups suggests the necessity for better livelihood opportunities, financial inclusion, and policy support.

Ownership of Bank Account

Table 4.5 – Ownership of Bank Account

	Responses	Percentage
Yes	120	100
No	0	0
Total	120	100

(Source: Primary Data)

Figure 4.5 – Ownership of Bank Account

(Source: Primary Data)

Interpretation

The statistics show that 100% of the women interviewed under the MGNREGA scheme have a bank account. This fact reflects effective financial inclusion, most likely due to government policies facilitating direct payment of wages. It also reflects formal banking facility access, which induces savings, electronic payments, and overall financial security. Further in-depth analysis is, however, needed to assess their savings behaviour, financial awareness levels, and use of banking services beyond wage deposit. Improved financial awareness would go to a long way in their economic empowerment and lead to long-term financial security.

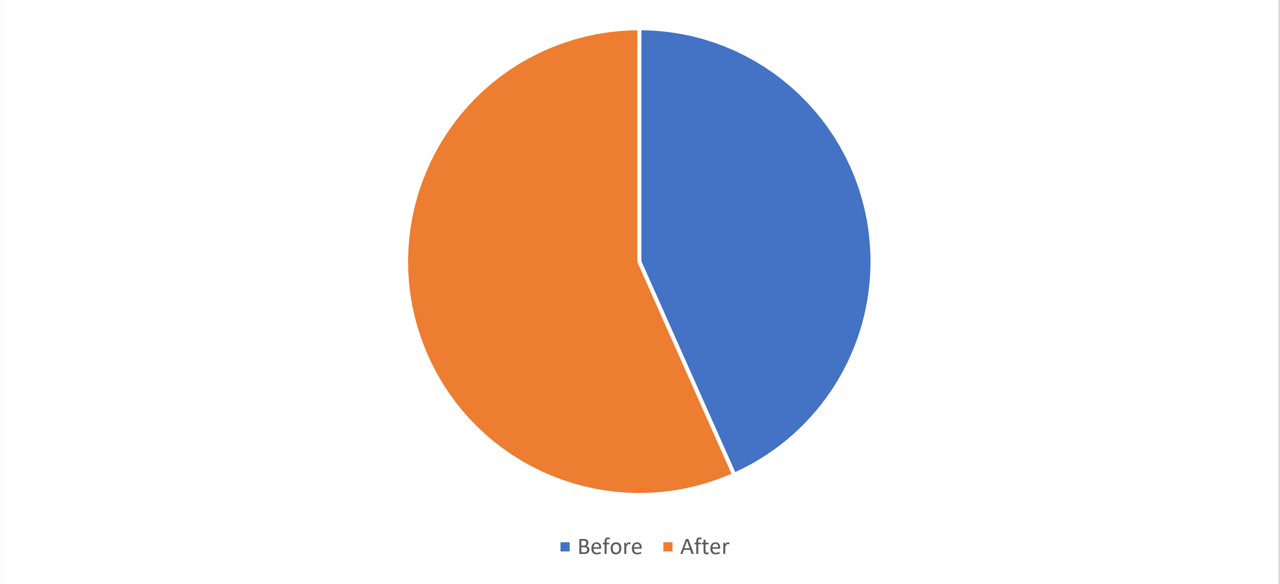
Bank Account Ownership: Before or After Joining MGNREGA

Table 4.6 - Bank Account Ownership: Before or After Joining MGNREGA

	Frequency	Percentage
Before	52	43.3
After	68	56.7
Total	120	100

(Source: Primary Data)

Figure 4.6 - Bank Account Ownership: Before or After Joining MGNREGA



(Source: Primary Data)

Interpretation

The survey evidence reveals that 56.7% of women had opened a bank account following their registration in the MGNREGA scheme, whereas 43.3% had an account prior to their registration. This suggests that the scheme has been a major driver of financial inclusion by facilitating access of women to formal banking. The direct transfer of wages is likely to be the driver in this effort, encouraging financial security, savings, and access to government benefits.

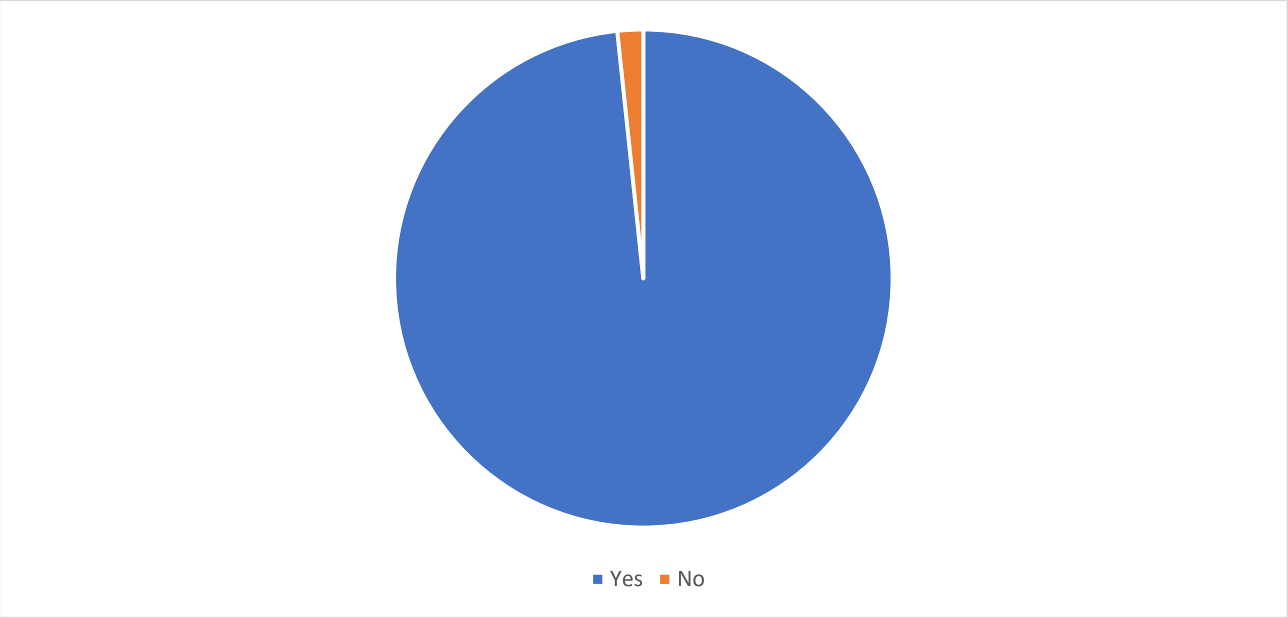
Direct Wage Credit to Bank Account

Table 4.7 - Direct Wage Credit to Bank Account

	Frequency	Percentage
Yes	118	98.3
No	2	1.7
Total	120	100

(Source: Primary Data)

Figure 4.7 - Direct Wage Credit to Bank Account



(Source: Primary Data)

Interpretation

The survey statistics indicate that 98.3% of the women receive their MGNREGA wages credited directly into their bank accounts, and 1.7% do not. This indicates the successful roll-out of the direct credit system of wages, which ensures transparency and minimizes the risk of embezzlement of wages. There is a small percentage that does not have wages credited directly, however, reflects potential banking access problems or procedural holdups that must be overcome to attain full financial inclusion.

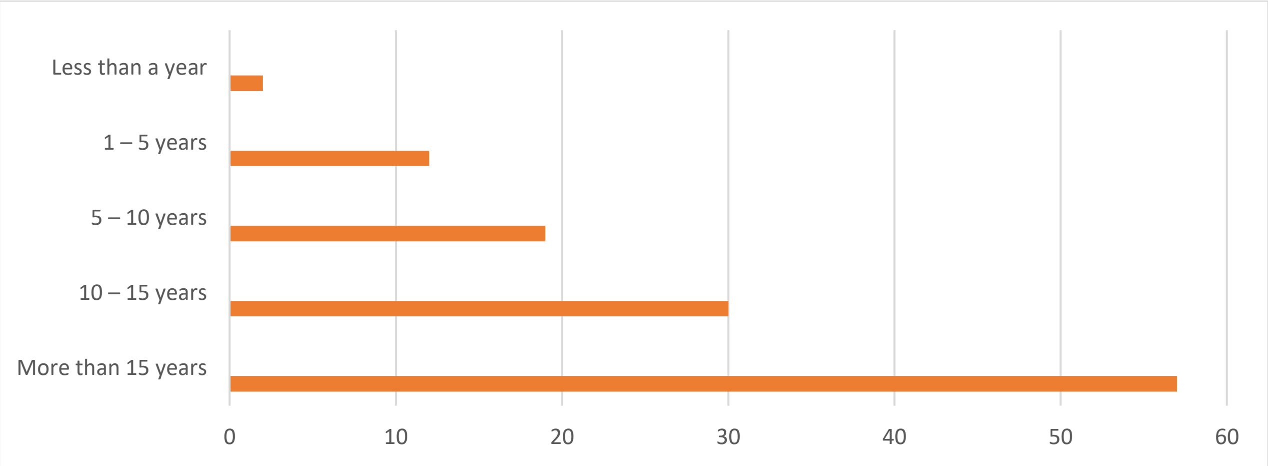
Duration of Employment Under MGNREGA

Table 4.8 – Duration of Employment Under MGNREGA

	Frequency	Percentage
More than 15 years	57	47.5
10 – 15 years	30	25
5 – 10 years	19	15.8
1 – 5 years	12	10
Less than a year	2	1.7
Total	120	100

(Source: Primary Data)

Figure 4.8 – Duration of Employment under MGNREGA



(Source: Primary Data)

Interpretation

The statistics gathered indicate that 47.5% of the women work under the MGNREGA scheme for over 15 years, and 25% for 10 – 15 years. This reflects long-term dependence on the scheme for livelihood. A lower percentage (15.8%) has worked for 5 – 10 years, and just 11.7% have joined in the last 5 years. The high percentage of long-term reflects the significance of the scheme in offering long-term livelihood opportunities, but it also reflects a potential absence of alternative stable livelihood opportunities.

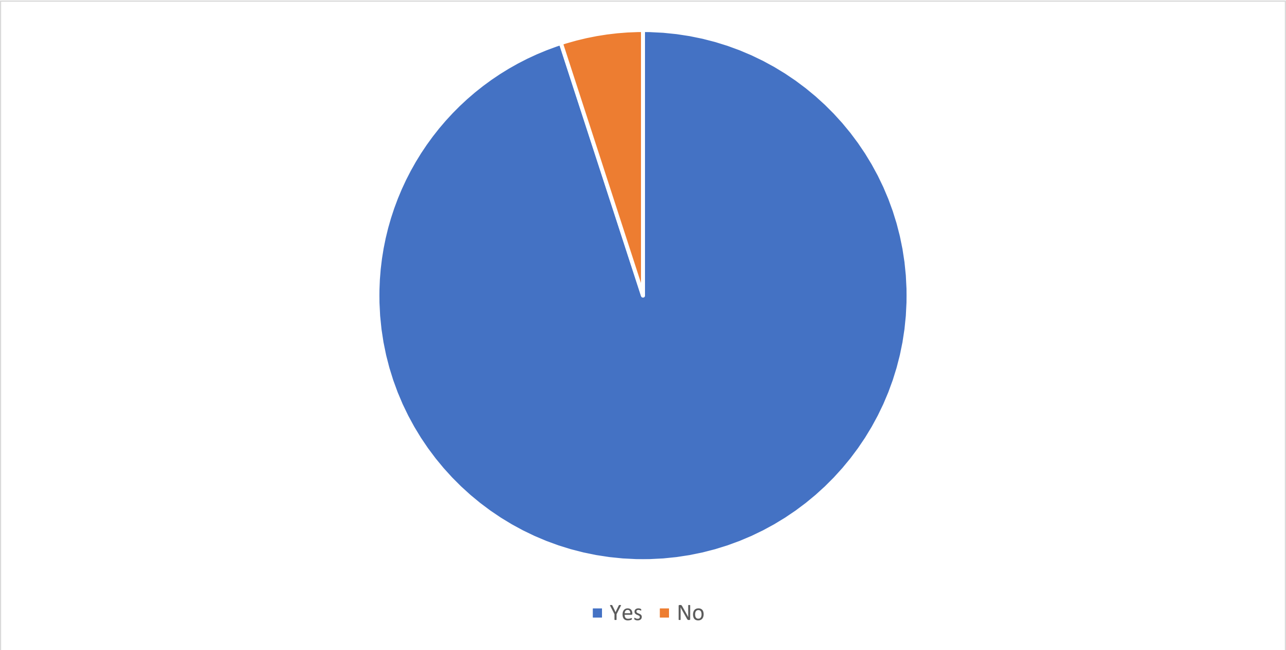
Allotment of 100 Days of Work

Table 4.9 - Allotment of 100 Days of Work

	Responses	Percentage
Yes	114	95
No	6	5
Total	120	100

(Source: Primary Data)

Figure 4.9 -Allotment of 100 Days of Work



(Source: Primary Data)

Interpretation

The survey data shows that 95% of women are allotted the full 100 days of work under the MGNREGA scheme, while 5% are not. This indicates that the scheme is largely effective in providing employment as intended. However, the small percentage not receiving full work allocation suggests possible administrative limitations, funding constraints, or local demand fluctuations that may need to be addressed for ensuring equitable employment opportunities.

