

What is Financial Inclusion? What are the last mile challenges of Financial Inclusion #UPSC #IAS

• **Breeding of Corruption:** The digital exclusion and unfamiliarity of beneficiaries with DBT, has created new forms of corruption.

- This was evidenced in the massive scholarship scam in Jharkhand, where many poor students were deprived of their scholarships owing to a nexus of intermediaries, government officials, banking correspondents and others.

• **Inadequate Rural Banking:** There are just 14.6 bank branches per 1 lakh adults in India. It is sparser in rural India.

- Moreover, rural banks are short-staffed and tend to get overcrowded.
- Accessing banks in rural areas leads to loss of one wage day for the worker. Also, people have to spend money on transportation to access the bank to withdraw their payments/subsidies.



▶ 8:40 / 15:04

