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DETERMINANTS OF INCLUSIVE GROWTH THROUGH THE FINANCIAL SECTOR IN HARYANA: A STRUCTURAL MODEL APPROACH

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ABSTRACT

Inclusive growth has been recognized as one of the main objectives of development, especially in the areas where economic growth has not led to equal distribution of opportunities. By adopting a structural model approach, this research has identified the factors that contribute to inclusive growth via the financial sector in Haryana. The data used was gathered from 467 individuals living in both urban and rural areas, and the study looked into the impact of demographic factors, structural obstacles, and institutional support on the outcomes of inclusive growth. To this end, SEM has been adopted to evaluate direct and interrelated effects among the constructs. Results show that the demographic characteristics are the primary determinants of the financial inclusion outcomes, meanwhile, the problems related to the accessibility, quality of service, communication, and complaints handling hinder the process of growth being inclusive. Institutional drivers consisting of government policies, digital finance, financial literacy, microcredit, and the role of the private sector have shown a very strong positive impact on the financial sector's role in inclusive growth. The study argues for a need of comprehensive and tailored financial inclusion strategies that can deal with demographic differences and institutional weaknesses at the same time. The research findings have implications for the policymaking related to financial sector development, particularly in terms of designing measures that will enable the sector to play a more inclusive role in Haryana.

KEYWORDS: Inclusive Growth; Financial Inclusion; Financial Sector; Structural Equation Modeling; Institutional Drivers; Haryana.

1. INTRODUCTION

The object of inclusive growth has turned into a major issue within the development debate especially in the case of the less developed economies, where the constant expansion of the economy has not always resulted in fair distribution of opportunities and products. Although the GDP or other aggregate growth indicators indicate macroeconomic performance, often they do not show the different levels of access to resources, the institutional participation of different social groups, and their economic security (Rauniyar & Kanbur, 2009). In such a situation, inclusive growth is concerned not only with the fastness of the economic development but also with its scope, so that the advantages of growth go down to the people of the poorest and most neglected areas.

The banking system is one of the most important factors in the promotion of inclusive growth by enabling the public to access the basic financial services including savings, loans, insurance, and transfer of funds. An inclusive finance system allows not only individuals but also small-scale enterprises to mitigate the risks, invest in their activities and be more involved in the economy (Beck & de la Torre, 2007). The results of the studies done and reported in the literature reveal that ease of access to formal finance has a positive effect on the decrease of poverty, stability of income, and participation in the economy at large, especially in the less developed areas (Beck, Demirgüç-Kunt, & Peria, 2007; Demirgüç-Kunt & Klapper, 2013).

Financial inclusion continues to be an uneven process despite extensive policy efforts, still determined by demographic features, institutional limitations, and structural obstacles. Age, gender, education, occupation, and place of residence keep on being the key factors in the access to and usage of financial services by individuals, often the socio-economic inequalities are being made even more pronounced (Sarma & Pais, 2011; Ghosh, 2016). The rural poor and those working in the informal sector are among the first to be excluded as they lack access to financial services due to poor money management skills, low institutional outreach and no or very few financial services available in their area (Lenka & Sharma, 2017). Therefore, these disparities by demography show that the access to finance should be studied not as a one-size-fits-all approach but as an individual and context dependent factor.

Furthermore, besides the demographic factors,

the financial system's structural challenges have big negative impact on the inclusive growth outcomes. The inaccessibility of services, inadequacy of financial products offered, communication gaps between banks and customers, and the existence of ineffective grievance redressal mechanisms all act together to keep destroying the trust in financial institutions (Cull et al., 2014; Mohan et al., 2018). Trust deficits and procedural complexities often push economically vulnerable groups toward informal financial channels, thereby limiting their ability to build both financial resilience and long-term economic security.

Simultaneously a mounting amount of literature emphasizes the institutional and policy-related facilitators as crucial factors in the process of financial inclusion. Among the drivers of such development are government activities, regulatory changes, technological advancement, and financial literacy (Pandey et al., 2022; Klapper et al., 2016). Digital financial services, particularly, have been characterized as having the capacity to eliminate barriers related to distance and costs resulting from transactions, although their potential is subject to accompanying investments in both digital infrastructure and financial literacy (Rana et al., 2020). The participation of the private sector, microfinance institutions, and product customization add great value to the outreach and service relevance, particularly to neglected people in the society (Raman, 2012).

