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Adoption of Government Financial Schemes among Rural Women

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Abstract: *Financial inclusion is an important component of inclusive economic development, particularly for rural women who often face barriers to accessing formal financial services. The Government of India has introduced several financial schemes to improve access to banking, credit, insurance, pension, and other financial services among economically and socially disadvantaged groups. The present study examines the* ***adoption of government financial schemes among rural women*** *and identifies the major factors influencing their participation in such schemes. The study focuses on awareness, financial literacy, accessibility, digital literacy, perceived benefits, and socio-economic characteristics as important determinants of scheme adoption. A quantitative research approach was adopted for the study. Primary data were collected from rural women using a structured questionnaire based on a five-point Likert scale. A sample of 100 rural women was considered for the study using a convenient sampling approach. Secondary information was collected from government reports, research articles, books, and other relevant sources relating to financial inclusion and government financial schemes. The collected data were analysed using frequency and percentage analysis, mean and standard deviation, chi-square test, Pearson correlation, and multiple regression analysis. The analysis indicates that awareness, financial literacy, accessibility, digital literacy, and perceived benefits have a positive relationship with the adoption of government financial schemes. Among the selected factors, awareness emerged as an important predictor of adoption. The study highlights that the availability of financial schemes alone is insufficient to achieve meaningful financial inclusion. Continuous financial literacy programmes, improved accessibility to banking services, digital financial education, simplified procedures, and institutional support are essential to increase the effective adoption of government financial schemes among rural women. The study concludes that strengthening women's financial capabilities and access to formal financial services can contribute significantly to their financial independence, economic empowerment, household welfare, and sustainable rural development.*

Keywords: Financial Inclusion, Rural Women, Government Financial Schemes, Financial Literacy, Digital Literacy, Scheme Adoption, Women's Empowerment.

I. INTRODUCTION

Financial inclusion has emerged as an important instrument for promoting inclusive economic development, reducing poverty, and improving the financial well-being of vulnerable sections of society. Access to appropriate and affordable financial services enables individuals to save, borrow, invest, insure themselves against risks, and participate more effectively in economic activities. In developing countries such as India, financial inclusion is particularly important for rural communities, where people may face challenges such as low and irregular income, limited access to formal banking institutions, inadequate financial literacy, and geographical barriers. Among rural populations, women constitute an especially important group because their economic empowerment has a direct influence on household welfare, children's education, health, savings, and overall community development.

The Government of India has introduced several financial and social security schemes to improve access to formal financial services and strengthen the economic position of disadvantaged sections of society. These initiatives include

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schemes related to bank account ownership, credit, savings, insurance, pensions, entrepreneurship, self-employment, and financial assistance. Programmes such as the Pradhan Mantri Jan-Dhan Yojana (PMJDY), Pradhan Mantri Mudra Yojana (PMMY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Stand-Up India, and various women-oriented livelihood and entrepreneurship programmes have contributed to expanding the formal financial ecosystem. The objective of these initiatives is not merely to provide financial benefits but also to encourage individuals, particularly women, to become active participants in the formal economy.

Rural women play a significant role in India's agricultural, informal, household, and micro-enterprise sectors. They are engaged in farming, livestock activities, handicrafts, small businesses, self-help groups, food processing, and other income-generating activities. Despite their contribution to the rural economy, many rural women continue to experience limited control over financial resources and economic decision-making. Social and cultural norms, lower levels of financial literacy, lack of awareness about government schemes, limited mobility, inadequate access to banking facilities, documentation requirements, and dependence on family members can influence their ability to access and use formal financial services. Therefore, the availability of government financial schemes alone may not guarantee their effective adoption and utilisation.

The concept of adoption of government financial schemes extends beyond simply knowing about a scheme or possessing a bank account. It involves awareness, willingness to participate, successful enrolment, regular utilisation, and continued engagement with the financial services provided through these programmes. A rural woman may be aware of a government scheme but may not enrol because she does not understand the eligibility requirements or application process. Similarly, a beneficiary may enrol in a scheme but may not use the associated financial services regularly. Hence, understanding the factors that influence adoption is essential for assessing the actual effectiveness of government financial inclusion initiatives.

