Impact Of Financial Inclusion On Industrial Workers

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Abstract: The purpose of this paper is to analyse the socio-economic impact of various financial inclusion schemes on industrial workers. For the purpose a semi-structured schedule was prepared and responses were gathered using semi-structured personal interview from the industrial workers working in different shoe, clothing, automobile and furniture industries operating in the areas of Delhi and NCR namely Delhi, Bahadurgarh, Noida and Okhla during the period January-April'2019. Exploratory factor analysis, Confirmatory factor analysis and one way ANOVA were used for scale purification and advanced data analysis. The findings of the study revealed that the three selected financial inclusion schemes for industrial workers have a significant impact on socio-economic empowerment of the workers. Also the number of problems associated with availing and using of the schemes were minimal. The output regression coefficients indicate that the extracted factors are a significant contributor of the economic and social empowerment of the industrial workers. The present study makes a significant contribution towards the evaluation of financial inclusion schemes related to industrial workers as there is dearth of empirically tested relationships indicating impact of financial inclusion schemes on the industrial workers and it fulfils the research gap in an advanced manner.

Index Terms: Atal Pension Yojana, Confirmatory factor analysis, Direct Benefit Transfer Scheme, Exploratory factor analysis, Industrial Workers, Financial Inclusion and Pradhan Mantri Jan Dhan Yojana.

1 INTRODUCTION

Thetheory of inclusive growth rests on the principle of inclusion of each and every segment of the society into the mainstream so that those residing on the bottom of pyramid can be linked to the engine of growth. Finance acts as the lifeblood of an economy running through all the segments of the society and is a medium to link the banked and unbanked. Financial inclusion being a predictor of inclusive growth unleashes the productive capacities of the individuals and connects them with the financial institutions. Industrial Workers primarily represents the bottoms of the pyramid whereby they add up a substantial share in GDP but the corresponding benefits does not get filtered down to them in the form of social security benefits. A number of studies conducted in the past presents the sordid picture of Industrial Workers as it has been lime lighted that unorganized sector is the most unattractive sector because of lower EVAs and higher NPA which excludes it from the growth mainstream (Srinivasan, 2007) whereas it has been advocated that there is an urgent need of bringing the unorganized sector in the circle of inclusion otherwise growth will be jeopardized (Sharma, 2009).

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Some of the studies consider this sector as a costlier one to serve (Ardic et.al, 2011) whereas it has been presented that financial service can help boost the socio-economic empowerment of the unorganized sector (Kulkarni, 2008). A number of initiatives have been taken by the government in the recent past to leverage the financial inclusion ratio but three schemes are segment specific which aims at bringing the unorganized sector into the ambit of financial inclusion i.e. Pradhan Mantri Jan Dhan Yojana, Atal Pension Yojana and Direct Benefit Transfer Scheme. The present research paper aims at examining the impact of financial inclusion on industrial workers and portrays the socio economic impact of the three selected schemes. The three selected schemes are envisioned by the government as the predictor of financial inclusion for industrial workers. A brief overview of the selected schemes has been presented as under

2 CONCEPTUAL ANALYSIS OF THE SCHEMES

Direct Benefit Transfer Scheme was formally articulated by government of India on 1st Jan'13 in order to bypass the inefficiencies of the traditional service delivery mechanism. It was envisaged as a big blow to the sub-optimal service delivery system and would ensure accurate targeting of beneficiary with simultaneous reduction of frauds and corruption prevailing in the existing system. The scheme was aimed at eliminating all the loopholes prevailing in the system and plugs the leakages thereby speeding up the payments. Under the scheme, all the government benefits and subsidies are directly transferred into the bank accounts of the beneficiaries. On the other hand, Pradhan Mantri Jan Dhan Yojana (PMJDY) is a blanket cover programme which was launched in 2014 aiming at comprehensive financial inclusion of all the households in the nation. Comprehensive Financial inclusion states providing a bank account without any stipulation of minimum balance, linkage of government disbursements into the bank accounts through DBT, provision of overdraft facility, access to loan facility and provision of insurance along with a Ru-Pay Card (domestic debit card) facility in order to promote and leverage cashless transaction environment. This scheme will revolutionize the existing

banking system as it focuses on households rather than villages and is primarily push based scheme serving both urban and rural areas whereas Atal Pension Yojana launched in 2015 is aimed at providing old age solutions to its populace. Providing income security to those working poor engaged in unorganised sector in their old age is the major area of concern for any government as they constitute a larger section of the population. As per the 66th Round of NSSO Survey of 2011-12, unorganised sector comprises around 88% of the total labour force; and nurturing such a large segment into right direction would surely lead to fruitful results. Therefore, it was the need of the hour to provide them with such pension reforms that will strengthen their ability to save and invest for retirement. The scheme is majorly concentrated on the unorganised sector workers and is open to all between the age group of 18 to 40 years holding a savings account either in bank or post office; whereby the amount of contribution would differ based on the years of contribution and the amount of pension chosen.