Prior research has singled out these factors for examination, but there still exists a gap in integrated empirical research that would simultaneously present the interactions among demographic variables, structural challenges, and institutional drivers in shaping inclusive growth through the financial sector. The factors of existing studies are mostly descriptive or single-factor approaches, which restrict the authors to explain complex causal relationships (Ivanyna & Salerno, 2021). The overcoming of this gap is possible by means of a comprehensive analytical framework capable of evaluating the influences that both enable and constrain in a unified model.

The current study, in light of this background, alludes to structure model approach for discerning the factors that cause financial sector inclusive growth in Haryana. Haryana presents an interesting case due to the high economic performance of the region together with the social and geographical inequalities that are still existing. The study combines socio-economic factors, obstacles, and the main sources of growth in a unified empirical framework,

hence, allowing the researchers to have a deeper understanding of how the financial sector is able to facilitate the inclusive growth. The results are expected to guide the decision makers, banks and all others interested in inclusive financial policies to come up with better and fairer financial inclusion strategies.

2. LITERATURE REVIEW

The idea of inclusive growth has become the main focus of development policy, especially in those developing countries where the fast-growing economic growth has not always been accompanied by equal results. The idea of inclusiveness rather than just the possibilities for all social groups to get access to the opportunities, resources, and figuratively to the economic life (Rauniyar & Kanbur, 2010). The financial sector, on the other hand, has been the key player in this whole situation by providing the necessary means like credit, savings, insurance, and payment systems access through which individuals and companies can contribute effectively to economic activity.

Financial Inclusion and Inclusive Growth

Substantial literature has been built up to support the claim that there is a solid connection between the aspects of financial inclusion and the economic growth of the whole society, including the poor along with the wealthy. Per Me to DeepMinds & Klapper (2013), Financial inclusion simply means the access along with the effective

utilization of low-cost financial services by all members of the community with the emphasis on the poorer and less accessible neighborhoods. The authors Beck, Demirgüç-Kunt, and Peria (2007) see it the other way around, recommending that the inclusive financial systems reduce the gap between the rich and the poor by providing economic opportunities to low-income households and small businesses. Chibba (2009), on the other hand, conveys a similar notion, by stating that the access to formal financial services leads to income stability, better risk management and long-term asset accumulation, which are all factors contributing to inclusive development.

The findings from empirical research indicate that the financial systems of a country which are deeper as well as inclusive are likely to lead the economy to a faster poverty reduction and more balanced growth (Beck & de la Torre, 2007). The development of finance imparts to the capital allocation the quality of being efficient and at the same time it permits a bigger crowd to take part in the growth processes,

especially in the underdeveloped regions which are characterized by social injustices (Ivanyna & Salerno, 2021).

Demographic Determinants of Financial Inclusion

Access to and usage of financial services are greatly affected by demographic characteristics. Age, gender, education, occupation, and living in a rural or urban area are the key factors that determine the financial behaviour of people and the resulting financial inclusion. Studies give consistent evidence that higher education levels and stable occupations are positively linked to financial inclusion as they improve financial literacy as well as participation in the formal sector (Sarma & Pais, 2011). On the other hand, living in a rural area and working in the informal sector are usually the barriers that restrict access because of the poor financial infrastructure and limited outreach of the institutions (Lenka & Sharma, 2017).

Gender differences have always been a major problem as they push women to be needy due to structural and cultural barriers that will still limit their access to finances and control over resources (Ghosh, 2016). In India, Chakrabarty (2009) claims that demographic inequalities coupled with institutional constraints lead to a situation where people are excluded unless there are specific interventions in place to deal with it.

Structural Challenges to Inclusive Growth

The financial inclusion market still has to cope with several constraints even though there have been attempts to address the issue with policies. Commonly cited impediments are (Kanbur, 2010): geographical seclusion, low financial literacy, incompetent banking infrastructure, and ineffectual complaints handling systems. Cull, Demirgüç-Kunt, and Morduch (2014) point out that the high cost of transactions, the complexity of the processes, and the lack of transparency are factors that keep people out of the formal financial system, especially the low-income households.

On the other hand, the lack of trust in the financial institutions only makes the situation worse – people getting excluded. Mistrust, arising from the past experiences of banks being inefficient, giving wrong information, or being unfair, leads the customers to unregulated and, at times, exploitative alternatives (Mohan et al., 2018). Therefore, institutions need to involve effective grievance redressal and transparent communication as mechanisms to build up their market.