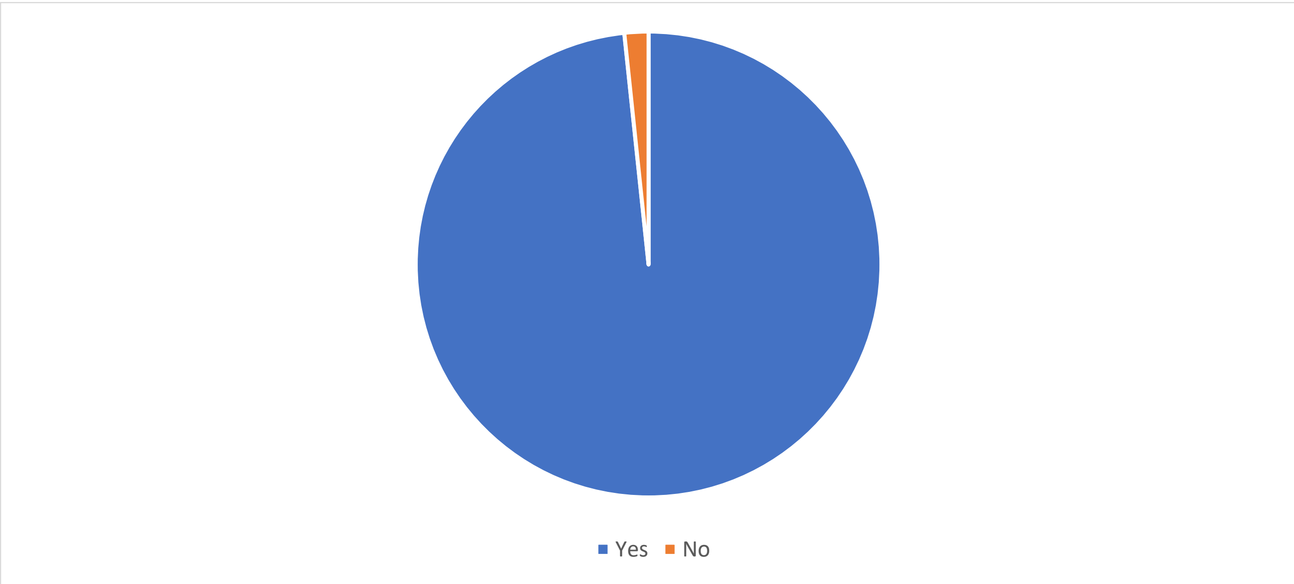
Timeliness Of Wage Payments

Table 4.10 - Timeliness Of Wage Payments

	Responses	Percentage
Yes	118	98.3
No	2	1.7
Total	120	100

(Source: Primary Data)

Figure 4.10 - Timeliness Of Wage Payments



(Source: Primary Data)

Interpretation

The data exposed through the survey implies that 98.3% of women respondents receive their MGNREGA payments on time, and 1.7% are delayed. This observation supports the fact that the payment disbursal mechanism of the scheme is highly effective in providing timely wages to labourers. However, the small percentage delay implies the need to correct any technical or administrative barrier for flawless compliance with the scheme's regulation of timely disbursement.

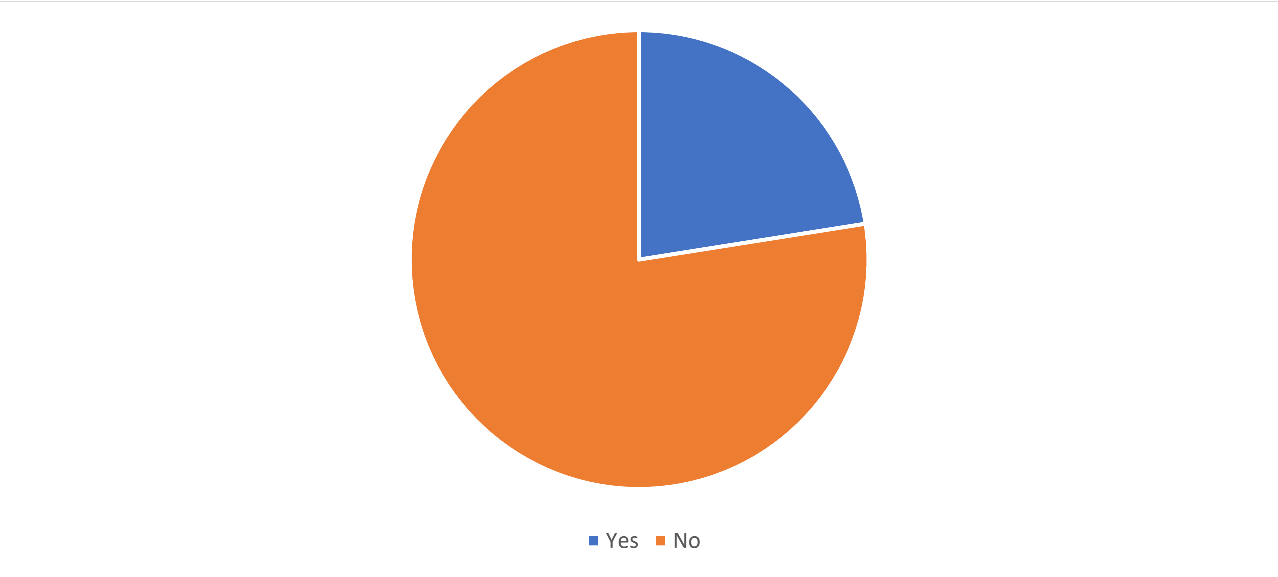
Ability to Transfer Money via Bank

Table 4.11 - Ability to Transfer Money via Bank

	Responses	Percentage
Yes	27	22.5
No	93	77.5
Total	120	100

(Source: Primary Data)

Figure 4.11 - Ability to Transfer Money via Bank



(Source: Primary Data)

Interpretation

The information collected from the survey data indicates that, despite all the participants having a bank account, only 22.5% know how to make money transfers using these accounts, whereas 77.5% do not know this process. This portrays an enormous financial illiteracy, which inhibits them from accessing banking services beyond wage payment. Building financial literacy and digital banking competencies through education can empower these women to a great extent, thereby enhancing their financial independence and inclusion.

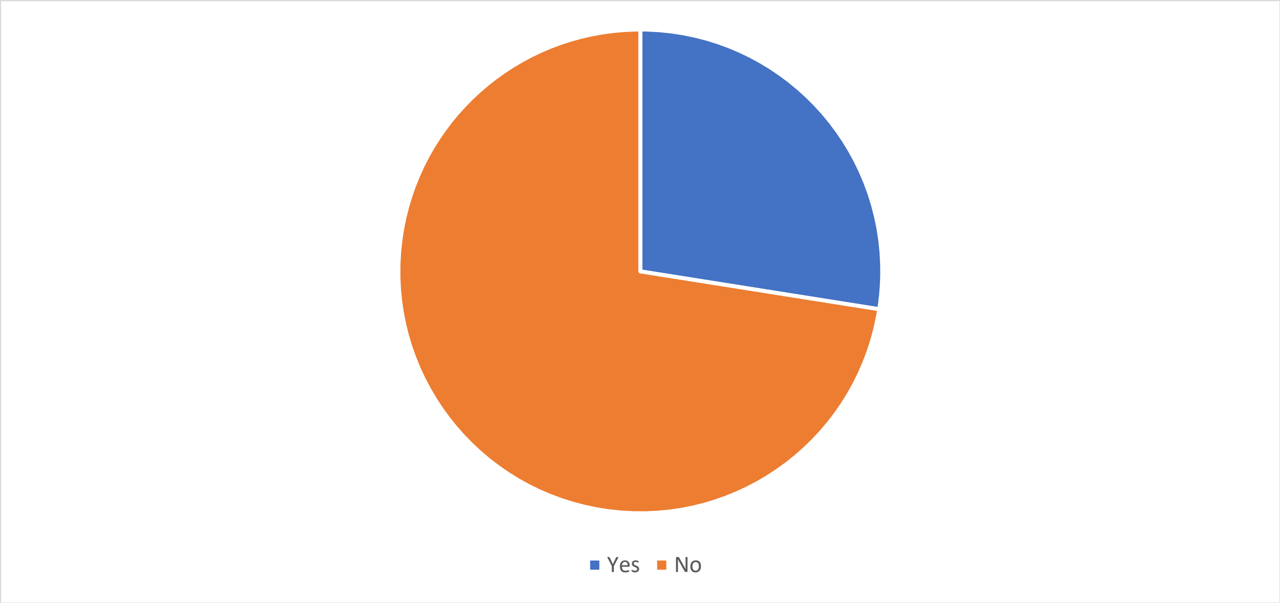
Awareness of Digital Payment Methods

Table 4.12 - Awareness of Digital Payment Methods

	Responses	Percentage
Yes	33	27.5
No	87	72.5
Total	120	100

(Source: Primary Data)

Figure 4.12 - Awareness of Digital Payment Methods



(Source: Primary Data)

Interpretation

The data collected shows that only 27.5% of the respondents are aware of various types of digital payments, and 72.5% are unaware. The gap reflects a critical lack of digital financial literacy, which prevents them from using cashless payments. Raising awareness and educating them on digital payment systems such as UPI, mobile banking and debit card use, could result in greater financial inclusion and help people manage their finances better.