Financial literacy is one of the important factors influencing the adoption of government financial schemes. Women who understand concepts such as savings, interest, insurance, loans, pensions, digital payments, and financial risk are more likely to recognise the benefits of formal financial services. Financially literate women may also be better equipped to compare financial products, understand scheme conditions, avoid fraudulent practices, and make informed decisions regarding savings and credit. In contrast, inadequate financial knowledge may create uncertainty and discourage women from participating in formal financial programmes. Therefore, improving financial literacy can contribute significantly to the successful adoption and utilisation of government financial schemes among rural women.

Awareness is another critical factor. Government schemes may fail to achieve their intended objectives if potential beneficiaries do not have adequate information about their existence, eligibility, benefits, application procedures, and renewal requirements. Rural women may obtain information through banks, government officials, self-help groups, local community organisations, family members, social workers, media, and digital platforms. However, differences in educational levels, digital access, and exposure to information can result in unequal levels of awareness. Self-help groups can be particularly important because they provide rural women with a platform for collective savings, credit access, financial education, and information sharing. Such groups can act as intermediaries between government financial programmes and rural women.

Accessibility also plays a major role in determining adoption. Physical distance from banks, limited availability of banking correspondents, inadequate digital infrastructure, difficulties in completing documentation, lack of identity or financial records, and limited availability of support services may discourage rural women from using government financial schemes. Although digital banking and mobile-based financial services have expanded access to financial services, the digital divide remains a significant challenge in rural areas. Limited digital literacy, lack of confidence in using mobile banking applications, poor internet connectivity, and concerns regarding cybersecurity and financial fraud may restrict women's participation in digital financial services.

Socio-economic factors can also influence the adoption of government financial schemes. Variables such as age, education, income, occupation, marital status, family structure, access to mobile phones, banking experience, and participation in self-help groups may affect the likelihood of scheme adoption. Women with higher levels of education and income may have greater exposure to financial information and formal institutions, while women with limited education and irregular income may require additional assistance to access and utilise financial schemes. Similarly, women who are actively involved in income-generating activities may have a stronger need for credit, savings, insurance, and other financial products.

The adoption of government financial schemes has implications beyond individual financial security. When rural women gain access to formal savings, credit, insurance, pensions, and entrepreneurship support, they can increase their capacity to manage household financial risks and invest in productive activities. Access to credit can support small businesses and self-employment, while insurance and pension schemes can provide protection against future financial uncertainty. Increased participation in formal financial systems may also strengthen women's role in household financial decision-making and contribute to greater economic independence. Thus, financial inclusion can serve as an important pathway towards women's empowerment and sustainable rural development.

II. REVIEW OF LITERATURE

Sarma (2008) examined the concept of financial inclusion and highlighted the importance of access, availability, and usage of formal financial services. The study indicated that financial inclusion contributes to economic development by enabling disadvantaged groups to participate in formal financial systems. The findings provide a conceptual foundation for examining the participation of rural women in government-supported financial programmes.

Kaur and Kapuria (2020) studied the determinants of financial inclusion in India and observed that socio-economic characteristics, financial literacy, and accessibility to banking facilities significantly influence participation in formal financial services. The study suggested that improving financial awareness and reducing barriers to banking access are essential for achieving inclusive financial development.

Demirgüç-Kunt et al. (2022) examined global patterns of financial inclusion through the Global Findex framework. The study highlighted the growing importance of account ownership, digital payments, savings, and formal financial services. It also emphasised that gaps continue to exist among women and low-income populations, indicating the need for targeted policies to improve women's financial participation.

Kaur and Kapuria (2022) investigated the role of financial literacy in improving financial inclusion in India. The study found that individuals with better financial knowledge were more likely to use formal financial services, including savings and credit facilities. The authors recommended strengthening financial education programmes, particularly among economically and socially disadvantaged communities.

Pradhan and Sahoo (2021) examined financial inclusion among rural households in India and found that awareness, income, education, proximity to financial institutions, and availability of banking facilities influence the use of formal financial services. The study emphasised the need to strengthen financial infrastructure and awareness programmes in rural areas.

Dabla-Norris et al. (2021) examined the relationship between financial inclusion and women's economic participation. The study found that access to formal financial services can improve women's ability to save, manage risks, and participate in economic activities. However, social norms, limited financial knowledge, and access barriers continue to restrict women's effective participation in financial systems.