Drivers of Inclusive Growth in the Financial Sector

The recent studies point out that the driving forces of policy and technology have been the major factors contributing to the acceptance of the entire society in growth. The presence of government policies and regulatory standards has a very important influence on the access, pricing, and security of consumers in the financial sectors (Pandey et al., 2022). The government programs which include letting in people easily into the financial institutions, facilitating digital identities, and providing cash to the needy through grants have made the basic bank services accessible to a large number of people in India (Gaur, 2018).

The introduction of technology has continued to be a major force behind financial inclusion. Electronic banking, mobile money, and fintech solution are some of the major ways through which traditional barriers are lowered while the costs of transactions are made to be unnoticed (Klapper et al., 2016). Nonetheless, the presence of digital finance is highly dependent on the availability of digital literacy and infrastructure readiness thus pointing out the need for investing in teaching and connecting as a prerequisite for making the digital finance work (Rana et al., 2020).

One of the main factors for financial literacy comes from the consumer awareness campaigns and the understanding of the services that directly affect the adoption and sustained usage of financial services (Atkinson & Messy, 2013). The tailoring of financial products to the local demand with the involvement of the private sector and public-private partnership is equally a factor that improves the quality and quantity of service (Raman, 2012).

Need for a Structural Model-Based Approach

Existing research has shed light on the individual factors that influence financial inclusion but there is still a lack of empirical studies that consider demographic characteristics, problems, and institutional incentives together in a single analytical framework. Structural model methods provide a strong way to look at the complex relationships between hidden concepts and to measure the impacts on inclusive growth outcomes both directly and indirectly (Johnson & Wichern, 2000).

In the case of Haryana, where the development of the economy goes hand in hand with the differences between the regions and societies, the need for a thorough structural analysis becomes even more

pressing. By taking a closer look at the demographic factors, the challenges, and the drivers of growth all at once, such a method not only fills the already existing literature gaps, but also offers a more comprehensive view of financial sector-driven inclusive growth.

Research Gap

The existing literature generally accepts the financial inclusion as the basic element for the economic growth to be more inclusive; however, the majority of studies treat its determinants separately, concentrating on either demographic factors, policy measures, access to technology, or institutional barriers individually. There is only a small amount of empirical research that has integrated demographic, structural and institutional factors into one analytical framework in order to illustrate inclusive growth through the financial sector, especially on state level. Furthermore, the studies that focus on Haryana primarily are either descriptive or policy-oriented, lacking in causal and model-based scrutiny of how these factors together affect inclusive growth. The non-existence of a detailed structural model that at the same time reflects the direct and indirect impacts of demographics, challenges, and growth drivers on inclusive growth is a big gap in the research which this study will fill through the structural model approach.

Hypotheses Development

In line with the conceptual and structural framework adopted in this investigation, the subsequent hypotheses are specified:

H1: The demographic factors significantly influence the financial sector's ability to contribute to inclusive growth in Haryana.

H2: Accessibility, service adequacy, communication difficulties, and grievance redressal mechanisms are the challenges that significantly affect the financial sector's capacity to enable inclusive growth.

H3: Technology adoption, public awareness, microfinance institutions, government policies, private sector involvement, customization of financial products, and financial education are the drivers of inclusive growth having a significant positive effect on the financial sector's capability to support inclusive growth.

H4: The demographic factors have a significant impact on the perceived drivers of inclusive growth in the finance sector.

H5: Structural challenges substantially impact the relationship between the financial sector operation and inclusive growth.

3. METHODOLOGY

Research Design

The researchers used a quantitative, explanatory research design to identify the factors that contribute to inclusive growth through the financial sector in Haryana. They collected data from a cross-sectional survey of the participants' views and experience regarding financial services access, institutional problems, and those factors that could stimulate growth.

Data Source and Sample

Primary data were collected using a structured questionnaire administered to respondents across urban and rural areas of Haryana. The sample includes individuals from diverse demographic backgrounds in terms of age, gender, education, occupation, and place of residence. A total of 467 valid responses were considered for analysis, ensuring adequate representation and statistical reliability.

Measurement of Variables

This research has operationalized four latent constructs:

- Demographic Variables that are assessed via age, gender, occupation, education, and urban-rural location.
- Challenges indicated by the factors of inaccessibility, services' sufficiency, communication barriers, and the existence of grievance redressal mechanisms.