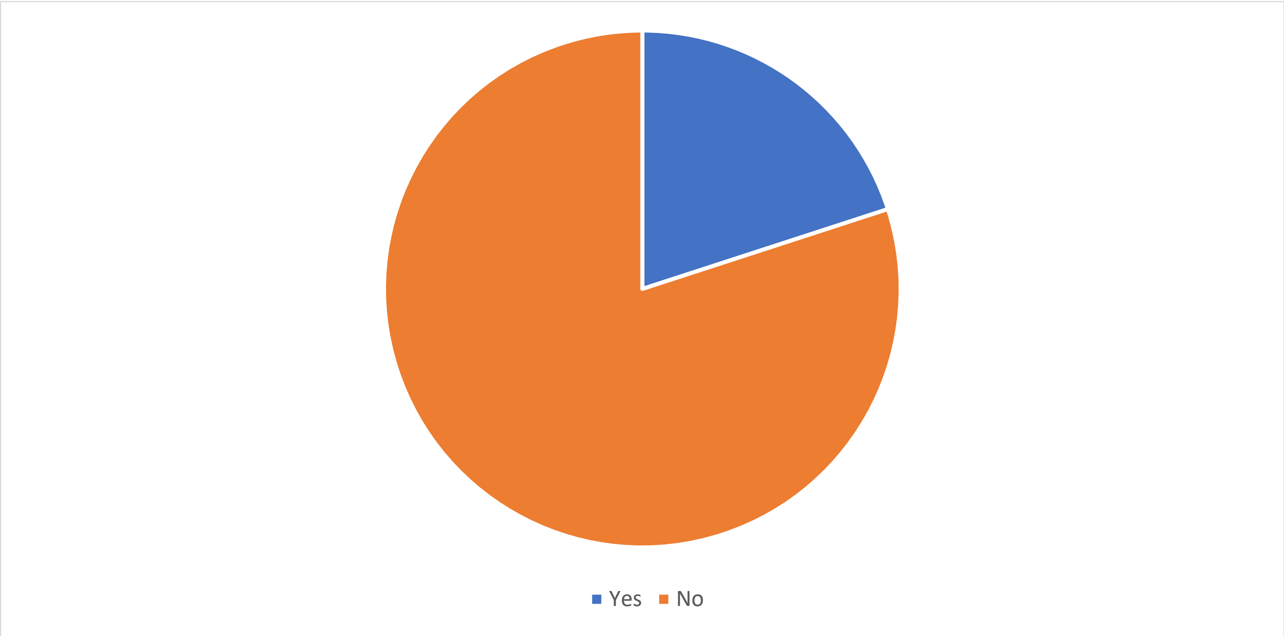
Usage of Smartphone

Table 4.13 - Usage of Smartphone

	Responses	Percentage
Yes	24	20
No	96	80
Total	120	100

(Source: Primary Data)

Figure 4.13 – Usage of Smartphone



(Source: Primary Data)

Interpretation

The data indicates that 20% of the women employed under the MGNREGA scheme use smartphones, and 80% do not. This restricted access can lead to a lower awareness of digital payment systems and banking, hence their financial independence is constrained. In addition, the absence of smartphones hampers their access to information on government schemes, job opportunities, and online services. Facilitating digital literacy and making smartphones accessible at affordable rates can significantly increase their financial inclusion, communication skills, and economic participation.

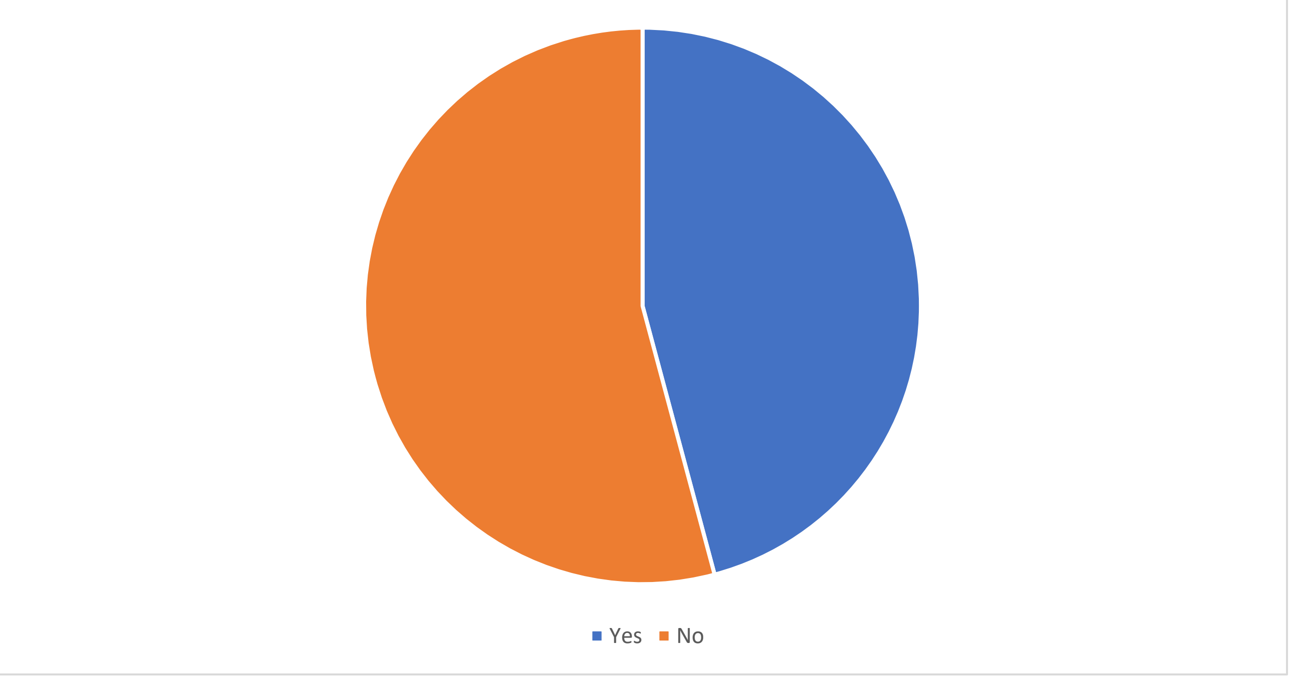
Engagement in Online Transaction

Table 4.14.1. – Engagement in Online Transaction

	Responses	Percentage
Yes	11	46
No	13	54
Total	24	100

(Source: Primary Data)

Figure 4.14.1. – Engagement in Online Transaction



(Source: Primary Data)

Interpretation

The findings reveal that out of the 20% of women employed under the MGNREGA scheme who own a smartphone, only 46% of them do online transactions and the rest 54% do not. This reflects the fact that even among smartphone handset owners, digital financial adoption remains low, something that will be mostly likely due to inadequate awareness, technical competency, or confidence in using online payments. Improving digital literacy and financial education can help close the gap, which will make more women confident to use online banking and payment services to achieve greater financial independence.

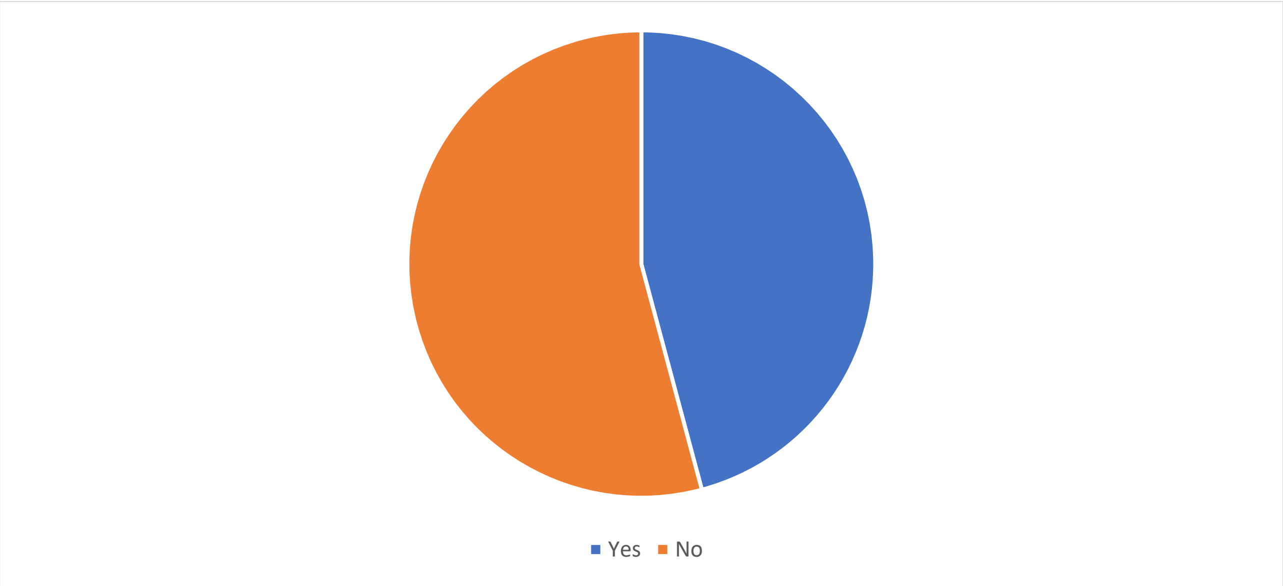
Awareness of E-Banking Apps

Table 4.14.2. - Awareness of E-Banking Apps

	Responses	Percentage
Yes	11	46
No	13	54
Total	24	100

(Source: Primary Data)

Figure 4.14.2. – Awareness of E-Banking Apps



(Source: Primary Data)

Interpretation

The statistics indicated that among the female employees under the MGNREGA program who own smartphones, only 46% possess knowledge of e-banking applications, and 54% are not have such information. This creates a lack of digital financial literacy, restraining their development of knowledge on banking services beyond just withdrawing wages. Lack of awareness may be caused due to lack of exposure to technology, fear of fraud, or lack of training. Promoting digital literacy through sensitization programs can make such women embrace e-banking, enhancing financial independence and exposure to secure digital transactions.

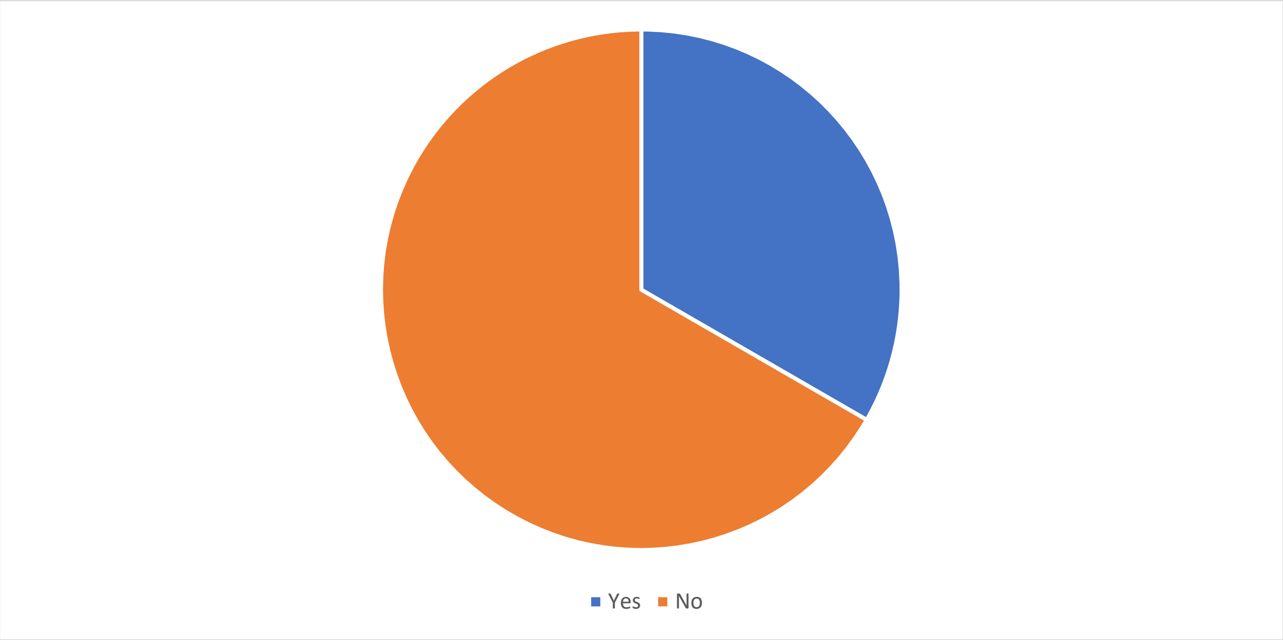
Usage of E-Banking Apps

Table 4.14.3. - Usage of E-Banking Apps

	Responses	Percentage
Yes	8	33
No	16	67
Total	24	100

(Source: Primary Data)

Figure 4.14.3 – Usage of E-Banking Apps



(Source: Primary Data)

Interpretation

The data reveals that 33% of women are aware of e-banking apps as they have downloaded the app, and 67% are not aware. This gap in awareness may be because of insufficient self-efficacy, technical capability, or apprehension regarding safety concerns. Experiential training and awareness campaigns regarding the utility and safe usage of e-banking apps should close this gap and allow more women to avail of digital financial services and enhance their economic empowerment.