3 REVIEW OF LITERATURE

Financial inclusion acts as an enabler of inclusive growth linking the unbanked segment to the mainstream. It connects the millions abandoned in the ground of abject poverty, soaring interests to the streamline. Thingalaya (2006) in the paper "Regional Rural Banks and Financial Inclusion" stressed upon that increasing the number of savings bank account should not be the sole objective of financial inclusion. He stated that in the initial phase of launching of any drive banks embark upon achieving the targets and focuses on bringing the cosmetic changes rather than making them operational throughout. Majority of these accounts lie dormant thereafter and therefore focus should be on bringing operational dynamics. Kulkarni (2008) in the paper "Towards a greater financial inclusion of migrants" presented the plight of migrants in Gogunda block & Kumbalgarh block of South Rajasthan in India. She conducted in-depth interview with 37 migrants in the district through which it came into lime light that these migrants have hardly any access to financial services barring remittances facility. She concluded that financial services can help reduce the socio-economic risk of this targeted segment and can improve the condition of the unorganized sector that constitutes around 91% workforce in India. Arputhamani (2013) comprehended the impact of financial inclusion on the economic upliftment of women in virudhunagar district of Tamil Nadu. The study stresses upon the role of SHG in employment generation, asset creation and income generation for the women in the study district. It also gave a brief of initiatives taken by government in order to alleviate poverty through financial inclusion programmes. She reported that there is a boost in the level of income of the women after financial inclusion drive and financial inclusion through SHG turns out to be a successful model. There should be efforts on the part of the government as financial literacy campaigns, career counselling so as to empower the larger segment of women and bring them within the mainstream. Dsouza (2013) studied the role of rural cooperatives in implementing financial policies so as to achieve rural development. He made an attempt to identify the likely outcomes and impact of various financial inclusion schemes run by rural cooperatives. The study revealed that cooperative legislation played an effective role in shaping the road and giving the cooperative movement the right direction. It shows that financial inclusion has uplifted socio-economic status of the rural poor but the role of cooperatives is restricted as they work in narrow sphere so their role should be enhanced by organizing financial literacy campaigns and developing local economic institution by generating small and scattered resources. Chhabra (2014) made an effort to find out the regional disparity, indebtedness and status of financial inclusion in India over the period 2000 to 2010. She also highlighted various initiatives taken by the RBI to promote financial inclusion. The findings revealed lack of adequate infrastructure, absence of appropriate technology, financial illiteracy, and lack of suitable financial products as the main reason for financial exclusion. It presented a positive correlation between financial inclusion and socio- economic development. Sasitha (2014) studied the impact of financial inclusion on the socio-economic status of the beneficiaries under various schemes. It also stresses upon the role of District Central Co-operative Banks in enhancing financial inclusion drive. The author compared the economic status of the beneficiaries before and after financial inclusion programs. After regressive analysis, it was found that financial programmes has led to rise in per capita income, rise in asset holdings, increase in savings and a fall in the borrowing pattern of the beneficiaries. Salathia (2014) identified access, usage, availability as the major predictors of financial inclusion. She established a relationship between financial inclusion and economic development through socio-economic empowerment as major indicators. The author analyzed the impact of financial inclusion on economic development on the grounds of social and economic empowerment, poverty reduction and area development. The study revealed that financial inclusion has a direct impact on the poverty reduction and area development leading to economic development. The study presented that mainstreaming with financial inclusion leads to greater social and economic empowerment of the beneficiaries. Serrao (2014) explored the nature of financial inclusion in India and examined the impact of financial inclusion on socio economic status of vulnerable sections of the society. It was found that there is a positive relationship between financial inclusion and inclusive growth that showed access to financial services improvised the socio-economic status of the cast aside sections of the society. Maheshwari (2015) studied the level of financial literacy and financial inclusion among the rural women. It was revealed that a larger section of the respondents was financially included and the major reason for the growth is the larger participation of people in self-help groups. There is a rise in socio-economic conditions of the women when compared before and after financial inclusion drive. Jamge (2016) studied the status of financial inclusion among the beneficiaries in Nanded district. He made a review of initiatives taken by government towards financial inclusion. He also tried to examine the socio-economic factors leading to social exclusion. The study presented that financial inclusion has a great influence on business, assets and income of the respondents. Financial inclusion has helped the respondents to get free from the shackles of poverty and has raised their standard of living. Financial inclusion policies have helped the larger segments of the study district to rise above the poverty line. On the basis of literature reviewed the following hypotheses has been framed:

H_{1a}: Financial Inclusion schemes has direct impact on

Economic Empowerment of the Industrial Workers

H_{1b}: Financial Inclusion schemes has direct impact on Social Empowerment of the Industrial Workers

4 NEED OF THE STUDY

Inclusive growth is quintessential for an economy's development and attaining sustainable growth. Without an inclusive growth a large segment of population will be abandoned in the ground of poverty, social exclusion and economic despair. India is emerging as an economic behemoth pacing the global leaders. India's vision of achieving high strides of growth can be attained by linking the excluded strata of the society with the mainstream. Financial inclusion is aimed at bridging the gap between banked and unbanked segments by adding feathers of social and economic empowerment to the cast aside segments of the society. Review of the literature provided various facets of financial inclusion linked to social and economic empowerment but there is paucity of empirically tested relationship. There is no empirically tested relationship mediating the role of the Pradhan Mantri Jan Dhan Yojana, Direct Benefit Transfer Scheme and Atal Pension Yojana in leveraging the socio economic empowerment of industrial workers. Therefore, there is a need to empirically test the impact of financial inclusion on industrial workers and identify the problems faced by industrial workers. This study will help the banks and other financial institutions to meet their goal of attaining inclusive growth.

5 OBJECTIVES OF THE STUDY

The present study focuses on the following objectives:

1. To examine the social and economic impact of selected schemes on Industrial workers.
2. To study the problems faced by beneficiaries with regard to Jan Dhan Yojana Scheme, Atal Pension Scheme and Direct Benefit Transfer Scheme.

