EMERGING ROLE OF INDIAN POST IN FINANCIAL INCLUSION AND SOCIO-ECONOMIC EMPOWERMENT

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ABSTRACT

Financial inclusion is the apparatus of ensuring access to financial services along with timely and adequate credit whenever needed by the vulnerable groups at an affordable cost. India, a growing economy has special significance of financial inclusion as it brings large disadvantaged sections of the society under financial ambit. Post offices as banks offered a trustworthy and extensive network that was directly accessible to scattered rural communities. This access to financial services generates income, decreases social-economic disparities, creates financial assets, promotes area development and provides new work opportunities across all sectors and sections of the economy. The present study is an attempt to assess the effectiveness of Indian post in financial inclusion and social & economic empowerment in Jammu division of Jammu & Kashmir State. Both primary and secondary data were used for conducting study. For primary data questionnaires were distributed to draw response from beneficiaries of post offices, 750 responses derived, giving the response rate of 71.42%. Secondary data were collected using internet, journals and related annual reports of the institutions. Raw data from 750 respondents was purified using EFA, CFA and SEM. It is suggested to ease the procedure of obtaining savings & insurance products and revise the limit of interest from time to time so as to meet the basic necessities of life and improve the socio-economic conditions of the beneficiaries.

KEYWORDS: Financial Inclusion, Social Empowerment, Economic Empowerment, Indian Post, Financial Services.

INTRODUCTION

The problem of financial exclusion varies widely across countries and is especially pronounced between developed and developing countries (Gandhi, 2013). With the progress of the Indian economy, especially when the focus is on the achievement of sustainable development, there must be an attempt to include maximum number of participation from all the sections of the society. Financial inclusion enables improved and better sustainable economical and social development of the country (Singh, 2014).

It helps in the empowerment of the underprivileged, poor and women of the society with the mission of making them self-sufficient and well informed to take better financial decisions. Financial inclusion takes into account the participation of vulnerable groups such as weaker sections of the society and low income groups, based on the extent of their access to financial services such as savings and payment account, credit insurance, pensions etc. The penetration of financial services in the rural areas of India is still very low (Mittal et al., 2014). The Post Office of India has evolved from an institution of 'Communication' in the nineteenth and twentieth century's to an important 'Financial' institution of the early twenty-first century. In 2014, Indian Post (the new name of the Post Office of India) generated 60 per cent of its revenues from financial services offered through the largest postal network in the world consisting of over 155,000 post offices, 90 per cent of which were located in rural areas (Tumbe, 2015).

OBJECTIVE OF THE STUDY

Financial inclusion has gained increasing prominence in the past few years as national policy initiative for balanced regional & area development, policy guidelines of RBI to banking institutions, post offices and others in the development field. Accordingly, the present study has been undertaken with the following objectives to identify the emerging role of Indian post in financial inclusion and socio-economic empowerment and to unearth the barriers/challenges faced by the Indian post. Further, to suggest measures to bring more people within the ambit of financial inclusion and ensuring their overall empowerment.

CONCEPTUAL FRAMEWORK

Financial Inclusion

Financial inclusion is access to finance & financial services for all in a fair, transparent and equitable manner at an affordable cost (Sarma, 2008 and Solo, 2008). Murari & Didwania (2010) denotes it as a, delivery of financial services at an reasonable cost to the vast sections of the disadvantaged and low-income groups including households, enterprises, SMEs, traders and bringing the weaker & vulnerable sections of society within the ambit of the organised financial system. It creates conditions for access to timely & adequate credit and other financial services by vulnerable groups at affordable cost. In other words, financial inclusion is access, usage and availability of financial services from formal financial institutions.

- ❖ Access: It refers to the ability to use available financial products and services from the formal institutions. It provides an insight and analysis of potential barriers to opening and using of bank accounts such as cost, physical proximity of bank branches, etc.

❖ Availability: It is described as services which bank is providing. It includes services such as loan, overdraft, insurance, passbook, debit card, etc.
❖ Usage: It is related to regularity, frequency and length of time used. It focuses on the depth and extent of financial service or product.