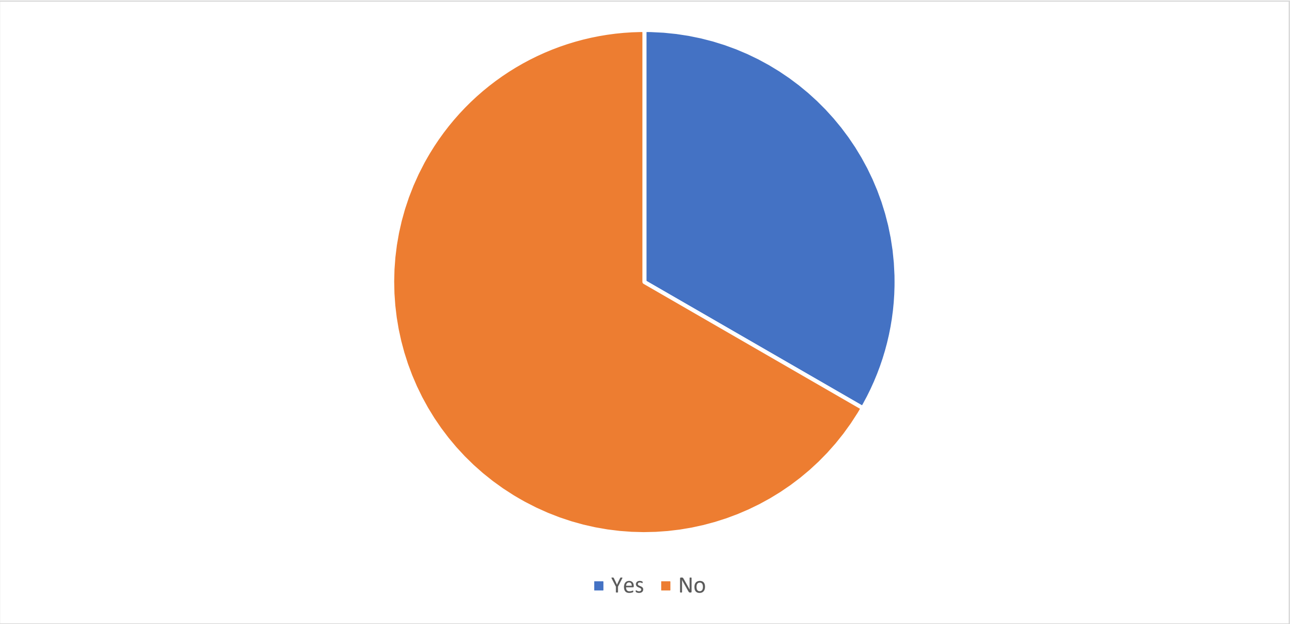
Preference for Online Payments vs. Cash

Table 4.14.4. – Preference for Online Payments vs. Cash

	Responses	Percentage
Online Payments	8	33
Cash	16	67
Total	24	100

(Source: Primary Data)

Figure 4.14.4. – Preference for Online Payments vs. Cash



(Source: Primary Data)

Interpretation

The survey data shows that 33% of the women favor online payments like G-pay, while 67% still use cash. This suggests a strong affinity for traditional payment methods, which can be owing to limited digital literacy, failure to trust digital transactions, or absence of adequate smartphone penetration. Encouraging financial awareness and understanding of the ease and security of digital payments can drive adoption, making transactions easy and secure. Bridging this gap can enhance financial inclusion and economic empowerment for these women.

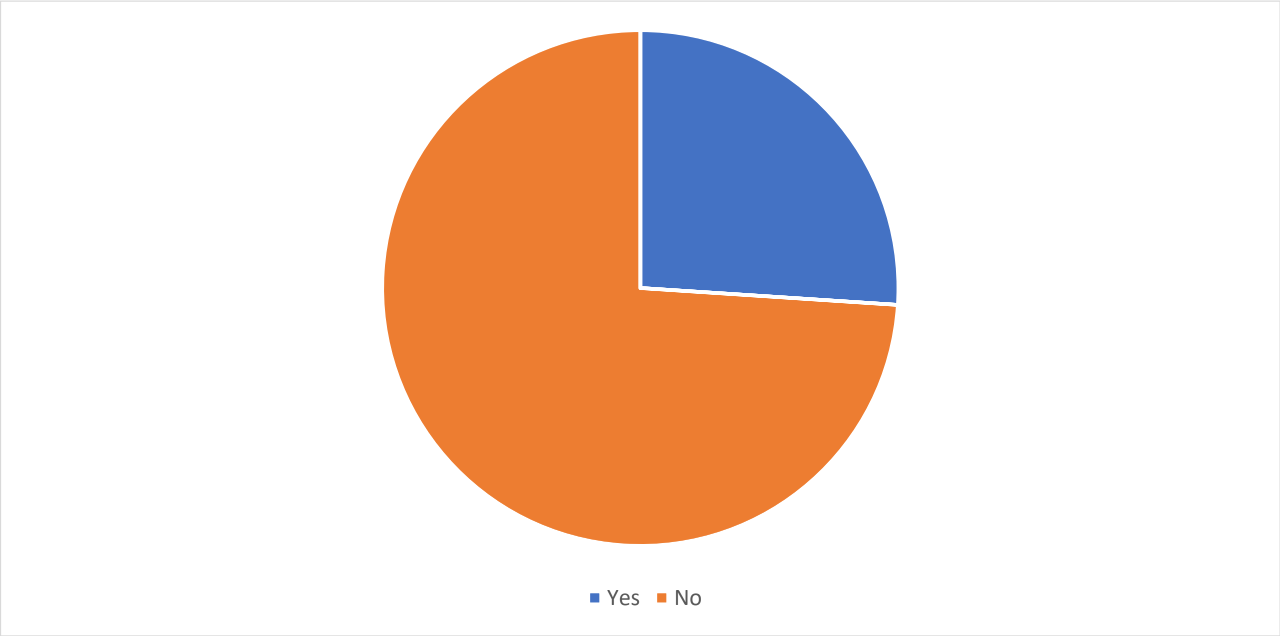
Payment Challenges Due to Lack of Smartphone Use

Table 4.15 – Payment Challenges Due to Lack of Smartphone Use

	Responses	Percentage
Yes	25	26
No	71	74
Total	96	100

(Source: Primary Data)

Figure 4.15 – Payment Challenges Due to Lack of Smartphone Use



(Source: Primary Data)

Interpretation

The survey statistics reveal that 26% of the women encountered payment or transaction problems because they lack a smartphone, and 74% do not own one. It suggests that while most do well without smartphones, many of them have problems, which may involve delays in wages, lack of access to banks, or total dependence on someone else for the transaction. Increasing access to smartphones and financial literacy among women will make these problems disappear, allowing them to control money and access convenient banks and payment facilities on their own.

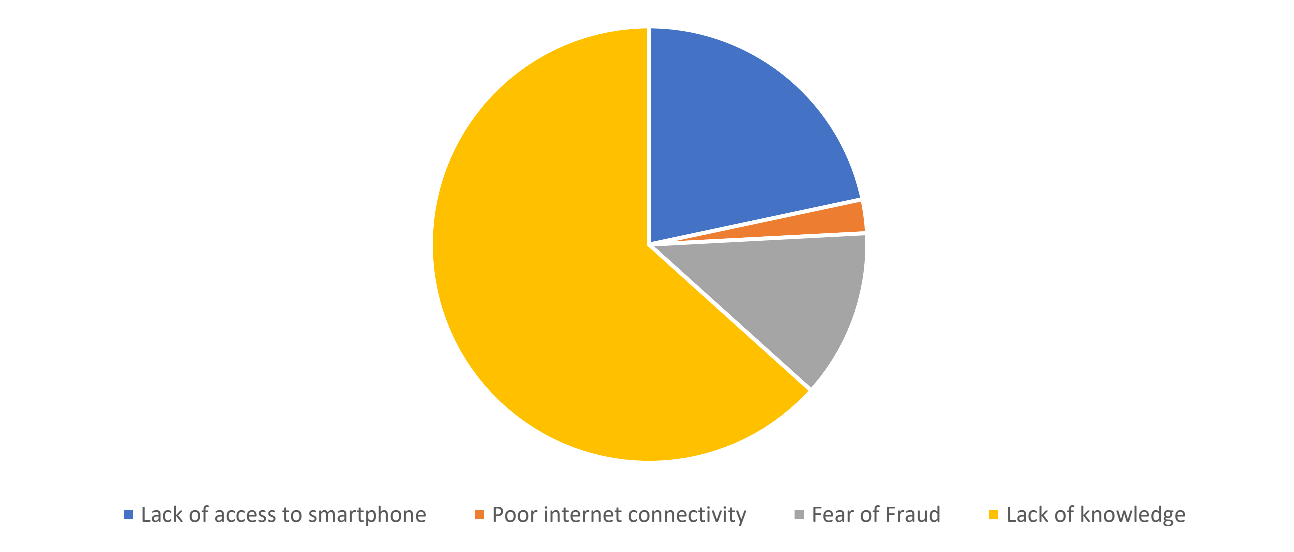
Challenges Faced in Usage of Digital Payments

Table 4.16 - Challenges faced in Usage of digital payments

	Responses	Percentage
Lack of access to smartphone	26	21.7
Poor internet connectivity	3	2.5
Fear of Fraud	15	12.5
Lack of knowledge	76	63.3
Total	120	100

(Source: Primary data)

Figure 4.16 – Challenges Faced in Usage of Digital Payments



(Source: Primary Data)

Interpretation

The primary challenge faced by the respondents in using digital payments is the lack of knowledge (63.3%), making it difficult for them to engage in digital platforms confidently. Other challenges include limited smartphone access (21.7%) and the fear of fraud (12.5%), which reduce trust and usability. Poor internet connectivity (2.5%) plays a minimal role. These challenges highlight the need for digital literacy training and secure, user-friendly financial tools.

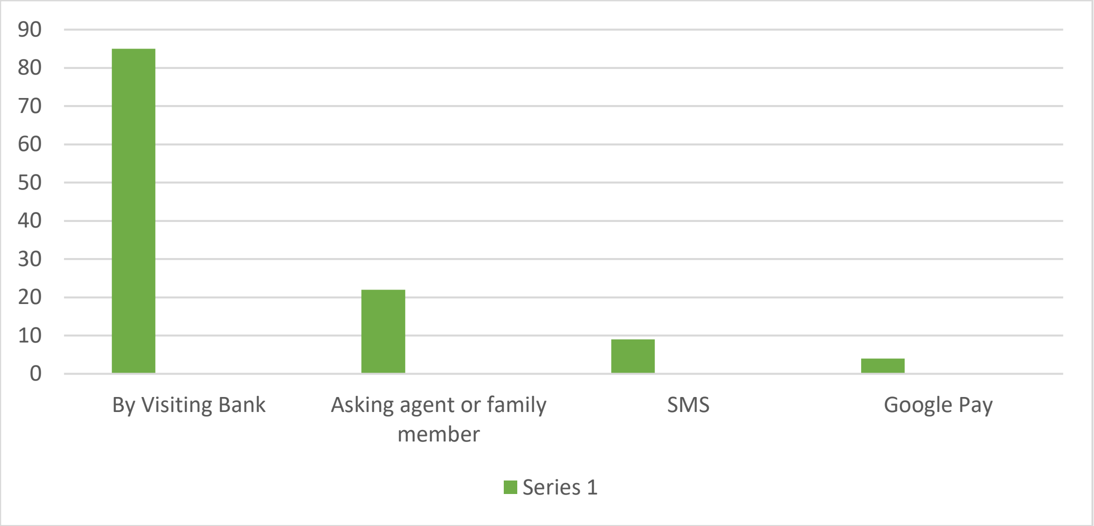
Methods of Tracking Account Balances

Table 4.17 – Methods of Tracking Account Balances

	Responses	Percentage
By Visiting Bank	85	70.9
Asking Agent or Family member	22	18.3
SMS	9	7.5
Google Pay	4	3.3
Total	120	100

(Source: Primary Data)

Figure 4.17 – Methods of Tracking Account Balances



(Source: Primary Data)

Interpretation

The survey statistics inform us that 70.9% of them monitor their account balance by going to the bank and 18.3% through an agent or family member. Very few use SMS alerts (7.5%) or Google Pay (3.3%). It indicates that there is heavy reliance on conventional methods because of inadequate digital literacy or smartphone usage. Awareness regarding mobile banking, SMS alerts, and digital payments through apps can enhance their financial autonomy, minimize reliance on others, and facilitate banking convenience among such women.