6 RESEARCH METHODOLOGY

The current study analyses the impact of financial inclusion on industrial workers. In order to ascertain the impact of financial inclusion on industrial workers three key schemes related to unorganised sector were selected and primary data were collected from 600 industrial workers working in Delhi and NCR. The study was conducted during the period of January-April'2019 whereby responses were gathered from the workers working in Automobile, Shoe, Clothing and Furniture industries of Delhi and NCR. Semi-structured personal interview was used to obtain the responses through a self-structured schedule. Schedule comprised of total 81 items out of which 11 pertains to general information, 30 were related to problems faced by beneficiaries, 18 related to economic empowerment, 12 related to social empowerment and few dichotomous and multiple responses were asked related to the study. The data were collected on a five-point likert scale whereby 1 denoted Strongly Disagree and 5 stand for Strongly Agree. Exploratory factor analysis, cross tabulation, confirmatory factor analysis and one way ANOVA were used to purify the constructs and advanced data analysis. Detailed profile of the Industrial Workers surveyed is given in Table 1

Table 1: *Profile of the Industrial Workers*

S.NO.	VARIABLE	CLASSIFICATION	NUMBER	PERCENTAGE (%)
1.	Sex	Male	476	89.80
		Female	54	10.20
		Sub-Total	530	100
2.	Age	18 - 25 Years	260	49.10
		26 - 40 Years	194	36.60
		41 – 60 Years	63	11.90
		60 Years & Above	13	2.50
		Sub-Total	530	100
3.	Region	Bahadurgarh	142	26.80
		Noida	218	41.10
		Okhla	90	17.0
		Delhi	80	15.1
		Sub- Total	530	100
4.	Religion	Hindu	405	76.40
		Muslim	101	19.10
		Sikh	24	4.50
		Sub- Total	530	100
5.	Educational Qualification	Illiterate	56	10.60
		Primary	144	27.20
		Matriculation	119	22.50
		Secondary	158	29.80
		Graduate & Above	53	10.00
		Sub-Total	530	100
6.	Marital Status	Married	383	72.30
		Unmarried	147	27.70
		Sub-Total	530	100
7.	Type of Industry	Shoe	142	26.80
		Clothing	118	22.30
		Automobiles	140	26.40
		Furniture	130	24.50
		Sub- Total	530	100
8.	Type of Worker	Casual Worker	252	47.50

		Regular Worker	*278*	*52.50*
		Sub- Total	*530*	*100*
9.	*Job Position*	*Helper*	*152*	*28.70*
		Operator	*191*	*36.00*
		Quality Control/Inspector	*81*	*15.30*
		Technical Assistant	*79*	*14.90*
		Supervisor	*27*	*5.10*
		Sub- Total	*530*	*100*
10.	*Experience*	*Up to 5 Years*	*271*	*51.10*
		5 – 10 Years	*181*	*34.20*
		10 – 15 Years	*57*	*10.80*
		> 15 Years	*21*	*4.00*
		Sub- Total	*530*	*100*

Source: Survey

6.1 Pretesting and Data Collection

A pilot study was conducted in December'2018 and a sample of 50 industrial workers was pretested. Respondents were selected from Delhi and three regions of NCR i.e. Bahadurgarh, Noida and Okhla. Schedule initially contained 86 items which later get altered on the basis of responses and a final of 81 items were kept for the final survey. A total of 600 i.e. 150 respondents each from Delhi, Bahadurgarh, Noida and Okhla was kept for industrial workers out of which 54 respondents rejected to respond and 16 responses were invalid. The effective response rate came out to be 88.33% which is evidently impressive and widely represents the population studied as a minimum of 30% response rate is good enough for generalisation of results (Sekaran, 2003).

7 INTERPRETATION AND RESULTS

- **EXPLORATORY FACTOR ANALYSIS**

Purification of constructs under study is done using SPSS (Version 20.00). Constructs under considerations are Economic Empowerment and Social Empowerment. A total of 30 items were taken in order to ascertain the socio-economic impact of the selected schemes. The results obtained are depicted in Table 6. Exploratory factor analysis is used for analysing the structure of interrelationships among a large number of variables and is applied on the raw data on the fulfilment of certain assumptions i.e. the data should be interval data in nature, should meet the adequate sample size requirement and multi co-linearity must be present in the data as the objective is to identify the interrelated sets of variable (Hair et. al., 2014). The sample size of 530 is a sufficient sample size for factor analysis as the thumb rule of at least five times as many as observations as the number of variables to be analysed was duly fulfilled (Hair et. al., 2014). All the assumptions were met with and therefore raw data is suitable for factor analysis as examined through KMO Value, Bartlett test of sphericity and p-value (Dess et al., 1997 and Field, 2000). The null hypothesis that the population correlation matrix is an identity matrix is rejected by Bartlett's test of sphericity. For the dimension Economic Empowerment, the approximate chi-square is 8498.170 with 105 degrees of freedom which is significant at the 0.05 level whereas for the dimension Social Empowerment, the approximate chi-square

is 5662.478 with 66 degrees of freedom which is significant at the 0.05 level. The value of KMO statistic is 0.922 for economic empowerment and 0.899 for social empowerment which is superb as against the bare minimum of 0.50 for sample adequacy as recommended by Kaiser, 1974 (Hutcheson & Sofroniou, 1999; Malhotra & Birks, 2006). Thus, factor analysis is an appropriate technique for the analysis.