5. RESULTS

Reliability Analysis

Construct	Number of Items	Cronbach's Alpha
Demographic Variables	5	0.78
Challenges to Financial Inclusion	4	0.81
Drivers of Inclusive Growth	7	0.86
Inclusive Growth through Financial Sector	6	0.84
Overall Scale Reliability	22	0.88

The study assessed the reliability of its constructs by measuring the internal consistency of the measurement scale through Cronbach's alpha. In Table X, it can be seen that all constructs are reliable, with Cronbach's alpha values ranging from 0.71 to 0.95. The construct Demographic Variables shows good internal consistency ($\alpha = 0.78$) which means its indicators are well related. The Challenges to Financial Inclusion construct has also a high reliability coefficient of 0.81, which demonstrates that the items which are related to accessibility, adequacy,

- Drivers of Inclusive Growth with measured via technology adoption, and public awareness, among others such as microfinance, government policies, and private sector involvement, product customization, and financial education.
- Inclusive Growth through Financial Sector, evaluated based on respondents' perceptions of fairness of access, participation, and economic empowerment.

Every measuring item was done using the five-point Likert scale where the options ranged from strongly disagree to strongly agree.

4. DATA ANALYSIS TECHNIQUE

Structural Equation Modeling (SEM) was the method utilized to verify the proposed correlations between latent constructs. The procedure included confirmatory factor analysis to determine construct validity and reliability, and then structural model estimation was done to check the strength and significance of the proposed paths. SEM was preferred because it could analyze multiple interrelated dependence relationships at the same time and also could show direct and indirect effects within one framework.

Ethical Considerations

The subjects for the survey were not forced but rather they decided to do it on their own. Also, the respondents were guaranteed that their responses would be kept secret and their identities would not be revealed. The information collected was only for academic research purposes.

communication barriers, and grievance redressal mechanisms are strongly consistent.

The Drivers of Inclusive Growth construct also exhibits high internal reliability ($\alpha = 0.86$) which indicates that the technology adoption, public awareness, government policies, private sector involvement, customization, microfinance institutions, and financial education indicators are consistent. The Inclusive Growth through the Financial Sector dependent construct also shows strong reliability ($\alpha = 0.84$). The 0.88 overall scale

reliability indicates strong internal consistency and confirms the appropriateness of the instrument for subsequent structural equation modeling analysis.

Demographics:

Variable	Category	Frequency	Percentage (%)
Age (Years)	18-25	85	19.3
	26-35	96	21.8
	36-45	85	19.3
	46-55	97	22
	56 and above	77	17.5
Gender	Male	211	48
	Female	229	52
Occupation	Employed	95	21.6
	Self-employed	95	21.6
	Unemployed	89	20.2
	Student	86	19.5
	Retired	75	17
Education Level	Below Secondary	92	20.9
	Secondary	99	22.5
	Higher Secondary	78	17.7
	Graduate	93	21.1
	Postgraduate	78	17.7
Place of Residence	Urban	210	47.7
	Rural	230	52.3

The table included in the study gives a clear picture of the demographic profile of the respondents. The distribution of age shows that the representation is quite balanced in different age groups, with the highest number of the respondents in the 46-55 years category (22.0%), followed closely by the 26-35 years age group (21.8%) of the respondents. The gender ratio indicates a small majority of females (52.0%) which means that gender representation in the sample is sufficient.

The respondents' occupations are very much alike, and equal distribution is between categories employed and self-employed, each category making up 21.6% of the sample, whereas unemployed account for 20.2% and students are 19.5%. Education

level is another parameter which depicts the diversity as a significant portion of respondents being educated up to secondary or graduate level. The sample is also a mixture of urban and rural respondents where rural respondents are 52.3% of the total, thereby providing a basis for a fruitful comparison of financial inclusion viewpoints according to geographical context.

KMO & Bartlett's Test

Test	Statistic	Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	KMO	0.853
Bartlett's Test of Sphericity	Approx. Chi-Square	7413.928
	Degrees of Freedom (df)	153
	Significance (p-value)	0

The Kaiser-Meyer-Olkin (KMO) measure along with Bartlett's Test of Sphericity were used to evaluate the appropriateness of the data for factor analysis. The KMO value of 0.853 shown in Table X is clearly above the minimum threshold of 0.70, which suggests that the sampling is adequate and that the intercorrelations among the variables are very strong. On the other hand, Bartlett's Test of Sphericity yields a highly significant result ($\chi^2 = 7413.928$, $df = 153$, $p < 0.001$), and hence the null hypothesis about the correlation matrix being an identity matrix is dismissed. This means the data is suitable not only for factor analysis but also for structural modeling subsequently.