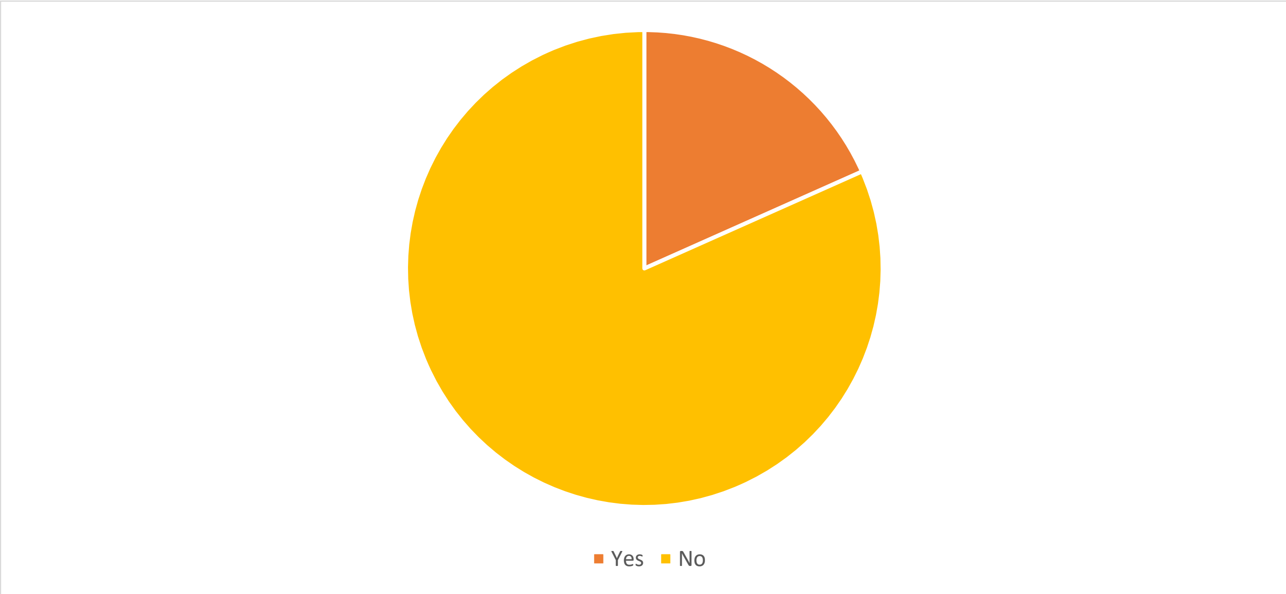
Usage of Card Payments

Table 4.18 - Usage of Card Payments

	Responses	Percentage
Yes	22	18.3
No	98	81.7
Total	120	100

(Source: Primary Data)

Figure 4.18 - Usage of Card Payments



(Source: Primary Data)

Interpretation

The survey data identify that card payment is made by only 18.3% of the surveyed, whereas 81.7% do not make payments using cards. It indicates low debit or credit card transaction usage due to possibly lack of digital literacy, a lack of card-friendly retailers, or possibly due to an inclination towards making cash payments. Encouraging higher awareness regarding the benefits of card payments, such as safety and convenience, and increasing access to point-of-sale terminals can encourage use and enhance financial inclusion among these women.

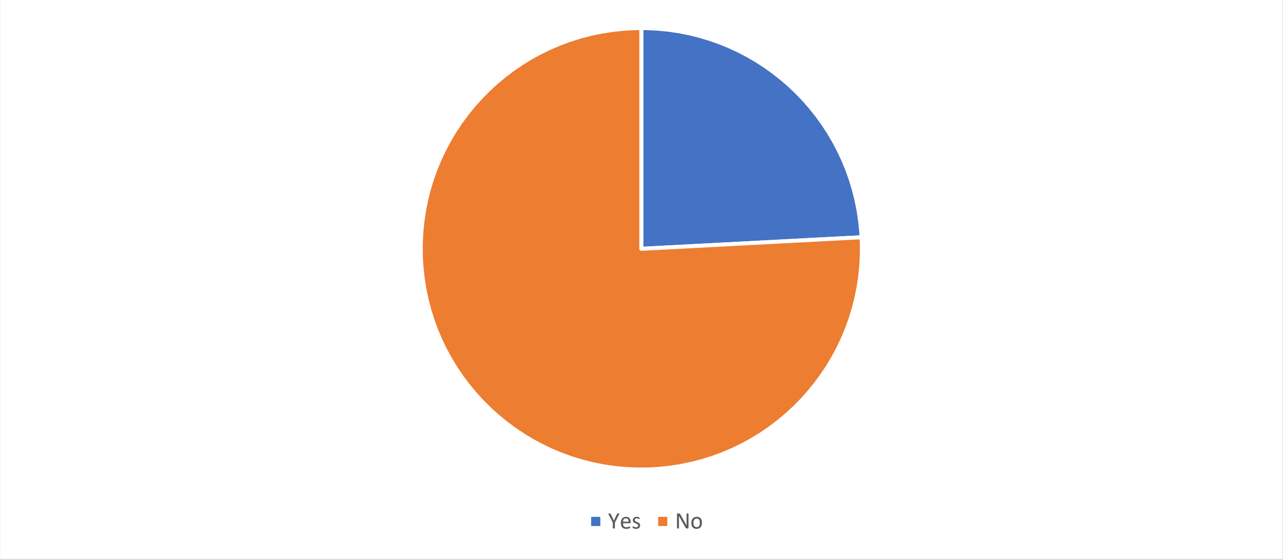
Financial Literacy Training Under MGNREGA

Table 4.19 – Financial Literacy Training Under MGNREGA

	Responses	Percentage
Yes	29	24.2
No	91	75.8
Total	120	100

(Source: Primary Data)

Figure 4.19 – Financial Literacy Training Under MGNREGA



(Source: Primary Data)

Interpretation

The survey figures indicate that a total of 24.2% of women have been trained in financial management or have attended seminars under the MGNREGA scheme, and 75.8% have not. The data indicate an enormous shortage of training in financial literacy, which would limit them from managing salary, saving, or availing facilities of digital banking. Scaling up such schemes for introductory topics like budgeting, saving, and safe digital transactions will make women capable of making financial decisions and enable them to be long-term financially independent.

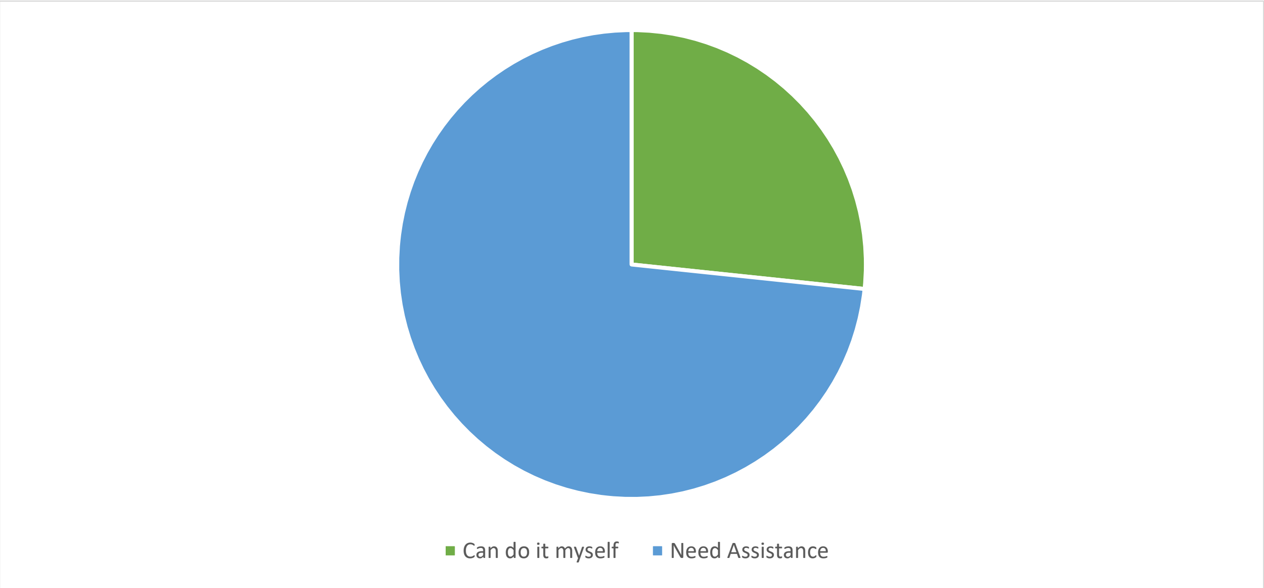
Preference For Banking Assistance

Table 4.20 – Preference for Banking Assistance

	Responses	Percentage
Can do it myself	32	26.7
Need Assistance	88	73.3
Total	120	100

(Source: Primary Data)

Figure 4.20 – Preference for Banking Assistance



(Source: Primary Data)

Interpretation

The survey statistics reveal that 73.3% of the respondents require help with banking services, and a mere 26.7% of them are able to handle it by themselves. This clearly reflects substantial dependency on others, possibly for reasons of limited knowledge of money matters, lack of self-confidence, or unfamiliarity with banking procedures. Promoting financial education, especially on simple banking and electronic transactions, can plug this gap. Offering on-the-job training and advice can empower more women to manage their finances for themselves, enhancing financial inclusion and diminishing reliance on intermediaries.

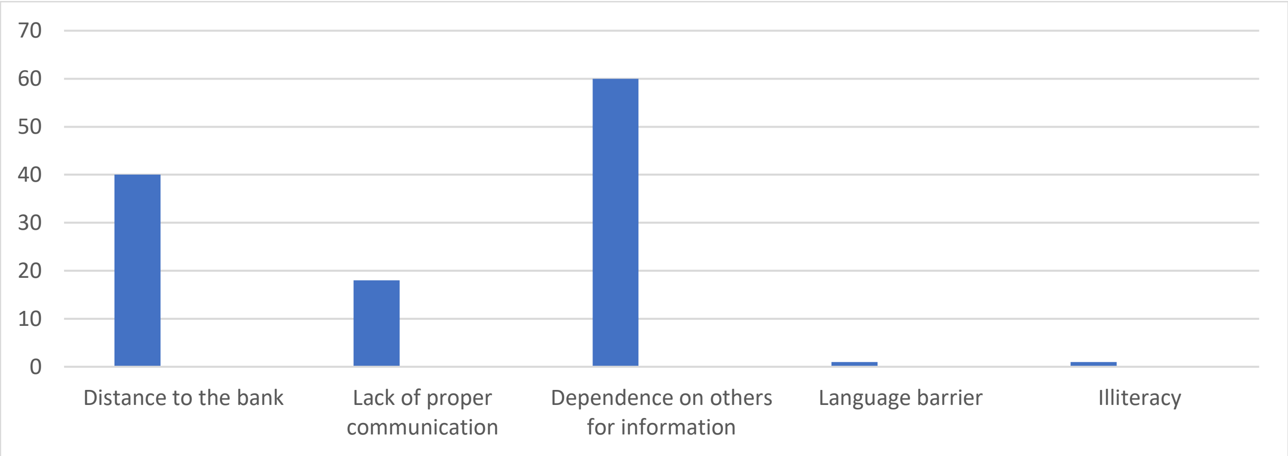
Challenges in Managing Finances

Table 4.21 – Challenges in Managing Finances

	Responses	Percentage
Distance to the bank	40	33.3
Lack of proper communication	18	15
Dependence on others for information	60	50
Language barrier	1	0.8
Illiteracy	1	0.9
Total	120	100

(Source: Primary Data)

Figure 4.21 – Challenges in Managing Finances



(Source: Primary Data)

Interpretation

Responses from the surveys show that the highest problem in money management among respondents is dependency on others for information (50%), followed by bank access (33.3%). Inadequate communication (15%) also represents problems, while communication inaccessibility in language (0.8%) and illiteracy in reading and writing (0.9%) are lower contributing factors. Such findings reflect demands for higher awareness of money, greater accessibility of banks, and improved communication devices. More digital literacy programs and promoting mobile banking can reduce dependency and make financial management easier for these women.