Table 2: *KMO and Bartlett's Test*

Economic Empowerment			*Social Empowerment*
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		*0.922*	*0.899*
Bartlett's Test of Sphericity	*Approx. Chi-Square*	*8498.170*	*5662.478*
	Df	*105*	*66*
	Sig.	*.000*	*.000*

Source: Survey

Using Principal components analysis for rotation mode with varimax rotation method is preferable when the major concern is to extract the minimum number of factors that will account for maximum variance in the data for use in subsequent multivariate analysis (Malhotra & Birks, 2006). Using the kaiser's criterion of retaining the factors having Eigen value ≥1 and suppressing the factor loading of ≤0.5 resulted into the extraction of three factors each under the construct Economic and Social Empowerment (Field, 2009). By rotation the relative importance of the three factors is equalized and a cumulative variance of 84.024 % was explained by all the three factors together under the construct economic empowerment and a cumulative variance of 80.799% was explained under social empowerment which is higher than the minimum of 60% (Malhotra & Birks, 2006). Out of the 18 statements that were originally kept under the economic empowerment construct 15 were retained as the communality values, anti-image values and factor loading of the three statements were not as per the standard ranges. After Rotation 15 statements were retained with communality for all the items ranging from 0.746 to 0.914 indicating moderate to high degree of linear association among the variables. Diagonal elements in the anti- image correlation matrix have the entire values ≥ 0.836 showing adequacy among the individual variables whereas, all the 12 items were retained under the dimension social empowerment as the communality values and anti-image values were as per

the standard guidelines. Mean, standard deviation, factor loading, and communalities of all the variables are represented in the Table 6. The three factors extracted under economic empowerment were named as Economic Independence, Improved Lifestyle and Financial Stability whereas the three extracted factors under social empowerment were named as Social Inclusion, Psychological Capabilities and Secured Future Prospects.

- **CONFIRMATORY FACTOR ANALYSIS**

Application of EFA in the previous section developed a theory leading to a proposed measurement model whereby potential constructs are identified from among the multiple variables. CFA is used to confirm and validate this theoretical measurement model (Schumacker and Lomax, 2004; Hair et. al., 2009). CFA is a statistical technique to confirm how well our pre-conceived theory matches the reality. Unlike EFA, variables are assigned to only a single construct and no cross loadings (loading on more than one factor) are allowed In order to execute the analysis, CFA uses both the number of factors that exist for a set of variables and which factor each variable will load on. Path diagrams are used to represent the measurement theories whereby relationships between measured variables and related constructs are visualised with the help of a diagram. Also, the relationship among the constructs is also established. The observed variables are represented by rectangles and the latent constructs are enclosed by circles (Schumacker and Lomax, 2004). Reflective measurement theory model is adopted whereby lines are directed from the latent constructs to the observed variables and the impact of measurement error is also recorded as they tend to have serious consequences and account for the unexplained portion of the measured variables (Cochran, 1968 and Fuller, 1987). Maximum likelihood estimation method with standardised factor loadings was used to analyse the estimates and the fitness, reliability and validity of two main dimensions i.e. Economic Empowerment and Social Empowerment are checked upon. Reliability is checked using indicators as Cronbach's alpha and composite reliability and validity is verified via construct validity indicators and the results are presented in Table 5 & 7 (Hair et. al., 2009). Constructs having factor loading/ SRW below 0.50 will be deleted however loading above 0.70 are considered ideal. Both the model meets the necessary condition of identification (minimum three items per construct) and uni-dimensionality (no cross loadings). Fitness indices as GFI, AGFI, NFI, TLI and CFI are above 0.90 and badness of fit measures are below 0.8 and chi-square statistics (CMIN/DF) is within the recommended range i.e. below 5 as mentioned in Table 4 (Bagozzi & Yi, 1988). Confirmatory ModelsApplication of factor analysis on the indicators collected on a 5-point likert scale abridged the study composition and led to identification of three constructs namely: Improved lifestyle, Economic Independence and Financial stability under the dimension Economic Empowerment and three constructs under the dimension Social Empowerment namely: Social inclusion, Psychological capability and Secured future prospects. In the next step, conditions of identification (3 items per construct) and Uni-dimensionality (no cross loadings) is checked and the same has found to be in order. Further, the reliability and validity of the measurement model is analyzed using the statistical tools package (Gaskin, 2012). Reliability is checked using the cronbach's alpha coefficient whereby for economic empowerment α1=0.956, α2=0.968 and α3=0.918 and under social empowerment α1=0.862, α2=0.969 and α3=0.868 which is higher than the recommended value of 0.70 (Nunally, 1978). Another criterion Composite reliability (CR) was also adopted in order to check the reliability of the constructs and the values of CR for the three constructs under economic empowerment were 0.957, 0.968 and 0.920 respectively and for social empowerment it was 0.864, 0.970 and 0.869 which is higher the standard values of 0.70 (Fornell & Larker, 1981). Convergent validity of the constructs is also confirmed as the standard regression weights of each of the indicator is more than 0.50 with AVE values > 0.50. Discriminant validity also gets established as AVE> MSV and AVE>ASV for all the constructs as given in the table 5 (Hair et. al. 2009). The presence of multi-collinearity among the three factors under both the dimension affirms the application of second order level CFA. The contribution of these six factors is checked for the main construct Economic and Social Empowerment by applying second order CFA using AMOS (Ver.21.0). Second order CFA affirms that the theoretical constructs taken in a study is further dependent on various sub constructs. The casual effect from the economic empowerment to the three factors: economic independence, improved lifestyle and financial stability and from social empowerment to the three factors namely Secured future prospects, Psychological capability and Social inclusion is measured using second order CFA whereby economic and social empowerment will become the second order construct and the three sub factors for each dimension will become the first order constructs. After applying second order CFA as depicted in the measurement model given in fig. 1 & 2it can be seen that all the three factors under economic empowerment have SRW ≥ 0.50 (β_1 = 0.58, β_2 = 0.54 and β_3 = 0.51) and for social empowerment SRW for β_1 = 0.82, β_2 = 0.50 and β_3 = 0.68 respectively. Therefore it becomes clear that all the measured variables are significant contributor of the main construct and the model has found to be a good fit as depicted in table 4.Both the model are valid and reliable and the factor "Economic Independence" stands to be the most significant contributor of economic empowerment and "Secured Future prospects" stands as the significant contributor for social empowerment.