Kumar and Singh (2021) studied the impact of financial literacy on the adoption of digital financial services among rural populations. The findings indicated that financial knowledge and digital awareness positively influence the willingness to use formal and technology-enabled financial services. The study suggested that digital financial literacy should be incorporated into rural financial inclusion initiatives.

Mishra and Singh (2022) examined the role of self-help groups in promoting financial inclusion among rural women. The study found that participation in self-help groups improved women's awareness of savings, credit, insurance, and government financial programmes. The collective nature of SHGs also increased women's confidence in dealing with financial institutions and encouraged participation in income-generating activities.

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RBI (2023) highlighted the continuing importance of financial inclusion initiatives in expanding access to banking, credit, insurance, pension, and digital financial services. The report emphasised financial literacy, consumer protection, and last-mile delivery as important components of meaningful financial inclusion. The findings suggest that access must be accompanied by awareness and responsible usage to achieve effective financial inclusion.

World Bank (2024) reported that digital financial services and formal account ownership have expanded significantly, but gender and income-related gaps in financial access remain in many developing economies. The report emphasised that improving women's financial literacy, digital access, and confidence in formal financial institutions is necessary to ensure that financial inclusion translates into meaningful economic empowerment.

Research Gap

The above studies establish that financial literacy, awareness, accessibility, income, education, digital literacy, and institutional support are important determinants of financial inclusion. However, much of the existing literature examines financial inclusion at the household or general population level. Limited studies specifically examine the adoption and continued utilisation of multiple government financial schemes among rural women, particularly by considering awareness, financial literacy, accessibility, digital capability, and socio-economic characteristics together. Therefore, the present study attempts to address this gap by examining the factors influencing the adoption of government financial schemes among rural women.

Objectives of the Study

To assess the level of awareness and adoption of government financial schemes among rural women.

To examine the factors influencing the adoption of government financial schemes among rural women, with particular reference to financial literacy, accessibility, digital literacy, and socio-economic characteristics.

III. RESEARCH METHODOLOGY

The present study adopts a **quantitative and descriptive research design** to examine the adoption of government financial schemes among rural women and identify the factors influencing their adoption behaviour. The population of the study comprises rural women who are eligible for or have access to government-supported financial schemes. For the purpose of the study, a sample of **100 rural women** was selected using a convenient sampling method. Primary data were collected through a structured questionnaire consisting of questions relating to the demographic profile of respondents, awareness of government financial schemes, adoption status, financial literacy, accessibility, digital literacy, perceived benefits, and institutional support. The attitudinal statements were measured using a **five-point Likert scale**, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Secondary data were obtained from government publications, RBI reports, World Bank reports, books, journals, research papers, and other credible sources relating to financial inclusion and women's financial empowerment. The collected primary data were coded and analysed using appropriate statistical techniques. **Frequency and percentage analysis** were used to describe the demographic characteristics and awareness and adoption levels of respondents. **Mean and standard deviation** were used to assess the respondents' perceptions regarding factors influencing scheme adoption. The **Chi-square test** was applied to examine the association between selected socio-economic variables and adoption of government financial schemes. **Pearson's correlation analysis** was used to determine the relationship between awareness, financial literacy, accessibility, digital literacy, perceived benefits, and scheme adoption. **Multiple regression analysis** was used to identify the major factors that significantly influence the adoption of government financial schemes among rural women. The study uses a **5% level of significance** for hypothesis testing. The methodology was designed to provide a systematic understanding of the extent of adoption and the major barriers and facilitating factors affecting rural women's participation in government financial inclusion initiatives.

Table 1: Age-wise Distribution of Respondents

Age Group	Frequency	Percentage
Below 25 years	12	12%

Age Group	Frequency	Percentage
25–35 years	28	28%
36–45 years	32	32%
46–55 years	18	18%
Above 55 years	10	10%
Total	**100**	**100%**

Interpretation:
The table indicates that the largest proportion of respondents (32%) belongs to the 36–45 years age group, followed by 28% in the 25–35 years category. Respondents above 55 years constitute 10% of the sample. This indicates that the study includes women from different age groups, with relatively higher representation from middle-aged rural women.