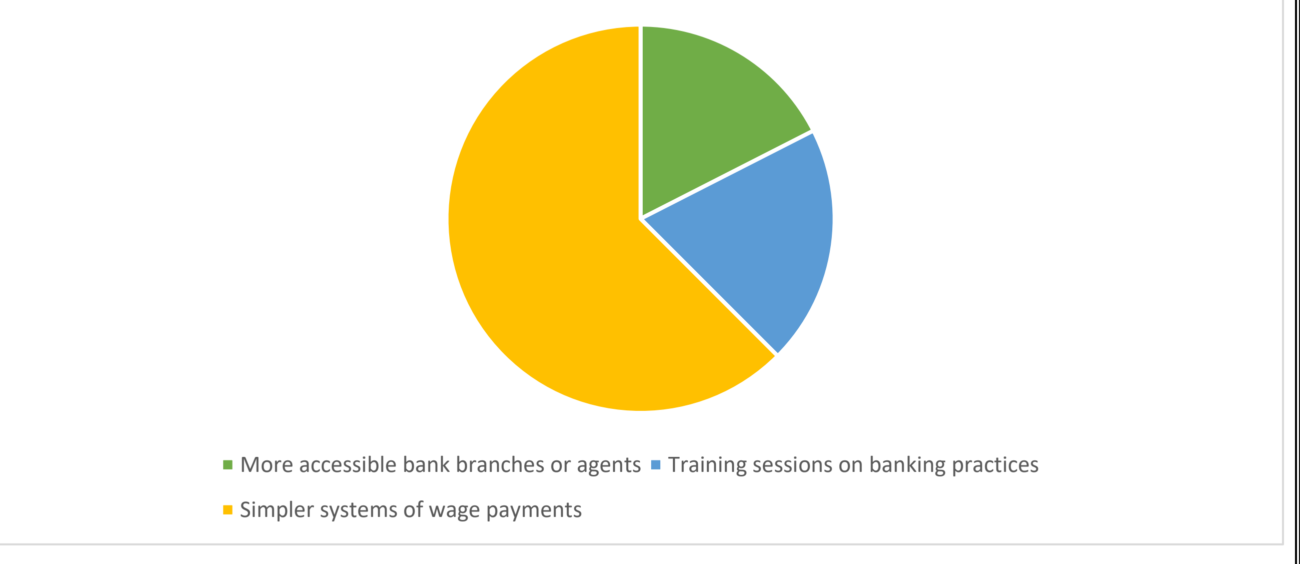
Improvements for Easier Access to Financial Services

Table 4.22 – Improvements for Easier Access to Financial Services

	Responses	Percentage
More accessible bank branches or agents	21	17.5
Training sessions on banking practices	24	20
Simpler systems of wage payments	75	62.5
Total	120	100

(Source: Primary Data)

Figure 4.22 – Improvements for Easier Access to Financial Services



(Source: Primary Data)

Interpretation

The survey findings show that 62.5% of respondents believe that if more simple wage payment systems are used, it would facilitate their access to financial services, 20% need training in bank behaviour, and 17.5% need closer bank agents or branches. This shows the demand for simpler banking operations, easier transactions, and more efforts towards financial literacy. Improved electronic payment systems, increased awareness about mobile banking, and improved accessibility of banking can help women make better financial management decisions and go around intermediaries.

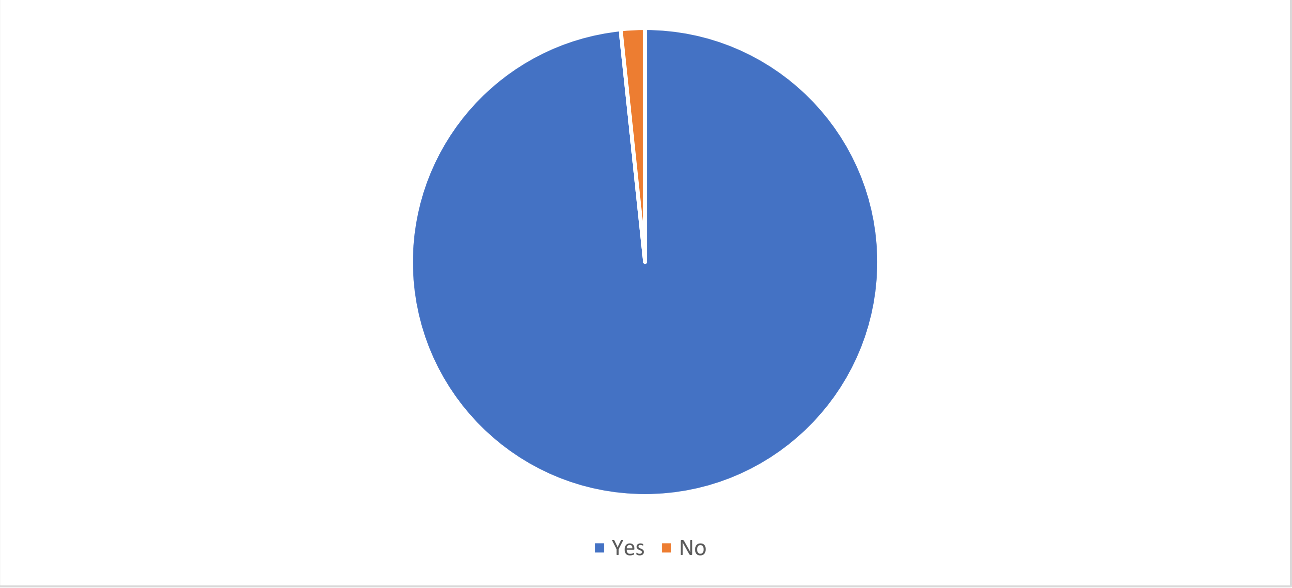
Impact of MGNREGA on Financial Decision-Making

Table 4.23 – Impact of MGNREGA on Financial Decision-Making

	Responses	Percentage
Yes	118	98.3
No	2	1.7
Total	120	100

(Source: Primary Data)

Figure 4.23 – Impact of MGNREGA on Financial Decision-Making



(Source: Primary Data)

Interpretation

The survey results indicate that 98.3% of them believe that enrolment in the MGNREGA scheme has enhanced their financial decision-making capacity within their households, whereas 1.7% disagree. This indicates the positive effect of the scheme in making women more financially independent and decision-makers in the household. By having a guaranteed source of income, they must have more control over household spending, savings, and investments. Improving financial literacy education may also further enable them to make confident and well-informed financial choices.

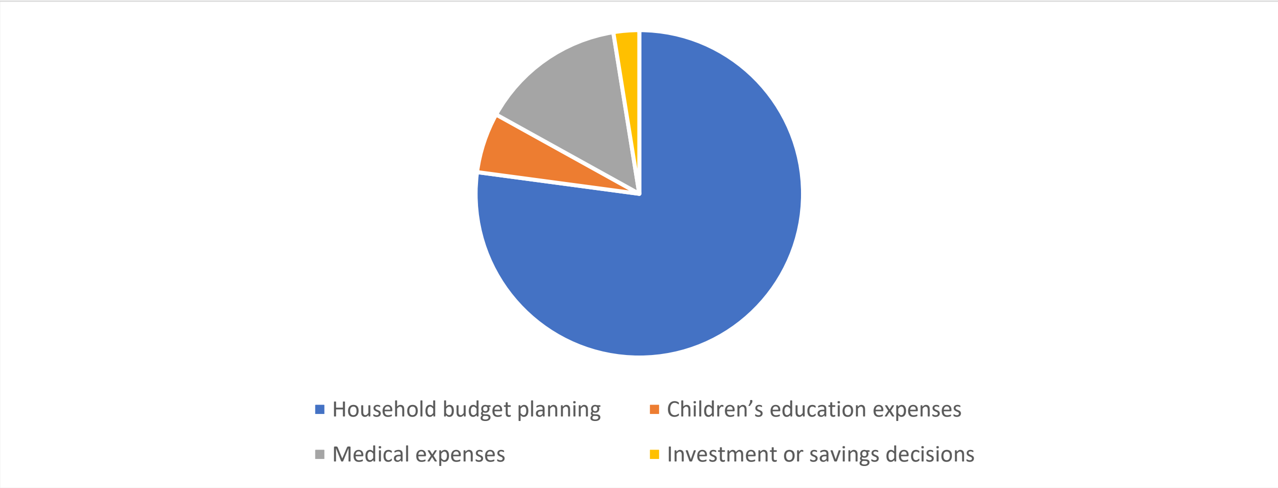
Financial Decisions Influenced by MGNREGA Participation

Table 4.24 – Financial Decisions Influenced by MGNREGA Participation

	Responses	Percentage
Household budget planning	91	75.8
Children's education expenses	7	5.8
Medical expenses	17	14.2
Investment or savings decisions	3	2.5
Loan	2	1.7
Total	120	100

(Source: Primary Data)

Figure 4.24 – Financial Decisions Influenced by MGNREGA Participation



(Source: Primary Data)

Interpretation

The evidence from the survey reveals that 75.8% of respondents who have joined MGNREGA themselves actively participate in household budgeting, the most frequent financial decision, after becoming a member of MGNREGA. Costs related to medical bills (14.2%) and children's education fees (5.8%) are also domains where women contribute, but fewer are involved in investment or savings decisions (2.5%) and taking loans (1.7%). This reveals that MGNREGA has empowered women's economic contribution to the household, especially in day-to-day budgeting. Greater availability of financial literacy programs may even enable them to make better decisions on savings and investments.

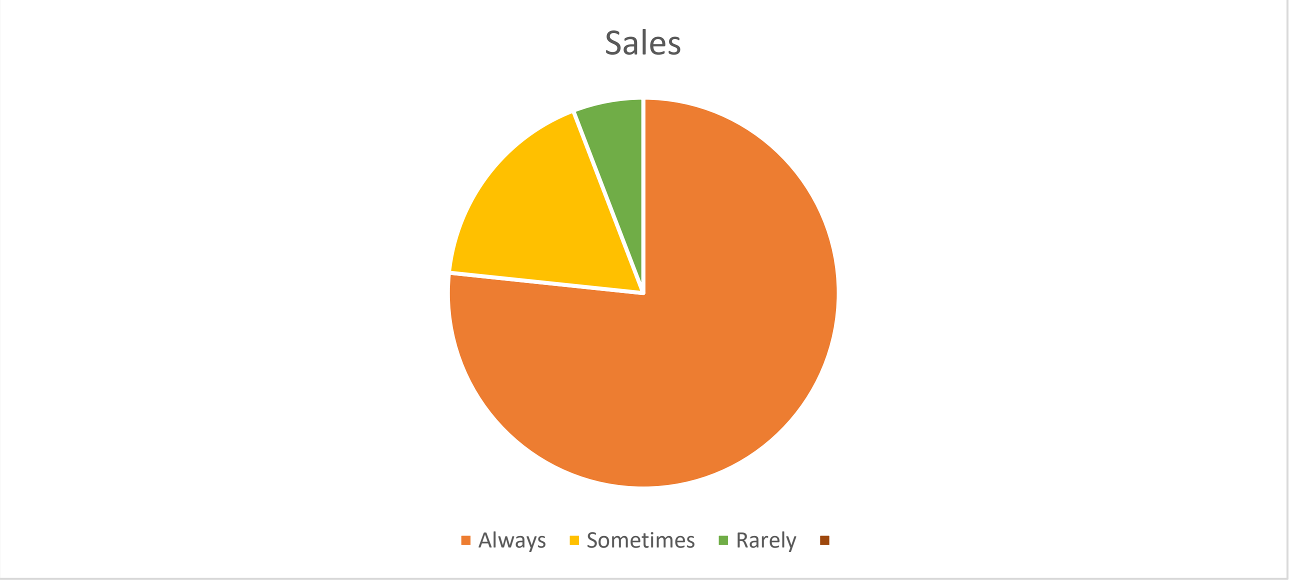
Involvement in Major Household Financial Decisions

Table 4.25 – Involvement in Major Household Financial Decisions

	Responses	Percentage
Always	92	76.7
Sometimes	21	17.5
Rarely	7	5.8
Total	120	100

(Source: Primary Data)

Figure 4.25 – Involvement in Major Household Financial Decisions



(Source: Primary Data)

Interpretation

The statistics of the survey indicate that 76.7% of the women always take part in making important financial decisions in their households, 17.5% are occasionally involved, and 5.8% rarely get involved. This indicates that MGNREGA has promoted financial empowerment among women in their families. But, the minority has little or no decision-making power. Promoting greater financial understanding and education will help to make more women fully participate in important financial matters, increasing their contribution to family economic planning and long-term economic prosperity.