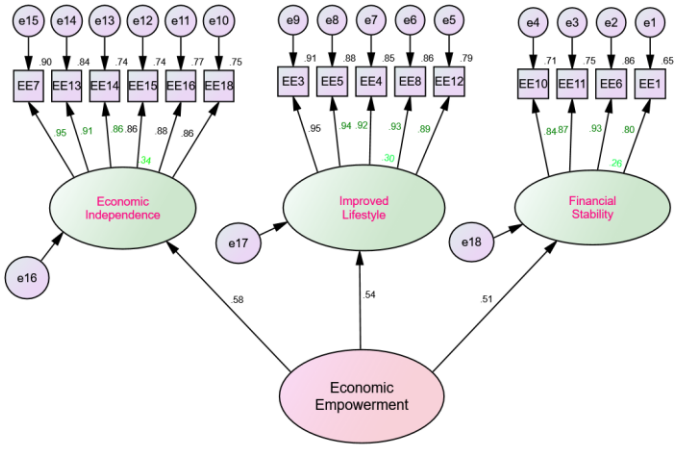

***Figure 1**: MEASUREMENT MODEL FOR ECONOMIC EMPOWERMENT**

*EE1 = These schemes have created an additional source of Income; EE3= These schemes have improved the dwelling conditions; EE4= These schemes have led to reduction in poverty; EE5= These schemes have improved basic amenities; EE6= These schemes have led to increase in savings habit; EE7= These Schemes have created avenues for credit facilities coupled with low interest rates; EE8= These schemes have enabled your children to get better education; EE10= These schemes have led to rise in your investments; EE11= These schemes have increased your level of consumption; EE12= These schemes have improved economic security of your family; EE13= These schemes have reduced the overdependence on usurious moneylenders; EE14= These schemes have led to timely credit of government disbursements; EE15= There is reduction of leakage in the amount of subsidy received; EE16= These schemes have reduced the risk of financial crisis and prepared you for contingencies; EE18= These schemes have raised your standard of living; e1 to e18 are error terms.

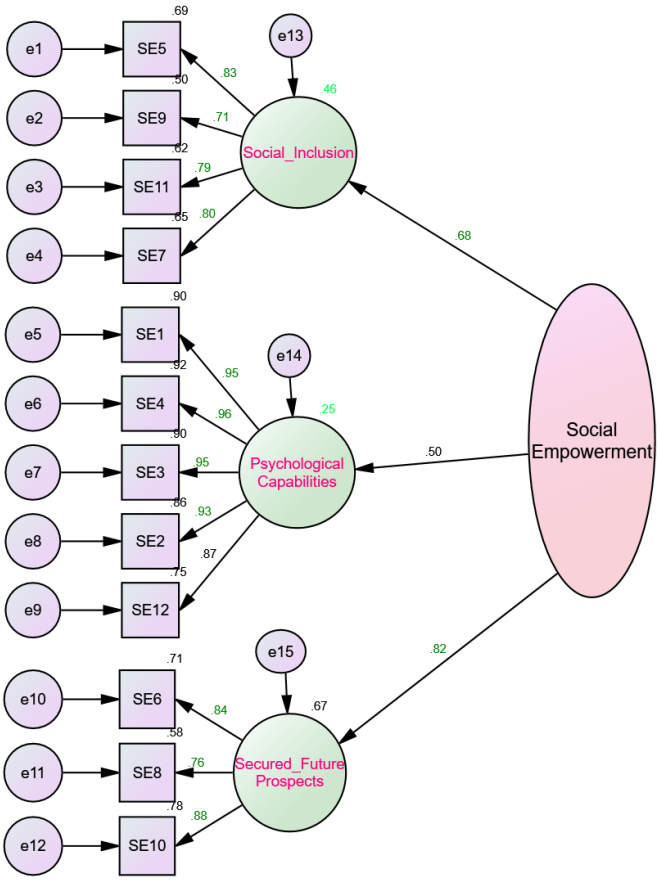

Figure 2: *MEASUREMENT MODEL FOR SOCIAL EMPOWERMENT**

*SE1= You feel that you can freely report your grievances/feedback; SE2= These schemes have led to better household hygiene; SE3= These schemes have boosted the self-confidence and self esteem; SE4= These schemes have enhanced the social status; SE5= These schemes have made you independent with regard to decision making; SE6= These schemes have provided you with better health and education facilities; SE7= These schemes have enhanced the role of women by improving economic status in the society; SE8= These schemes have reduced the level of stress as regard to contingencies; SE9= There is an improvement in participation in deliberations of local community; SE10= These schemes has provided security about future prospects; SE11= These schemes have made you financially literate with regards to banking products and government disbursements; SE12= These schemes have enhanced your communication skills; e1 to e15 are error terms. Hypotheses TestingThe Study tried to explore the impact of selected financial inclusion schemes i.e. PM Jan Dhan Yojana, Atal Pension Yojana and Direct Benefit Transfer Scheme on the socio-economic empowerment of the Industrial Workers. It is clearly evident that the three factors under the dimension Economic Empowerment extracted through exploratory factor analysis i.e. Economic Independence (β=0.58 p=.000), Improved lifestyle (β=0.54, p=.000) and Financial stability (β=0.51, p=.000) significantly impact the economic empowerment of the industrial workers and the output of regression path coefficients is also described in Table 3. For the dimension Social empowerment, the three extracted constructs namely Social Inclusion (β=0.68, p=.000), Psychological Capabilities (β=0.50, p=.000) and Secured Future Prospects (β=0.82, p=.000) significantly impact the social empowerment of the industrial workers. From the above analysis, it is tested and verified that the framed hypothesis significantly impact the Economic and Social Empowerment of the Industrial Workers.