Economic Empowerment

It refers to the sustained, concerted efforts of policy makers & community to promote the standard of living & economic health in a specific area. It is the process which increases beneficiaries' real power over economic decisions that influence their lives and priorities in society.

Social Empowerment

Empowerment in general refers to the process of change that gives an individual the ability to gain access to the resources they need while also gaining the ability to influence the wider policy, regulatory and institutional environment that shapes their livelihoods and lives. Social empowerment in particular means an improvement of the social status and living standard of the beneficiaries. It reflects the income security, housing security, improved housing conditions & hygiene, security of health and social reputation.
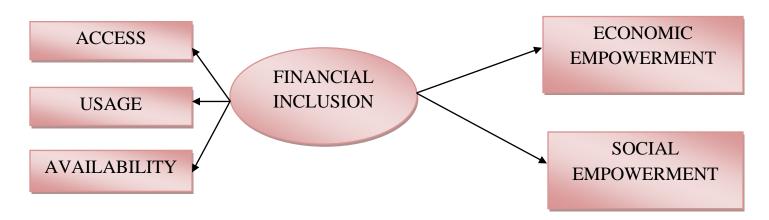
HYPOTHESES DEVELOPMENT

The proposed study would examine and verify the following hypotheses formulated on the basis of literature reviewed:

Building an inclusive financial system is a complex process. A comprehensive approach to financial inclusion addresses atleast three aspects: access to financial services & products, usage of financial services & products, availability of financial services & products and quality of financial services & products defined by consumer ability to benefit from new financial services & products and linked to consumer protection and financial capability (Molyneux et al., 2005; Levine, 1997 and Sarma & Pais, 2010). Through expanded access, consumers are able to adopt new financial services & products from formal institutions. Actions to expand financial access can first identify potential barriers faced by institutions to reach lower-income and underserved customers and then catalyse or implement measures to address these barriers (Beck et al., 2007; Kempson & Whyley, 1999a and Kempson & Whyley, 1999b). Financial inclusion is a tool for empowering financial users (Reyes et al., 2011). It lays impact on achieving economic and social empowerment (Jha, 2008 and Barik, 2009). Financial inclusion increases the economic opportunities for the poor & low income people, which lead towards positive result in social progress, economic development, economic empowerment and social/political/legal empowerment (Mayoux, 1999; Ali & Hatta, 2012 and Mishra, 2012). Financial inclusion is the key to empowerment of poor, underprivileged and low skilled rural households (Jha, 2008; Barik, 2009 and Ranganath

& Rao, 2011). To improve the financial condition and living standard of the poor & disadvantaged classes, efforts on financial inclusion need to be stressed leading a thrust on empowerment of the common person and marginal income groups in the lower strata of the society (Jha, 2008; Barik, 2009 and Reyes et al., 2011). Financial inclusion provides monetary fuel for economic development & is considered critical for achieving inclusive growth (Barik, 2009). Financial development also promotes economic development (NABARD, 2009 and Klapper et al., 2004). Macroeconomic evidence indicates that well developed financial systems have a strong positive impact on economic development over long time periods (Thorsten, 2007 and Cull, 2012). Financial inclusion is a key factor in shaping the growth process of the economy (Arputhamani & Prasannakumari, 2011). Financial inclusion results in achieving economic and social empowerment (Barik, 2009) which have a significant positive impact on economic development of the country (Prakash & Chandarsekar, 2012). Economic empowerment combined with similar financial inclusion enables the downtrodden in the rural areas to become self reliant and obtain financial independence and freedom so that they can play an active role in the process of development. Financial inclusion through micro finance, laid the seeds for area development because an all round economic development depends upon area development (Das et al., 2008). Banking the 'unbankable' through financial inclusion is a valuable contribution to the development planning as it presents an alternative way to development (Arputhamani & Prasannakumari, 2011). Therefore, it is hypothesised that

H1: All the dimensions namely access, usage and availability significantly predicts to financial inclusion.

H2: Financial inclusion has direct impact on economic empowerment.