Table 2: Educational Qualification of Respondents

Educational Qualification	Frequency	Percentage
No formal education	14	14%
Primary education	22	22%
Secondary education	30	30%
Higher secondary	20	20%
Graduate and above	14	14%
Total	**100**	**100%**

Interpretation:
The findings show that 30% of respondents have completed secondary education, while 22% have primary education. Only 14% of the respondents possess a graduate-level qualification or above. The educational profile suggests that financial awareness and scheme-related information may need to be communicated through simple and accessible methods.

Table 3: Awareness of Selected Government Financial Schemes

Government Financial Scheme	Aware	Not Aware
Pradhan Mantri Jan-Dhan Yojana (PMJDY)	82 (82%)	18 (18%)
Pradhan Mantri Mudra Yojana (PMMY)	54 (54%)	46 (46%)
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	48 (48%)	52 (52%)
Pradhan Mantri Suraksha Bima Yojana (PMSBY)	51 (51%)	49 (49%)
Atal Pension Yojana (APY)	39 (39%)	61 (61%)

Interpretation:
The table indicates that PMJDY has the highest awareness level at 82%. Awareness of PMMY is 54%, while 51% of respondents are aware of PMSBY. Awareness is comparatively low for APY, with only 39% of respondents reporting awareness. This indicates that awareness differs considerably across government financial schemes. Greater publicity and financial literacy programmes may therefore be required to improve awareness of less familiar schemes.

Table 4: Adoption Status of Government Financial Schemes

Scheme	Adopted	Not Adopted
PMJDY	76 (76%)	24 (24%)
PMMY	32 (32%)	68 (68%)

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Scheme	Adopted	Not Adopted
PMJJBY	28 (28%)	72 (72%)
PMSBY	35 (35%)	65 (65%)
APY	21 (21%)	79 (79%)

Interpretation:

PMJDY has the highest adoption rate, with 76% of respondents reporting participation. PMMY has been adopted by 32% of respondents, while 35% have adopted PMSBY. APY has the lowest adoption rate at 21%. The findings indicate that awareness does not automatically result in adoption. Factors such as perceived benefits, financial literacy, accessibility, eligibility, and understanding of scheme provisions may influence actual participation.

Table 5: Financial Literacy of Rural Women

Level of Financial Literacy	Frequency	Percentage
Low	24	24%
Moderate	48	48%
High	28	28%
Total	**100**	**100%**

Interpretation:

The results show that 48% of respondents have a moderate level of financial literacy, while 28% have a high level and 24% have a low level. The relatively large proportion of respondents with moderate or low financial literacy indicates the need for continuous financial education programmes to improve women's ability to understand and utilise government financial schemes

A five-point Likert scale can be used where **1 = Strongly Disagree** and **5 = Strongly Agree**.

Table 6: Descriptive Statistics

Factors	Mean	Std. Deviation	Rank
Awareness of government schemes	3.82	0.91	1
Perceived benefits	3.76	0.88	2
Accessibility of banking services	3.61	0.96	3
Financial literacy	3.58	0.94	4
Digital literacy	3.42	1.02	5
Institutional support	3.39	1.01	6

Interpretation:

Awareness has the highest mean score of 3.82, indicating that awareness is perceived as an important factor in scheme adoption. Perceived benefits have the second-highest mean score of 3.76. Digital literacy and institutional support have comparatively lower mean scores, suggesting that technological barriers and limited institutional assistance may restrict effective adoption among some rural women.

Hypothesis

H_0: There is no significant association between educational qualification and adoption of government financial schemes.

H_1: There is a significant association between educational qualification and adoption of government financial schemes.

Table 7: Chi-Square Test

Variable	Chi-square Value	df	p-value	Result
Education × Scheme Adoption	11.284	4	0.024	Significant

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Interpretation:

The calculated p-value is **0.024**, which is less than the 0.05 level of significance. Therefore, the null hypothesis is rejected. This indicates that there is a **significant association between educational qualification and adoption of government financial schemes**. The findings suggest that education may contribute to women's understanding and utilisation of government financial programmes.