Table 3: *Output of Regression Path Coefficients*

ECONOMIC EMPOWERMENT			*Estimate*	*S.E*	*C.R.*	*P*	*Results*
Financial_Stability	*<---*	*Economic_Empowerment*	*1.000*	*Reference Point*			
Improved_Lifestyle	*<---*	*Economic _Empowerment*	*1.274*	*0.232*	*5.491*	*****	*Significant*
Economic_Independence	*<---*	*Economic_Empowerment*	*1.165*	*0.217*	*5.360*	*****	*Significant*
SOCIAL EMPOWERMENT							
Social_Inclusion	*<---*	*Social_Empowerment*	*1.000*	*Reference Point*			
Psychological_ Capabilities	*<---*	*Social_Empowerment*	*0.791*	*0.100*	*7.909*	*****	*Significant*
Secured_Future_ Prospects	<---	Social_Empowerment	1.334	0.181	7.380	***	Significant

Source: Survey

Table 4*: Output of Model Fit*

MODEL FIT	*CMIN/DF*	*GFI*	*AGFI*	*RMR*	*RMSEA*	*NFI*	*TLI*	*CFI*
ECONOMIC EMPOWERMENT	*2.215*	*0.955*	*0.938*	*0.039*	*0.048*	*0.978*	*0.985*	*0.988*
SOCIAL EMPOWERMENT	*2.504*	*0.960*	*0.939*	*0.41*	*0.053*	*0.978*	*0.982*	*0.986*

Source: Survey

TABLE 5: *DISCRIMINANT VALIDITY*

ECONOMIC EMPOWERMENT	AVE	MSV	ASV	IMPROVED LIFESTYLE	ECONOMIC INDEPENDENCE	FINANCIAL STABILITY
IMPROVED LIFESTYLE	0.857	0.100	0.088	0.926		
ECONOMIC INDEPENDENCE	0.787	0.100	0.094	0.317	0.887	
FINANCIAL STABILITY	0.743	0.087	0.082	0.276	0.295	0.862
SOCIAL EMPOWERMENT	AVE	MSV	ASV	PSYCHOLOGICAL CAPABILITIES	SOCIAL INCLUSION	SECURED FUTURE PROSPECTS
PSYCHOLOGICAL CAPABILITIES	0.865	0.166	0.141	0.930		
SOCIAL INCLUSION	0.615	0.311	0.213	0.339	0.784	
SECURED FUTURE PROSPECTS	0.689	0.311	0.239	0.408	0.558	0.830

Source: Survey

Table 6*: Output from Exploratory Factor Analyses showing Factor Loadings, Eigen Values and Variance Explained using RCM*

Factor Wise Dimension	Mean	Standard Deviation	Factor Loading	Eigen Values	Variance Explained %	Cumulative Variance Explained %	Communality	Alpha (α)
ECONOMIC EMPOWERMENT								
FACTOR 1: ECONOMIC INDEPENDENCE				6.817	32.761	32.761		0.956
These Schemes have created avenues for credit facilities coupled with low interest rates	4.18	0.999	0.929				0.895	
These schemes have reduced the overdependence on usurious moneylenders	4.14	1.046	0.906				0.853	

There is reduction of leakage in the amount of subsidy received	4.13	1.058	0.857				0.791	
These schemes have led to timely credit of government disbursements	4.13	1.028	0.870				0.792	
These schemes have reduced the risk of financial crisis and prepared you for contingencies	4.16	1.038	0.887				0.814	
These schemes have raised your standard of living	4.15	1.032	0.882				0.797	
FACTOR 2: IMPROVED LIFESTYLE				3.229	29.614	62.375		0.968
These schemes have improved basic amenities	3.96	1.146	0.934				0.899	
These schemes have improved the dwelling conditions	3.94	1.162	0.936				0.914	
These schemes have led to reduction in poverty	3.93	1.156	0.920				0.883	
These schemes have enabled your children to get better education	3.93	1.158	0.922				0.885	
These schemes have improved economic security of your family	3.94	1.147	0.903				0.848	
FACTOR 3: FINANCIAL STABILITY				2.557	21.649	84.024		0.918
These schemes have led to increase in savings habit	3.90	1.006	0.919				0.871	
These schemes have increased your level of consumption	3.83	1.054	0.887				0.818	
These schemes have led to rise in your investments	3.80	1.096	0.882				0.798	
These schemes have created an additional source of income	3.81	1.077	0.826				0.746	
SOCIAL EMPOWERMENT								
FACTOR 1: SOCIAL INCLUSION				4.414	36.787	36.787		0.862
These schemes have made you independent with regard to decision making	3.77	1.253	0.863				0.774	
There is an improvement in participation in deliberations of local community	3.70	1.303	0.790				0.653	
These schemes have made you financially literate with regards to banking products and government disbursements	3.75	1.273	0.806				0.714	
These schemes have enhanced the role of women by improving economic status in the society	3.80	1.242	0.789				0.709	
FACTOR 2: PSYCHOLOGICAL CAPABILITIES				2.894	24.120	60.907		0.969
You feel that you can freely report your grievances/	3.95	1.162	0.940				0.916	

feedback								
These schemes have led to better household hygiene	3.93	1.166	0.916				0.886	
These schemes have boosted the self-confidence and self esteem	3.96	1.163	0.937				0.920	
These schemes have enhanced the social status	3.95	1.144	0.935				0.922	
These schemes have enhanced your communication skills	3.91	1.166	0.884				0.817	
FACTOR 3: SECURED FUTURE PROSPECTS				2.387	19.892	80.799		0.868
These schemes have provided you with better health and education facilities	3.58	1.314	0.870				0.821	
These schemes have reduced the level of stress as regard to contingencies	3.58	1.305	0.831				0.755	
These schemes has provided security about future prospects	3.67	1.251	0.824				0.810	