H3: Financial inclusion has direct impact on social empowerment.

PROPOSED RESEARCH MODEL

RESEARCH CONTEXT – INDIAN POST (POST OFFICES) SECTOR

Post offices play a leading role in advancing financial inclusion. Out of 1.5 billion users of postal financial services in the world, 400 millions are holders of a postal (bank) account, 300 millions of which located in developing or emerging countries (Anson and Toledano, 2010). As the world moves towards a global economy, fast and prompt money remittances would be needed for creating efficient markets, sustainable economic relationships and economic development (Kaul, 2002). Post offices as banks offered a trustworthy and extensive network that was directly accessible to scattered rural communities (Ernesto, 2009). Though it has been established for communication purposes, it has ventured into various financial services also. Indian Post has been considered to be the backbone of India's communication network for the last 150 years. Through its network of 1,54,866 post offices, it reaches every citizens by way of mail, insurance, money transfer, savings, banking or retail financial services. The role played by the postal department in financial inclusion is commendable and is twice as large as the outreach of all the commercial banks (Report of Expert Committee on harnessing the Indian Post network for financial inclusion, 2010).

RESEARCH METHODOLOGY

In order to make study more accurate and objective, the following steps have been taken:

Sample

Data was collected from the customers of Indian post of Jammu division of Jammu and Kashmir State, who have saving and insurance accounts with the post offices. The pretesting is done on 100 customers of Indian post from 10 districts of Jammu division of Jammu and Kashmir State. Out of 1050 questionnaires distributed using snowball sampling technique, a total of 750 questionnaires were received and response rate came out to be 71.42%percent.

Generation of Scale Items

The items that are used in the study have been developed through review of literature and deliberations with the subject experts. The financial inclusion scale which comprises of access, usage and availability was generated from Sarma & Pais, 2008; Kumar, 2011 and Gupte et al., 2012. Barik, 2009; Kumar & Sharma, 2011; Arputhamani & Prasannakumari, 2011 and Cnaan et al., 2011 were consulted for developing scale of social empowerment and economic empowerment.

Initially a detailed questionnaire is prepared covering all the aspects of financial inclusion, social empowerment and economic empowerment. Finally after discussing with experts and concerned peoples a refined questionnaire is framed which consist of 80 items with 44 items of financial inclusion (17 items of access, 18 items of usage and 9

items of availability), 25 items of social empowerment and 11 items of economic empowerment. Hence this helped in formation of content validity.

DATA ANALYSIS

Descriptive Statistics

Before analysing the data, the response score for negative items are reserved. Twenty four outliers were identified and subsequently removed from the sample of 750 respondents making effective sample size of 726 respondents. The results of normal probability plots that are observed values are close to the straight diagonal line and no point is strayed outside, which further indicates that data are normally distributed. Moreover, the skewness and kurtosis tests suggest that majority of the values are within the acceptable range. This further confirms that the data is normally distributed. The data purification and finalisation is done using EFA and CFA. These stages are explained as under.

FIRST STAGE: EFA RESULTS

Access: The suitability of raw data for factor analysis obtained from post office customers is examined through KMO value, Bartlett test of sphercity and p-value = 0.000, indicating sufficient common variance and correlation matrix (Dess et al., 1997 and Field, 2000). The process of R-mode principal component analysis (PCA) with Varimax rotation brought the construct to the level of 9 statements out of 17 statements originally kept in the domain of access. The KMO value (0.906) and Bartlett test of sphercity (2986.617) indicates acceptable and significant values. Therefore, factor loading in the final factorial design are consistent with conservative criteria, thereby resulting into two factor solution using Kaiser criteria (i.e. eigen value ≥ 1) with 67.60% of the total variance explained. The communality for 9 items ranges from 0.558 to 0.806 indicating moderate to high degree of linear association among the variables. The factor loading ranges from 0.633 to 0.845 and the cumulative variance extracted ranges from 35.17 to 67.60 percent. A brief description of factors emerged are as under:

Factor 1 (Information accessibility)

This factor consists of seven items namely, 'The Post office is conveniently located', 'The employees are easily accessible when needed', 'Post office is easily approachable', 'Post office is easily approachable in case of emergencies', 'You have easy access to the information that is useful', 'Employees of post office are cooperative, friendly and knowledgeable' and 'Employees possess sufficient information'. The mean values varied between 3.44 - 3.84, factor loading between .650 - .816 and communalities from .569 - .806. This factor highlights that accessibility of post office representatives & officials, information, cooperative behaviour is must for success of financial inclusion.