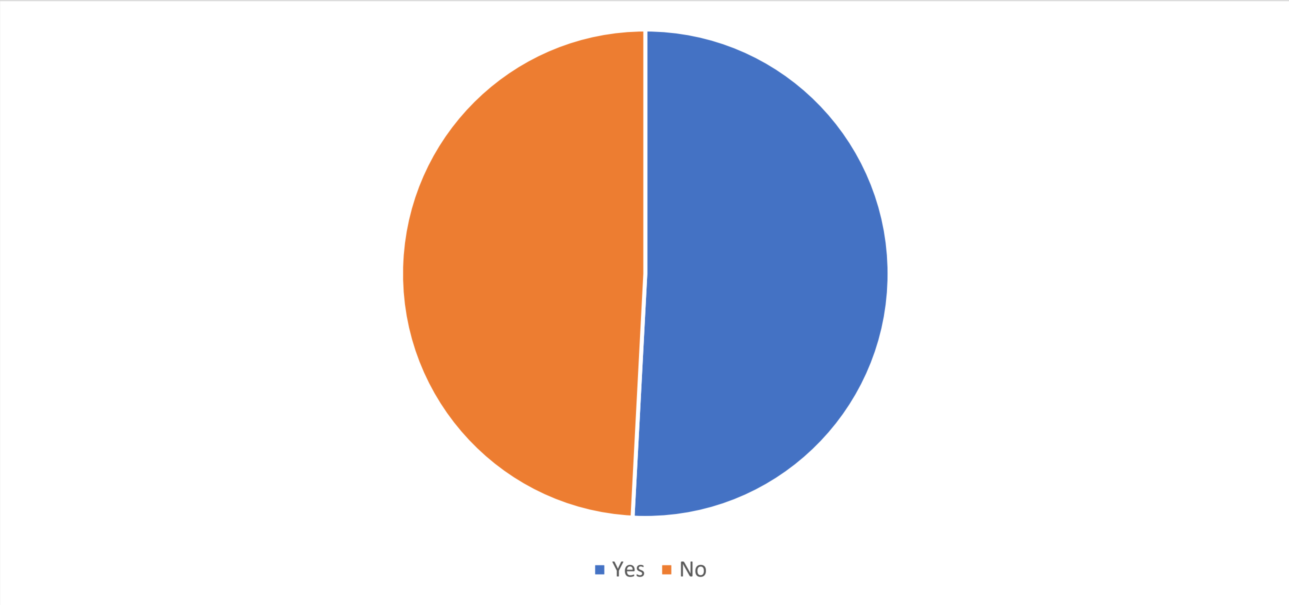
Savings Habit After Joining MGNREGA

Table 4.26 – Savings Habit After Joining MGNREGA

	Responses	Percentage
Yes	61	50.8
No	59	49.2
Total	120	100

(Source: Primary Data)

Figure 4.26 – Savings Habit After Joining MGNREGA



(Source: Primary Data)

Interpretation:

The survey data reveals that 50.8% of the respondents have been practicing savings since they became members of MGNREGA, while 49.2% have not practiced savings. It reveals that even though the program has successfully promoted the culture of savings among most women, almost half of them are still unable to save, perhaps because of low incomes, high household expenses, or lack of money skills. Increased savings through money education programs, exposure to savings accounts, and the ability to make small-scale investments can lead to greater economic security and resilience for women in the future.

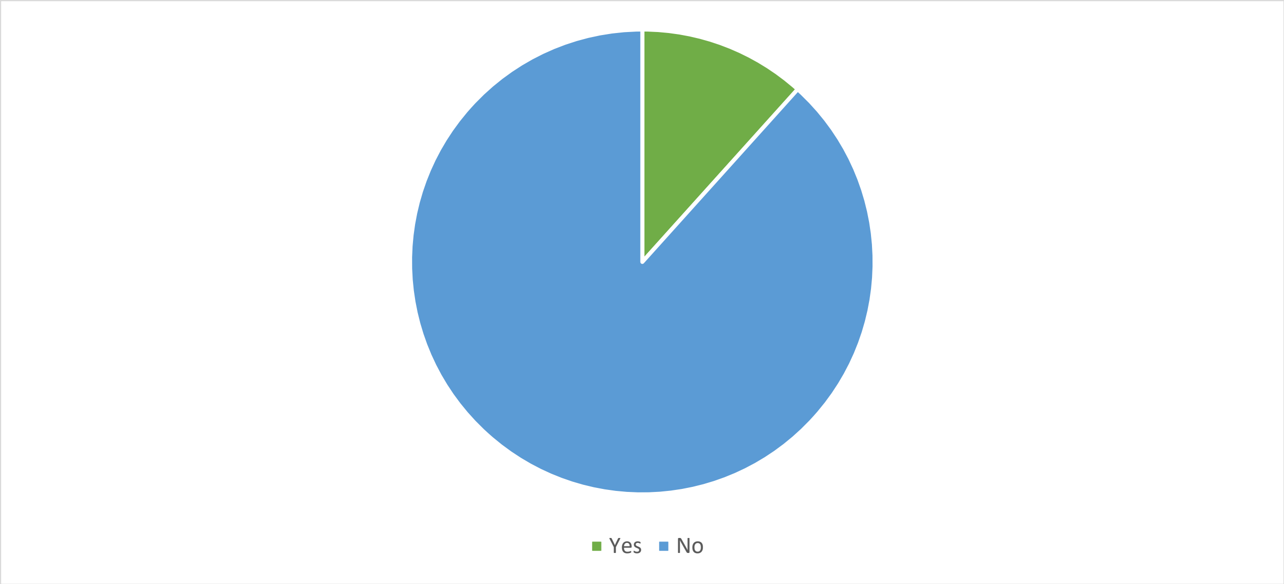
Awareness of Financial Literacy and Inclusion Programs

Table 4.27 – Awareness of Financial Literacy and Inclusion Programs

	Responses	Percentage
Yes	14	11.7
No	106	88.3
Total	120	100

(Source: Primary Data)

Figure 4.27 – Awareness of Financial Literacy and Inclusion Programs



(Source: Primary Data)

Interpretation:

The survey results indicate that 11.7% of the respondents are aware of financial literacy or inclusion schemes for MGNREGA laborers, and a huge 88.3% are not aware. This difference indicates a massive knowledge gap that can discourage women from availing financial services and making the right financial choices. Increased outreach initiatives, organizing workshops, and incorporating financial education in MGNREGA programs can fill this gap. Enhanced consciousness can enable women to utilize their earnings in a better way, instilling the habit of saving, and enhance their ability to avail themselves of digital banking services.

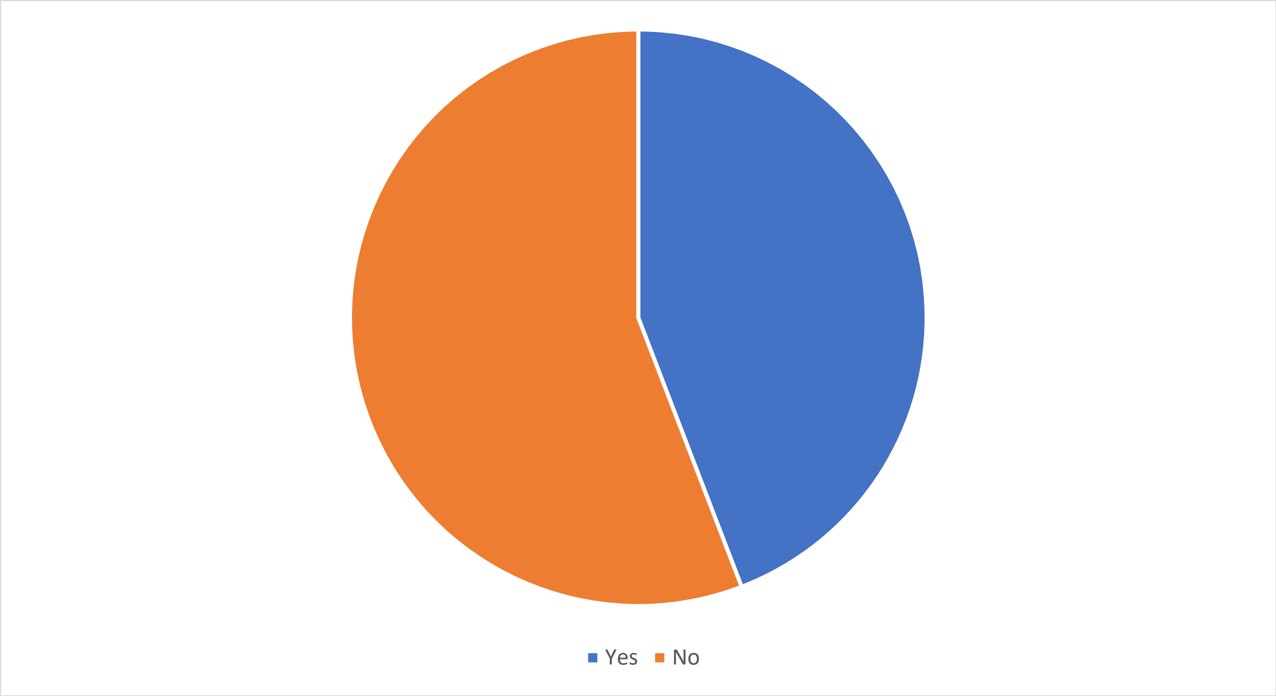
Benefits From Government Financial Initiatives

Table 4.28 – Benefits from Government Financial Initiatives

	Responses	Percentage
Yes	53	44.2
No	67	55.8
Total	120	100

(Source: Primary Data)

Figure 4.28 – Benefits from Government Financial Initiatives



(Source: Primary Data)

Interpretation

The survey reveals that 44.2% of the women beneficiaries have gained under government programs such as Jan Dhan accounts and PMAY, and 55.8% have not. Most women are likely to be hindered by factors such as awareness, inaccessibility of the benefits, or bureaucratic delays. Improved outreach, easier application mechanisms, and timely guidance can increase the number of women benefitting from these schemes and enhance their economic security and health.

Testing the Hypothesis using Mean and Standard Deviation

Involvement in Major Household Financial Decisions

H0: There is no significant involvement of women in major household financial decisions.

H1: There is significant involvement of women in major household financial decisions.

Case Processing Summary

	Age Category	Cases					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
Are you consulted before making major financial decisions in your household?	2.0	2	100.0%	0	0.0%	2	100.0%
	3.0	7	100.0%	0	0.0%	7	100.0%
	4.0	43	100.0%	0	0.0%	43	100.0%
	5.0	71	100.0%	0	0.0%	71	100.0%

Descriptives[a]

	Age Category			Statistic	Std. Error
Are you consulted before making major financial decisions in your household?	3.0	Mean		1.429	.2020
		95% Confidence Interval for Mean	Lower Bound	.934	
			Upper Bound	1.923	
		5% Trimmed Mean		1.421	

	Median		1.000	
	Variance		.286	
	Std. Deviation		.5345	
	Minimum		1.0	
	Maximum		2.0	
	Range		1.0	
	Interquartile Range		1.0	
	Skewness		.374	.794
	Kurtosis		-2.800	1.587
4.0	Mean		1.163	.0660
	95% Confidence Interval for Mean	Lower Bound	1.030	
		Upper Bound	1.296	
	5% Trimmed Mean		1.099	
	Median		1.000	
	Variance		.187	
	Std. Deviation		.4326	
	Minimum		1.0	
	Maximum		3.0	
	Range		2.0	
	Interquartile Range		.0	
	Skewness		2.768	.361

	Kurtosis		7.654	.709
5.0	Mean		1.352	.0753
	95% Confidence Interval for Mean	Lower Bound	1.202	
		Upper Bound	1.502	
	5% Trimmed Mean		1.280	
	Median		1.000	
	Variance		.403	
	Std. Deviation		.6347	
	Minimum		1.0	
	Maximum		3.0	
	Range		2.0	
	Interquartile Range		1.0	
	Skewness		1.617	.285
	Kurtosis		1.407	.563

a. Are you consulted before making major financial decisions in your household? Is constant when Age Category = 2.0. It has been omitted.