Source: Survey

Table 7: Reliability and Convergent Validity

Construct	Item	Item Description	Reliability		Convergent Validity	
			α	CR	SRW	AVE
Economic Empowerment	Economic Independence	These Schemes have created avenues for credit facilities coupled with low interest rates	0.956	0.957	0.90	0.787
		These schemes have reduced the overdependence on usurious moneylenders			0.84	
		There is reduction of leakage in the amount of subsidy received			0.74	
		These schemes have led to timely credit of government disbursements			0.74	
		These schemes have reduced the risk of financial crisis and prepared you for contingencies			0.77	
		These schemes have raised your standard of living			0.75	
	Improved Lifestyle	These schemes have improved basic amenities	0.968	0.968	0.88	0.857
		These schemes have improved the dwelling conditions			0.91	
		These schemes have led to reduction in poverty			0.85	
		These schemes have enabled your children to get better education			0.86	
		These schemes have improved economic security of your family			0.79	
	Financial Stability	These schemes have led to increase in savings habit	0.918	0.920	0.86	0.743
		These schemes have increased your level of consumption			0.75	
		These schemes have led to rise in your investments			0.71	
		These schemes have created an additional source of Income			0.65	

Construct	Item	Item Description	Reliability		Convergent Validity	
			α	CR	SRW	AVE
Social	Social Inclusion	These schemes have made you independent with regard to decision making	0.862	0.864	0.83	0.615
		There is an improvement in participation in deliberations of local community			0.71	
		These schemes have made you financially literate with regards to banking products and government disbursements			0.79	
		It has enhanced the role of women by improving economic status in			0.80	

Empowerment		the society				
	Psychological Capabilities	You feel that you can freely report your feedback/ grievances	0.969	0.970	0.95	0.865
		These schemes have led to better household hygiene			0.93	
		These schemes have boosted the self-confidence and self esteem			0.95	
		These schemes have enhanced the social status			0.96	
		These schemes have enhanced your communication skills			0.87	
	Secured Future Prospects	These schemes have provided you with better health and education facilities	0.868	0.869	0.84	0.689
		These schemes have reduced the level of stress as regard to contingencies			0.76	
		It has provided security about future prospects			0.88	

*Source: Survey

Table 8: *OUTPUT FROM ONE WAY ANOVA FOR ECONOMIC EMPOWERMENT*

Particulars		*Mean*	*Sum of Squares*		*Df*	*Mean Square*	*F*	*Significance*	*Remarks*
Age	*18-25 Years* *26-40 Years* *41-60 Years* *60 Years & Above*	*1.965* *1.941* *1.879* *1.856*	*Between Groups* *Within Groups* *Total*	*0.490* *64.031* *64.520*	*3* *526* *529*	*0.163* *0.122*	*1.341*	*0.260*	*Insignificant*
Region	*Bahadurgarh* *Noida* *Okhla* *Delhi*	*1.923* *1.936* *2.002* *1.934*	*Between Groups* *Within Groups* *Total*	*0.383* *64.137* *64.520*	*3* *526* *529*	*0.128* *0.122*	*1.048*	*0.371*	*Insignificant*
Religion	*Hindu* *Muslim* *Sikh*	*1.942* *1.946* *1.952*	*Between Groups* *Within Groups* *Total*	*0.003* *64.517* *64.520*	*2* *527* *529*	*0.002* *0.122*	*0.013*	*0.987*	*Insignificant*
Educational Qualification	*Illiterate* *Primary* *Matriculate* *Higher Secondary* *Graduate or Above*	*1.9634* *1.9216* *2.001* *1.930* *1.892*	*Between Groups* *Within Groups* *Total*	*0.648* *63.872* *64.520*	*4* *525* *529*	*0.162* *0.122*	*1.332*	*0.257*	*Insignificant*
Type of Industry	*Shoe* *Furniture* *Clothing* *Automobile*	*2.001* *2.032* *1.679* *2.025*	*Between Groups* *Within Groups* *Total*	*10.678* *53.848* *64.520*	*3* *526* *529*	*3.559* *0.102*	*34.771*	*0.000*	*Significant*
Type of Worker	*Casual Worker* *Regular Worker*	*1.955* *1.933*	*Between Groups* *Within Groups* *Total*	*0.069* *64.451* *64.520*	*1* *528* *529*	*0.069* *0.122*	*0.566*	*0.452*	*Insignificant*
Job Position	*Helper* *Operator* *Quality Control /Inspector* *Technical Assistant* *Supervisor*	*1.963* *1.956* *1.872* *1.923* *2.015*	*Between Groups* *Within Groups* *Total*	*0.674* *63.846* *64.520*	*4* *525* *529*	*0.169* *0.122*	*1.386*	*0.237*	*Insignificant*
Experience	*Up to 5 Years* *5-10 Years* *10-15 Years* *>15 Years*	*1.943* *1.972* *1.883* *1.870*	*Between Groups* *Within Groups* *Total*	*0.472* *64.049* *64.520*	*3* *526* *529*	*0.157* *0.122*	*1.292*	*0.276*	*Insignificant*

Table 9: *OUTPUT FROM ONE WAY ANOVA FOR ECONOMIC EMPOWERMENT*

		Mean	*Sum of Squares*		*Df*	*Mean Square*	*F*	*Significance*	*Remarks*
Age	*18-25 Years*	*2.390*	*Between*	*0.514*	*3*	*0.171*	*0.520*	*0.668*	*Insignificant*