Factor 2 (Approachability)

The items, 'This is the only post office in your area' and 'As compared to other banks, post office is nearest to you' are taken into consideration by this factor which supports the items with significant mean values 4.12 & 4.29, high factor loading values .845 & .811 and communalities with values .741 & .710 respectively. On the whole, all items significantly contribute towards this factor.

Availability: The suitability of raw data for factor analysis obtained from post office customers is examined through Anti-image, KMO value, Bartlett test of sphercity and p-value = 0.000, indicating sufficient variance and correlation matrix (Dess et al., 1997 and Feild, 2000). The process of R-mode principal component analysis (PCA) with Varimax rotation extracted 6 statements out of 18 statements which are actually kept in the construct of availability. The KMO value (.770) and Bartlett test of sphercity (2170.576) indicates highly acceptable and significant values. Therefore, factor loadings in the final factorial design are consistent with conservative criteria, thereby resulting into two factor solution using Kaiser criteria (i.e. eigen value ≥ 1) with 72.56% of the total variance explained. The communalities for 6 statements range from .546 to .918, indicating high degree of linear association among the variables. The factor loading ranges from .616 to 0.944 and the cumulative variance extracted ranges from 29.516 to 72.562 percent. A brief description of factors emerged are as under:

Factor 1 (Support & assistance)

This factor comprised of four items specifically, 'Help desk/assisting staff is available for filling withdrawal/deposit form', 'Fieldworkers promotes various schemes of post office', 'Infrastructure is as per the requirements of the customers' and 'Post office follows quick problem solving approach'. The mean values for the items fluctuate between 2.87 to 3.52 representing moderate position. The factor loadings ranges between .616 - .757 and communalities from .546 - .589. The factor depicts that post offices should not only focus on making various products & services available but due consideration be given for lending helping hand to the customers.

Factor 2 (Promotion)

The two items falling under this factor consisted of 'Employee's are helpful in making information available regarding new schemes' and 'New post office schemes are advertised frequently'. The two variables factor loading values are .890 & .880 and communalities .812 & .792 respectively which reveals that the variables significantly and positively contributes to the factor. Beneficiaries strongly perceive that information about the new schemes be advertised frequently.

Usage: The suitability of raw data for factor analysis obtained from post office customers is examined through Anti-image, KMO value, Bartlett test of sphercity and (p-value = 0.000), indicating sufficient variance and correlation matrix (Dess et al., 1997 and Feild, 2000). The process of R-mode principal component analysis (PCA) with Varimax rotation extracted 6 statements out of 9 statements which are actually kept in

the construct of usage. The KMO value (.677) and Bartlett test of sphercity (708.037) indicates acceptable and significant values. Therefore, factor loadings in the final factorial design are consistent with conservative criteria, thereby resulting into two factor solution using Kaiser criteria (i.e. eigen value ≥ 1) with 67.78% of the total variance explained. The communalities for 6 statements range from .522 to .739, indicating high degree of linear association among the variables. The factor loading ranges from .652 to .856 and the cumulative variance extracted ranges from 35.96 to 65.78 percent. A brief description of factors emerged are as under:

Factor 1 (General usage)

This factor envisages three items focussing upon 'You frequently use saving facilities of the post offices', 'Advance schemes of post office are frequently used by you' and 'You are using post office for the repayment of loan'. The mean values for the aforesaid items ranges between1.66 - 2.03. The factor loadings and communalities exhibited significant values. This factor emphasises on not merely opening of account but on its usage as well. Accounts opening under this scheme must be operated, used for availing credit facilities, repayment of loans, etc.