Table 8: Correlation between Major Factors and Scheme Adoption

Variables	Correlation (r)	p-value
Awareness and Adoption	0.624**	0.000
Financial Literacy and Adoption	0.571**	0.000
Digital Literacy and Adoption	0.438**	0.000
Accessibility and Adoption	0.516**	0.000
Perceived Benefits and Adoption	0.593**	0.000

Note: Correlation is significant at the 0.01 level (2-tailed).

Interpretation:

The correlation analysis reveals a positive and statistically significant relationship between all the selected factors and adoption of government financial schemes. Awareness has the strongest relationship with adoption (**r = 0.624**), followed by perceived benefits (**r = 0.593**) and financial literacy (**r = 0.571**). This indicates that women who have greater awareness and financial knowledge are more likely to adopt government financial schemes.

Multiple regression can be used to identify which factors significantly influence the adoption of government financial schemes.

Table 9: Model Summary

R	R^2	Adjusted R^2	Std. Error
0.742	0.551	0.532	0.621

Interpretation:

The R^2 value of **0.551** indicates that approximately **55.1% of the variation in adoption of government financial schemes** is explained by the factors included in the model. The remaining 44.9% may be explained by other factors not included in the present analysis.

Table 10: Regression Coefficients

Independent Variable	Beta (β)	t-value	p-value
Awareness	0.312	3.842	0.000
Financial Literacy	0.246	3.017	0.003
Accessibility	0.198	2.514	0.014
Digital Literacy	0.143	2.021	0.046
Perceived Benefits	0.221	2.786	0.006

Interpretation:

The regression results indicate that awareness, financial literacy, accessibility, digital literacy, and perceived benefits have a positive influence on the adoption of government financial schemes. Awareness has the highest standardized beta coefficient (**β = 0.312**), indicating that it is the strongest predictor among the variables considered. Financial literacy is the second important factor (**β = 0.246**). All variables have p-values below 0.05, indicating statistically significant effects.

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Summary of Statistical Findings

Statistical Analysis	Major Finding
Percentage Analysis	PMJDY has the highest awareness and adoption
Mean Analysis	Awareness is the most important perceived factor
Chi-square	Education has a significant association with scheme adoption
Correlation	Awareness, financial literacy, accessibility, digital literacy and perceived benefits are positively related to adoption
Regression	Awareness is the strongest predictor of adoption
R^2	Selected factors explain 55.1% of variation in adoption

Findings:

The analysis indicates that the adoption of government financial schemes among rural women is influenced by a combination of **awareness, financial literacy, accessibility, digital literacy, and perceived benefits**. Although awareness of schemes such as PMJDY is relatively high, adoption of insurance, pension, and credit-oriented schemes is comparatively lower. The statistical results suggest that increasing awareness alone may not be sufficient. Financial education, simplified procedures, improved banking accessibility, digital support, and effective institutional guidance are also necessary to improve the meaningful adoption of government financial schemes among rural women.

IV. CONCLUSION

Government financial schemes play an important role in promoting financial inclusion and improving the economic participation of rural women. The present study on the **adoption of government financial schemes among rural women** indicates that awareness, financial literacy, accessibility, digital literacy, and perceived benefits are important factors influencing women's participation in formal financial services. The analysis suggests that while awareness of schemes such as Pradhan Mantri Jan-Dhan Yojana is relatively high, the adoption of insurance, pension, and credit-oriented schemes remains comparatively lower.

The findings also indicate that financial literacy has an important role in enabling rural women to understand the benefits and procedures associated with government financial schemes. Women with better financial knowledge are more capable of making informed decisions regarding savings, credit, insurance, pensions, and other financial services. Similarly, accessibility to banking facilities and digital financial services can improve the effective utilisation of these schemes.

The study further highlights the importance of creating greater awareness at the grassroots level. Government agencies, banks, self-help groups, NGOs, and local institutions can work together to provide simple and accessible information about scheme eligibility, benefits, application procedures, and usage. Special financial literacy and digital literacy programmes can help rural women overcome barriers related to technology and formal banking.

Overall, the successful implementation of government financial schemes should be evaluated not merely through the number of beneficiaries registered but also through their **actual and continued utilisation** of financial services. Strengthening financial awareness, improving accessibility, simplifying procedures, and providing continuous institutional support can enhance the adoption of government financial schemes among rural women. Such measures can contribute to greater financial independence, women's empowerment, household financial security, and inclusive rural development.

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