

8 → The increase in use of digital payments in the country shows central government success in enabling financial inclusion. Do you agree with this view? Analyze.

financial inclusion is defined as, availability & access to financial services by all classes & groups of citizens. In past 6 years the central government has undertaken many measures to improve financial inclusion.

Government Efforts

- JAM-trinity or Jan dhan - Aadhar - Mobile

↳ More than 42 cr bank accounts opened & they have around 50000cr deposits in it.

- Digital India

↳ Access to digital services including internet to all parts of our country, especially rural areas.

- Launch of Digital payments system such as BHIM UPI. In 2020, more than 200 cr transactions were happening through UPI system.

- Mandatory ~~DBT~~ Direct benefit transfer (DBT) of subsidies, such as fertilizer subsidy, MSP, etc.
- MUDRA Yojana
 - ↳ More than 29 Crore transactions worth ₹15 Lac Crore have been sanctioned

Impact

- Attitudinal & Behavioral change in people regarding use of Banking services
- Access to Credit has improved.
- Plugging leakages due to Corruption
 - ↳ DBT saved around ₹1.7 Lac crore b/w 2015-2019.
- Women empowerment
 - ↳ $\frac{1}{3}$ of bank account holders under Jan-Dhan scheme are women.

- During Pandemic, due to lockdowns, citizens & governments were able to quickly transfer funds without leaving paper trail or actual interaction.
- Boosted Transparency & Accountability

Issues

- Digital Divide
 - Rural - Urban
 - Rich - Poor.
 - Male - Female
- ↳ Internet connectivity varies drastically from region to region. Around 42% urban households & ^{only} 14% rural households have access to internet.
- ↳ States like Maharashtra, Karnataka are much ahead ~~by~~ states like Odisha, Chattisgarh.
- ↳ Only 21% of women in India are mobile Internet users while 42% of men have access.

Way forward

- Issue of Privacy, Security & Bank & online frauds.

Way forward

- PM-WANI scheme should be implemented efficiently & comprehensively.
- Speed up Bharatnet.