Factor 2 (Specific usage)

The three variables included in this factor are 'You are using post office for depositing money', 'You are using post office services, because interest charged by the post office on advance is economical than charged by the moneylender' and 'You are a regular visitor of the post' signifying mean values between (3.46 - 3.99), factor loadings (.652 - .831) and communalities (.522 - .692). Beneficiaries recognise that frequent visits are necessary for effective implementation of financial inclusion scheme.

Social Empowerment: The suitability of raw data for factor analysis obtained from post office customers is examined through Anti-image, KMO value, Bartlett test of sphercity and (p-value =

0.000), indicating sufficient variance and correlation matrix (Dess et al., 1997 and Feild, 2000). The process of R-mode principal component analysis (PCA) with Varimax rotation extracted 14 statements out of 25 statements which are actually kept in the construct of social empowerment. The KMO value (.803) and Bartlett test of sphercity (3406.412) indicates acceptable and significant values. Therefore, factor loadings in the final factorial design are consistent with conservative criteria, thereby resulting into four-factor solution using Kaiser criteria (i.e. eigen value ≥ 1) with 69.54% of the total variance explained. The communalities for 14 statements range from .526 to .870, indicating high degree of linear association among the variables. The factor loading ranges from .509 to 0.925 and the cumulative variance extracted ranges from 29.425 to 69.539 percent. A brief description of factors emerged are as under:

Factor 1 (Creditworthiness)

It contained seven variables namely, 'FI has changed your personality & life style', 'You are socially more developed after being covered under FI drive', 'FI has made you socially more reputed', 'FI has led to improved hygiene & education', 'FI improved your health & household hygiene', 'FI has increased your confidence level' and 'FI enhanced your confidence level, business relation & reduced family crisis & social violence' represents average mean values fluctuating between 3.29 - 3.76 but identifies significant factor loadings (.602 - .837) and communalities (.526 - .730). The factor accentuates that positive change in personality & lifestyle, individual development, improved hygiene and building confidence is necessary for social empowerment.

Factor 2 (Liberation)

This factor encompasses of only two items namely, 'You are free to move to any NGO or any other for any kind of help & support' and 'You are free to move to any SHG or any other for any kind of help & support' with low mean values 1.54 & 1.62, high factor loadings .925 & .922 and communalities .881 & .870 respectively. This factor stresses on free movement of beneficiaries to anywhere for availing any sort of financial help.

Factor 3 (Awareness)

This factor includes two items that is, 'You avail those special schemes that are offered by the government' and 'You are aware about all special schemes that are offered by the government' which exhibits mean values 2.06 & 2.95, factor loadings .849 & .800 and communalities .816 & .784 respectively. This factor believes that awareness about various available schemes is imperative for social empowerment.

Factor 4 (Grievances)

The final factor envisages three items, 'You made complaints to authorities regarding the delivery of financial services', 'Your response and feedback is always appreciated regarding any financial issue' and 'You can bring any change in the society easily' with low mean values (2.37 - 3.37), factor loadings (.509 - .866) and communalities (.535 - .802). This factor underlines that all items moderately to significantly contribute to the construct.

Economic Empowerment: The suitability of raw data for factor analysis obtained from post office customers is examined through Anti-image, KMO value, Bartlett test of sphercity and p-value = 0.000, indicating sufficient variance and correlation matrix (Dess et al., 1997 and Feild, 2000). The process of R-mode principal component analysis (PCA) with Varimax rotation extracted 9 statements out of 11 statements which are actually kept in the construct of economic empowerment. The KMO value (.901) and Bartlett test of sphercity (2534.429) indicates acceptable and significant values. Therefore, factor loadings in the final factorial design are consistent with conservative criteria, thereby resulting into two-factor solution using Kaiser criteria (i.e. eigen value ≥ 1) with 67.87% of the total variance explained. The communalities for 9 statements range from .529 to .779, indicating moderate degree of linear association among the