(Source: Primary Data)

Interpretation

The difference in mean shows the relationship on whether women are consulted before making major financial decisions in their household. Since all means are closer to 1, and especially age 4.0 (50 – 60) is quite low, we can infer that women are significantly consulted in financial matters. Therefore, based on overall difference in mean and the general trend:

Rejecting the null hypothesis (H0) : There is no significant involvement of women in major household financial decisions.

Accept the alternative hypothesis (H1) : There is significant involvement of women in major household financial decisions.

CHAPTER V

FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Findings

- The majority of the respondents are women from the age group 60 years and above (58%).
- The majority of the respondents are married (78%) and the rest are widowed or divorced (23%).
- The annual household income of all respondents is Rs 100,000 and below (100%).
- All the respondents own a bank account (100%).
- The majority of the respondents own a bank account after being employed under the MGNREGA scheme (56.7%).
- A substantial number of respondents agree that wages are credited directly to their bank account (98.3%).
- Most of the respondents have been employed under the MGNREGA scheme for more than 15 years (47.5%).
- The majority of respondents agree that they are allotted 100 days of work (95%).
- A considerable number of respondents have said that they receive wages on time (98.3%) while others (1.7%) experienced a delay in receiving payment.
- A larger share of respondents does not know how to transfer money via bank (77.5%) and only a few have knowledge of how to transfer money through bank (22.5%).
- Most of the respondents are not aware of digital payment methods like Google Pay (72.5%). However, a few of them are aware of digital payment methods (27.5%).
- Only a substantial number of respondents do not use smartphones (80%). The rest of the respondents use smartphones (20%).
- Of the participants using a smartphone, the majority of them do not engage in online transactions. However, a limited number of respondents engage in online transactions (46%).
- Majority of the respondents who use a smartphone, are not aware of any e-banking apps (54%).
- A dominant share of participants do not use e-banking apps despite owning a smartphone (67%).
- A large fraction of respondents prefer cash payment (67%) compared to online payments (33%).

- Of the respondents who do not own a smartphone, a majority do not face any challenges in payments due to lack of smartphone usage (74%).
- The majority of respondents track account balances by visiting banks (71%). Other modes preferred to know the account balances are through SMS or Google Pay.
- A chief portion of respondents do not prefer debit/credit card payments (81.7%).
- Most of the respondents did not receive any classes or seminars on how to handle money organized by the MGNREGA (75.8%). However, a small fraction has received training on handling finance under the MGNREGA scheme (24.2%).
- The majority of respondents need banking assistance (73.3%) while the rest of them can do it themselves (26.7%).
- Half of the respondents find difficulty in depending on others for information (50%) while others while other half face difficulty due to distance to the bank (33.3%), lack of communication (15%), and so on.
- The majority of respondents would like to have easy access to financial services through simpler systems of wage payments (62.5%).
- A chief portion of respondents has agreed that their confidence in making a financial decision has been boosted after joining the MGNREGA scheme (98.3%).
- Most of the respondents have made financial decisions on household budget planning (75.8%) after joining the MGNREGA scheme.
- A dominant share of respondents are always consulted while making major financial decisions in the household (76.7%).
- The majority of respondents have started saving after joining the MGNREGA (50.8%).
- The majority of respondents are not aware of any financial literacy and inclusion programs provided by MGNREGA (88.3%).
- A large fraction of respondents are not aware of any benefits received from financial incentives from the government (55.8%) however, the rest have benefitted from government initiatives like Jan Dhan accounts.

5.2 Conclusion

Financial inclusion is the most significant element of empowering women, especially those who are working on welfare schemes such as MGNREGA. This research work on financial inclusion of women in Ernakulam District has brought out the achievements made to include them in the formal banking system and pinpointed issues which prevent them from contributing at their best.

Evidence shows that although the majority of women have bank accounts, their capacity to undertake financial transactions independently is low attributed to limitations like poor financial literacy, mobile payment skills, and reliance on other people for banking services. Although MGNREGA has enhanced their economic welfare through timely wage payment and savings, the lack of proper financial knowledge and information regarding digital banking restrains them from availing maximum advantage of financial inclusion.

To supplement economic empowerment of women in MGNREGA, certain interventions like financial literacy programs, digital banking education, and expanded coverage of banking facilities will be necessary. Enhancement of awareness of government money schemes and usage of digital payment means will also enhance women’s independence.

Lastly, while MGNREGA has been a stepping stone to financial inclusion, gaps in knowledge and access should be overcome with concentrated efforts. With financial independence and digital empowerment, women can avail themselves of increased economic security and emerge as an active participant in decision-making about financial matters, thus being part of their overall socio-economic development.

5.3 Recommendations

After going through the survey conducted to investigate the financial inclusion of women employed under the MGNREGA scheme in Ernakulam District, we are able to analyze and understand many valuable insights on this topic.

- Provide frequent exercises on financial literacy to educate the citizens in the banking, electronic payments, and money handling process.
- Organize seminars on saving culture, budgeting, and government finance programs to improve decision-making skills with regard to money matters.
- Develop financial advisory programs to help individuals plan household expenses and savings efficiently.
- Enable the banking process of cashing salary cheques and increase readiness for redressal of grievances.
- Offer opportunities for investment, financial counselling, and domestic budgeting instruction such that economic independence can be enabled.
- Increase awareness of government schemes and incentives to enable the poor to have access to the facilities.
- Develop programs for enhancing the availability of mobile phones and providing basic digital literacy skills.

BIBLIOGRAPHY

Journal Articles

1. Performance of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)", Rao Mallikarjuna K. November 2013, Scholars World-IRMJCR, Volume I,11.
2. "Mgnrega and Empowerment of Marginalised Communities in India: with Special Reference to Sc/St" by Sarvanan.S in International Journal of Scientific Research, volume 4, August 2015.
3. K. Subbarao (1997). "Public Works as an anti-Poverty Programme: An Overview of Cross-Country Experience", American Journal of Agricultural Economics, Vol. 79, No. 2, PP. 678-683.
4. Sivasankari R. and Bharathi V. (2012), Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): A Study of Awareness In Tirunelveli District.
5. Bhat Basharat and Mariyappan P., "Impact of MGNREGA on Unskilled Labourers," Third Concept, Vol. 28, October 2014.
6. Panda Santanu and Majumder Arup. 2013; 1 (2) A Review of Rural Development Programmes in India by the International Journal of Research in Sociology and Social Anthropology.
7. Chhetri Madan, "Rural Poverty Alleviation through MGNREGA - A Macro Study in the State of Sikkim". Journal of Multidisciplinary International Academic Research, Volume 3, August 2015.
8. "Livelihood Security Of MGNREGA-An Analysis," by Prakash Chinthireddy. December 2013 issue of the International Journal of Advancements in Research & Technology.
9. MGNREGA Briefing Book, Janaury.2013
10. Kanika, Nancy. " Impact of Narega on Rural Areas of Hoshiarpur". International Journal of Management and Technology, vol.4, June.2013. Information
11. Reddy, P. (2017). "Women Empowerment Through Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)." IOSR Journal of Humanities and Social Science, 22(7), 26-30.
12. Sivaiah, B. (2019). "Impact and Implications of Women's Participation in MGNREGA: A Study of Anantapuramu District." International Journal of Research in Economics and Social Sciences, 9(2), 310-320.
13. Sharma, P. (2020). "Impact of MGNREGA on Women Empowerment: A Review of Literature." International Journal of Creative Research Thoughts, 8(9), 560-568.
14. Kumar, S. (2024). "A Study on the Empowerment of Rural Women Through MGNREGA." International Journal of Financial Management and Research, 7(1), 67-75.

Websites

- http//www.researchgate.net publication
- http://books.google.co.in
- https://scholar.google.com/
- www.wikipedia.com
- www.google.com

ANNEXURE

Questionnaire

Financial Inclusion **Under MGNREGA Scheme: A Study on Ernakulam District with Special Reference to Kumbalam Panchayath**

1. Name
2. Age Category
    - 20 to 30
    - 30 to 40
    - 40 to 50
    - 50-60
    - 60 above

3. Marital Status
    - Single
    - Married
    - Widowed / Divorced

4. Education qualification
    - Illiterate
    - Primary (class 5)
    - Secondary (class 10)
    - Higher Secondary (class 12)
    - Graduate or above

5. Annual household income
    - Up to Rs 1,00,000 per annum
    - From Rs 1,00,000 to Rs 300,000 per annum
    - From Rs 300,000 to Rs 500,000 per annum
    - Above 500,000 per annum

6. Do you have a bank account?
    - Yes
    - No

7. Did you have a bank account before or after joining the MGNREGA scheme?
    - Before
    - After

8. Are wages credited directly to the bank account?
    - Yes
    - No

9. How long have you been employed under the MGNREGA scheme?
    - Less than a year
    - 1-5 years
    - 5-10 years
    - 10-15 years
    - More than 15 years

10. Are you allotted 100 days of work?
    - Yes
    - No

11. Are wages paid to you on time?
    - Yes
    - No

12. Do you know how to transfer money through bank a/c?
    - Yes
    - No

13. Are you aware of various types of digital payments?

- Yes
- No

14. What challenges do you face in using digital payment systems?

- Lack of access to a smartphone
- Poor internet connectivity
- Fear of fraud
- Lack of knowledge
- Others (Specify):

15. Do you own a smartphone?

- Yes
- No

16. If Yes:

16.1. Do you do online transactions?

- Yes
- No

16.2. Are you aware of e-banking apps?

- Yes
- No

16.3. Have you installed any e-banking apps?

- Yes
- No

16.4. Do you prefer online payment methods like G-Pay or Cash

- Online payments
- Cash payments

17. If NO, Have you faced issues with payments or transactions due to not using a smartphone?

- Yes (Specify:)
- No

18. How do you keep track of your account balances?
    - Visiting Bank
    - Asking an agent or family member
    - Other: SMS
    - Google Pay

19. Do you do card payments?
    - Yes
    - No

20. Does the MGNREGA scheme provide you with classes or seminars on how to handle your finances?
    - Yes
    - No

21. How do you prefer to do banking services?
    - Can do by myself
    - Need assistance

22. What are the main difficulties you face in managing finances?
    - Distance to the bank
    - Lack of proper communication about schemes
    - Dependence on others for information
    - Others: language barrier
    - Illiteracy

23. What changes would make accessing financial services easy for you?
    - More accessible bank branches or agents
    - Training sessions on banking practices
    - Simpler systems of wage payments
    - Others:

24. Has joining MGNREGA increased your ability to make financial decisions in the household?
    - Yes
    - No

25. What type of decisions do you participate in after joining MGNREGA?

- Household budget planning
- Children’s education expenses
- Medical expenses
- Investment or savings decisions
- Others : loan

26. Are you consulted before making major financial decisions in your household?

- Always
- Sometimes
- Rarely

27. Have you started saving money after joining MGNREGA?

- Yes
- No

28. Are you aware of any financial literacy or inclusion programs for MGNREGA workers?

- Yes
- No

29. Have you benefitted from government initiatives like Jan Dhan accounts, PMAY, etc?

- Yes
- No

30. Do you feel more confident participating in family decision-making?

- Yes
- No