	26-40 Years *41-60 Years* *60 Years & Above*	*2.353* *2.311* *2.259*	*Groups* *Within Groups* *Total*	*173.259* *173.774*	*526* *529*	*0.329*			
Region	*Bahadurgarh* *Noida* *Okhla* *Delhi*	*2.377* *2.370* *2.369* *2.318*	*Between Groups* *Within Groups* *Total*	*0.207* *173.567* *173.774*	*3* *526* *529*	*0.069* *0.330*	*0.209*	*0.890*	*Insignificant*
Religion	*Hindu* *Muslim* *Sikh*	*2.339* *2.429* *2.517*	*Between Groups* *Within Groups* *Total*	*1.239* *172.534* *173.774*	*2* *527* *529*	*0.620* *0.327*	*1.893*	*0.152*	*Insignificant*
Educational Qualification	*Illiterate* *Primary* *Matriculate* *Higher Secondary* *Graduate or Above*	*2.435* *2.403* *2.345* *2.371* *2.202*	*Between Groups* *Within Groups* *Total*	*1.945* *171.828* *173.774*	*4* *525* *529*	*0.486* *0.327*	*1.486*	*0.205*	*Insignificant*
Type of Industry	*Shoe* *Furniture* *Clothing* *Automobile*	*2.463* *2.420* *2.184* *2.360*	*Between Groups* *Within Groups* *Total*	*5.648* *168.126* *173.774*	*3* *526* *529*	*1.883* *0.320*	*5.890*	*0.001*	*Significant*
Type of Worker	*Casual Worker* *Regular Worker*	*2.371* *2.358*	*Between Groups* *Within Groups* *Total*	*0.021* *173.752* *173.774*	*1* *528* *529*	*0.021* *0.329*	*0.065*	*0.799*	*Insignificant*
Job Position	*Helper* *Operator* *Quality Control /Inspector* *Technical Assistant* *Supervisor*	*2.373* *2.366* *2.311* *2.381* *2.407*	*Between Groups* *Within Groups* *Total*	*0.312* *173.462* *173.774*	*4* *525* *529*	*0.078* *0.330*	*0.236*	*0.918*	*Insignificant*
Experience	*Up to 5 Years* *5-10 Years* *10-15 Years* *>15 Years*	*2.420* *2.336* *2.199* *2.329*	*Between Groups* *Within Groups* *Total*	*2.571* *171.203* *173.774*	*3* *526* *529*	*0.857* *0.325*	*2.633*	*0.049*	*Significant*

8 STRATEGIC IMPLICATIONS

Based on the theoretical review and observational study, strategic implications are drawn so as to enhance the implementation process as under:

- It has been observed that there is a significant difference among the viewpoint for financial inclusion among the different industries surveyed i.e. Automobile, Clothing, Shoe and Furniture. It is suggested that clothing factories should be promoted and financial awareness campaigns should be organized so as to make aware these industries.
- Post Offices should be used as a medium to create awareness among the people and financial services should be disbursed through post offices as a greater section of populace can be connected through post offices.
- It has been observed that Business Correspondents and Business Facilitators turns out to be the reliable source of communication for both bankers and workers therefore they should be used as a medium to organize financial literacy campaigns so that the people should be made aware at the ground level.
- It has been observed that the mean values for operability complexities are the highest therefore there should be specific training programmes for the bank employees before the full scale implementation of the scheme. There should be proper allocation of manpower for the proper facilitation of the financial inclusion schemes and proper infrastructure should be made available in order to implement the schemes and attention should be devised on improving the server connectivity issues in the banks.
- It has been observed that economic independence is the most crucial element of economic empowerment therefore opportunities to save and usage of credit facilities should be encouraged. Secured future prospects emerges as the greatest contributor under the construct social empowerment indicating security provided by savings, pension and insurance products reduced the level of stress.
- It has been observed that the mean values for better health and medical care construct are low indicating not much is done under the scheme to provide security about the health and care of the workers. Therefore, it has been suggested that various health related benefits should be disbursed directly to the DBT linked accounts of the beneficiary instead of any kind benefits.

9 LIMITATIONS AND FUTURE DIRECTIONS

The current study has succeeded in presenting the model related to impact of financial inclusion on industrial workers. It has been proved that the schemes were successful in boosting the socio-economic empowerment of the industrial

workers. Despite impressive findings of the study there are certain limitations of the study as under:

- The results are limited to geographical boundaries of Delhi and NCR which may limit the generalisation of the study.
- The information obtained from industrial workers may not be free from subjectivity.
- The study is limited to only three selected schemes as predictor of financial inclusion.
- The study is limited to four specific industrial segments.

These limitations can be assumed as the base to carry further research so as to explore newer dimensions and provide the government with better insights related to implementation of the schemes so that proper pilot study is conducted before initiating a scheme under a flagship programme. The study is cross sectional in nature but may be further extended to longitudinal data.

10 CONCLUSION

It has been posit that no country can realise its vision of becoming an economic behemoth until or unless the engine of growth is inclusive in nature. Growth will be jeopardised if it is not able to include those who are lying in the bottom of pyramid. Many a initiatives has been taken by the financial institutions to include these segments into the growth model but despite such concerted efforts unorganised sector has always remain aloof. Recently government has introduced three main key schemes in three consecutive years to link this section to the mainstream and the present study is a witness to the same that the schemes has turned fruitful for these segment but still there is a larger portion of workers who are unaware of the benefits paved for them therefore it is the crucial on the part of the banks to organise monthly literacy campaigns for the workers so that proper implementation takes place at ground level. Also, Business Correspondents have proven to play an effective role in connecting the millions to the financial sector. It is recommended that post offices should be used as an effective means to serve the unmet demands of the unserved segments.

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