variables. The factor loading ranges from .639 to 0.846 and the cumulative variance extracted ranges from 46.768 to 67.873 percent. A brief description of factors emerged are as under:
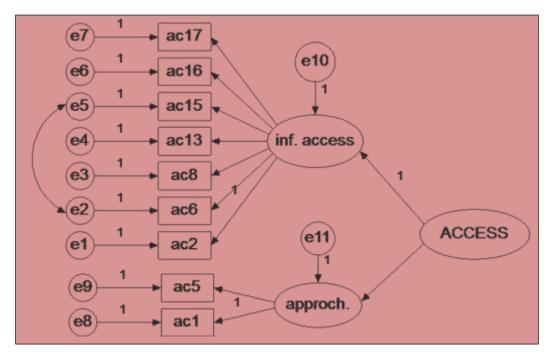
Factor 1 (Stability)

It comprises of seven items, 'FI has prepared you for emergencies', 'FI has increased your purchasing power', 'You have enough savings to meet any contingent situation', 'FI has raised your living standard', 'FI enabled your children to get better education', 'FI has reduced your need to borrow money or goods' and 'FI enhanced your source of income'. The items attained mean values between 3.24 - 3.79, significant factor loadings .639 - .846 and communalities .529 - .779. This factor indicates that preparedness for emergencies, enhanced purchasing power, raised living standard, ability to face contingent situation are main components of economic empowerment.

Factor 2 (Employability)

Two items included in this factor are 'FI created new employment opportunities' and 'FI directly effects capital formations & technological investment'. The mean values identified are 2.63 & 2.27, factor loadings as .830 & .751 and communalities .702 & .598 respectively. This factor believes that new employment opportunities and increased technological investment make beneficiaries financially sound and empowered.
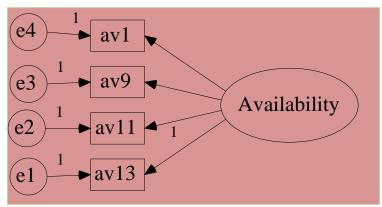
SECOND STAGE CFA RESULTS

Access: The CFA results show that the factor comprising of twelve items at the stage of EFA were now compressed to nine items clubbed into two factors namely information accessibility and approachability. One modification between e2 and e5 was introduced to get better results and after modification, the indices are x^2/df = 1.767, RMR= .051, GFI = .985, AGFI = .948, NFI = .967, RFI = .919, TLI = .939, CFI = .976, RMSEA = .056. Further, SRW values for all the items are above the cut-off criterion.
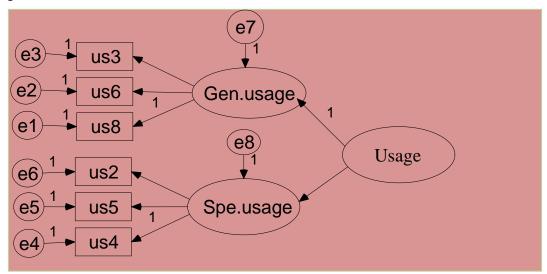
Keywords: inf. access- information access, approach.- approachability, ac1-ac17 are the observed variables and e1-e11 are the errors terms.

Availability: Two factors solution of availability identified after EFA was used for confirmatory factor analysis. During CFA, one factor that is, promotion consisting of two items got deleted due to low standard regression weight. The final factor retained includes four items that is, support and assistance. The model yielded good results (x^2/df = 4.373, RMR = .075, GFI = .959, AGFI = .917, NFI = .900, RFI = .945, IFI = .917, TLI = .970, CFI = .916, RMSEA = .074). Thus, all the values are as per the required criteria.
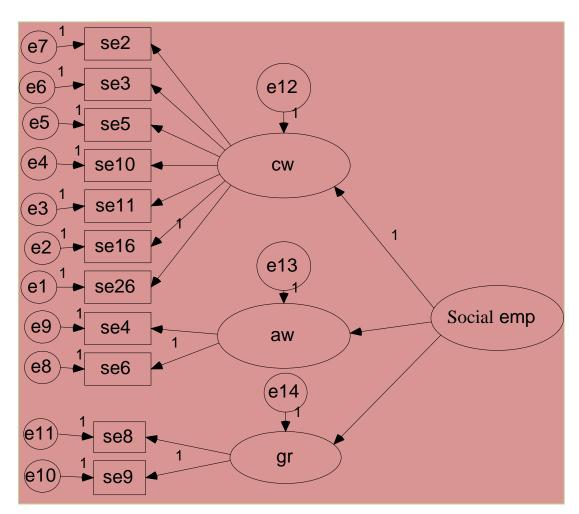

Keywords: av1-av4 are the observed variables and e1-e4 are the errors terms.

Usage: The CFA results show two factors comprising of nine items after EFA namely general usage and specific usage. All the fit indices (x^2/df = 2.787, RMR= .051, GFI = .985, AGFI = .948, NFI = .967, RFI = .919, TLI = .939, CFI = .976, RMSEA = .075) are as per the criteria. Further, SRW values for all the items are above the cut-off criterion.
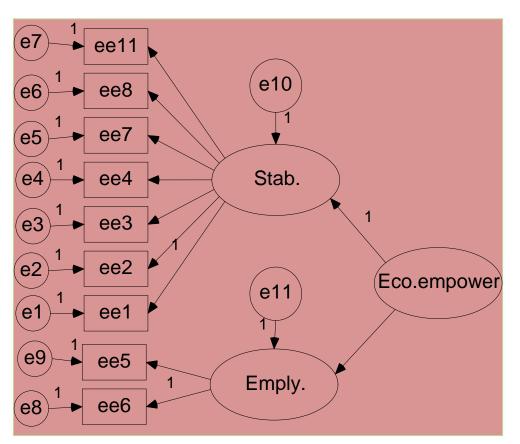

Keywords: gen.usage- general usage, spe.usage- specific usage, us2-us8 are the observed variables and e1-e8 are the errors terms.

Social Empowerment: Four factor solution of social empowerment identified after exploratory factor analysis. During CFA, one factor that is, liberation consisting of two items got deleted due to low standard regression weight. The final factor retained includes three factors namely, credit worthiness, awareness, grievances. The model yielded good results (x^2/df = 2.373, RMR = .025, GFI = .959, AGFI = .917, NFI = .937, RFI = .945, IFI = .917, TLI = .970, CFI = .986, RMSEA = .074).

Keywords: cw – credit worthiness, aw – awareness, gr – grievances, se2-se24 are the observed variables and e1-e14 are the errors terms. worthiness, awareness, grievances

Economic Empowerment: The refined nine items of economic empowerment after deleting two items during EFA, possess good SRW ranging between .692 and .511, suggesting that the items are good measures of economic empowerment. This is further supported by CR values (that is, between 4.198 and 17.592) which are above the cutoff criteria. The model fit measures show good fit with x^2/df = 2.456, RMR = .029, GFI = .996, AGFI = .917, NFI = .900, RFI = .945, IFI = .917, TLI = .970, CFI = .916, RMSEA = .054.

Keywords: stab. – stability, emply. – employability, ee1-ee11 are the observed variables and e1-e11 are the errors terms.

RELIABILITY AND VALIDITY

RELIABILITY

Reliability: Reliability of the constructs in the study is examined using Cronbach alpha and composite reliability. The study concludes that the scale items are reliable, that is, the values of cronbach alpha for access (.716), usage (.812), availability (.975), social empowerment (.886) and economic empowerment (.823) are above the usual benchmark of .70.

Composite Reliability: the composite reliability of the constructs that is .991 (access), .902 (usage), .951 (availability), .986 (social empowerment) and .926 (economic empowerment) suggest acceptable reliability for all the constructs. The overall Cronbach alpha values re above .7 for all the constructs.

VALIDITY

Convergent Validity: The results of the study suggest the existence of convergent validity as the average variance extracted values for access (.968), usage (.871),

availability (.940), social empowerment (.896) and economic empowerment (.968) suggest acceptable reliability as the threshold criteria of AVE is .50.

Discriminant Validity: The study evaluated the discriminant validity of all the measurement scales, the result of which is shown in the table. All the values of correlation estimates are greater than square root of AVE which established discriminant validity.

Table 1: Composite Reliability and Average Variance Extracted

Constructs	Alpha Value	CR	AVE
Access	.716	.991	.968
Usage	.812	.902	.871
Availability	.975	.951	.940
Social empowerment	.886	.986	.896
Economic empowerment	.823	.926	.968

HYPOTHESES TESTING

Structural Equation Modelling was used to test the relationship of access, usage and availability with financial inclusion and impact of financial inclusion on social empowerment and economic empowerment (SRW = .913, p = .000). Based on the result we accept that access, usage and availability are the significant predictors of financial inclusion and as such, H1 get accepted. Further the relation between financial inclusion and social empowerment and economic empowerment also came to be significant (SRW = .737 & .758, p = .000) indicating the impact of financial inclusion on social empowerment and economic empowerment so we accept the hypothesis H2 and H3. The relation resulted in x^2/df = 2.861, RMSEA = .064, GFI =. 989, AGFI = .931, NFI = .961, CFI = .983.

Table 1: Hypotheses Results

Variable	Hypothesis	CR	SRW	P-Value	Model Fitness	Accept/Reject
A,U,A-FI	H1	17.286	.913	.000	X²/df= 2.861, RMSEA = .064	Accepted
FI-SE	H2	14.535	.758	.000		Accepted
FI-EE	H3	8.494	.737	.000		Accepted

DISCUSSION

It was found that there exists a communication gap between post office officials and customers which is manifested from the mean score given to the statement 'The PO officials promptly redress your problem'. So, it is suggested that a suitable mechanism must exist for receiving and redressing customer grievances courteously, promptly and satisfactorily. The most important aspect of financial inclusion is financial literacy but it was found that there is lack of awareness among rural masses about various schemes of financial inclusion. To increase awareness and interest in financial products offered under various schemes of financial inclusion, it is recommended to enhance promotion through electronic or print media in local language with local icons and artists as brand ambassador of the campaign. It is suggested that terms & conditions for availing loan facility should be mentioned in clear and lucid language (preferably in Hindi or in local language). Beside this, the most important terms & conditions termed as standard set of conditions should be highlighted and sent separately to the prospective customers at all the stages so that customer do not remain in doubt.

LIMITATIONS AND FUTURE RESEARCH

All feasible efforts are made to make the study more reliable, valid and exhaustive, yet certain limitations could not be ruled out and are required to keep in the mind whenever its findings are considered for implementation. The scope of the study is limited to Jammu division only because of restricted resources and time availability. Comparison of the extent of financial inclusion between districts, divisions and states can be undertaken in future. The study is based on cross-sectional data and further be extended on longitudinal data. The information obtained from the respondents may not be free from subjectivity. The study is limited to the perception of post office customers only and could be carried further on the perception of other stakeholders such as post office officials and business correspondents. Other institutes like, banks, cooperative banks, regional rural banks, cooperative societies, SHG's besides other are excluded from the study. Comparative study between those who availed the financial inclusion scheme and those who have not availed has not been done.

CONCLUSION

To sum up, financial inclusion is considered to be critical for achieving inclusive growth, a constraint for economic development. Recognising the magnitude of economic development in India, efforts are being taken by government to make the financial system more inclusive. For achieving complete financial inclusion the RBI, GOI, NABARD and the implementing agencies will have to put their minds & hearts together. RBI is furthering financial inclusion in a mission mode through Indian post with a combination of strategies ranging from relaxation of regulatory guidelines, provision of innovative products, encouraging use of technology and other supportive measures for achieving sustainable & scalable financial inclusion. Indian post can make

coordination with other stakeholders, infuse necessary human resource with proper training & technology, bring innovation and other appropriate measures the Indian post can reap the benefits of its huge network, extensive outreach & lower cost which will contribute towards the national objective of financial inclusion. Thus, Indian post will give a new dimension to the process of financial inclusion and reach an extra mileage in the field of financial inclusion.

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