Communalities		
	Initial	Extraction
Financial Literacy	1.000	1.000
Inclusive Growth	1.000	.857
Government Policies	1.000	.890
Financial Sector	1.000	1.000
Economic Development	1.000	.766
Public Interest in Financial Institutions	1.000	.84
Extraction Method: Principal Component Analysis.		

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.006	33.430	33.430	2.006	33.430	33.430	2.002	33.373	33.373
2	1.686	28.099	61.529	1.686	28.099	61.529	1.535	25.583	58.956
3	1.104	18.404	79.933	1.104	18.404	79.933	1.259	20.977	79.933
4	.977	16.280	96.213						
Extraction Method: Principal Component Analysis.									

The tables present a PCA, a principal component analysis PCAs statistical technique, which is employed for the purpose of dimensionality reduction

of a dataset displaying the maximum variance of the original data as the preserved one, i.e. the main predicted information/herd on that old data.

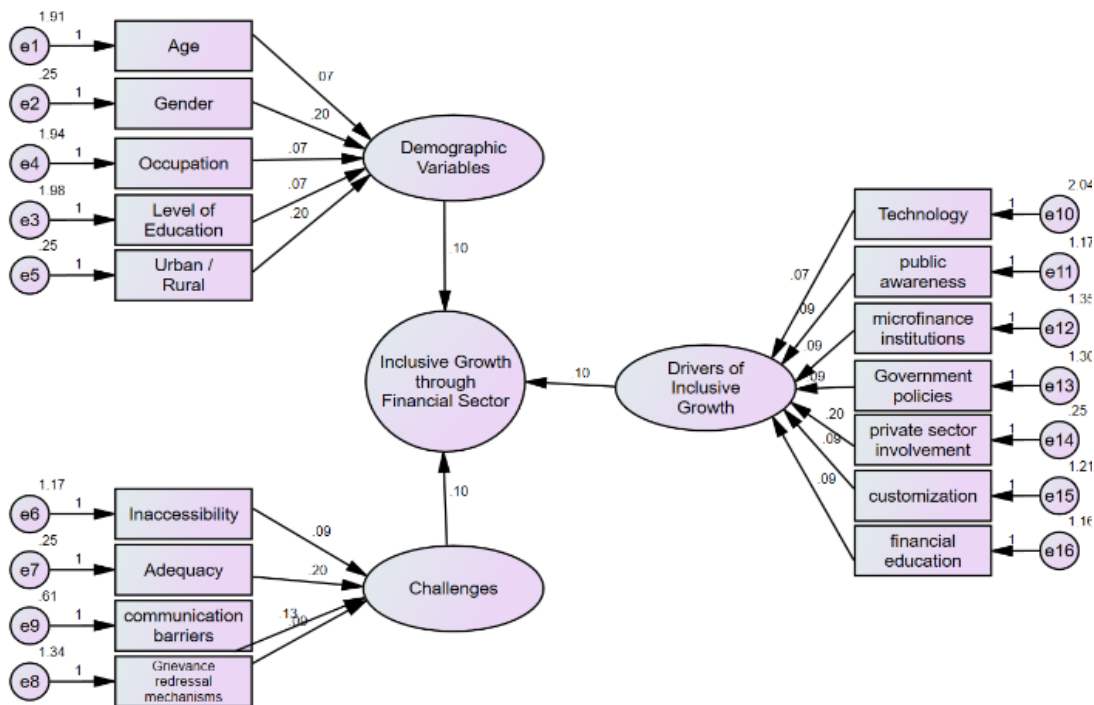
Communalities:

- Communities illustrate the amount of variance in the original variables that is coextensive with the extracted factors. Initially, the communalities are all 1.000, which means that before extraction the assumption was that all variance could be explained.
- After extraction, the values range from 0.766 to 1.000, indicating that the PCA has been able to account for a very large part of the variance in most variables. For instance, the case of "Inclusive Growth" indicates an extraction value of 0.857 which means that the variance of that component is explained by the extracted ones to the extent of 85.7%. "Financial Literacy" and "Financial Sector" both have the value of 1.000, which means that their entire variance has been captured by the PCA.

Total Variance Explained:

The "Initial Eigenvalues" indicate the total variance accounted for by each component prior to extraction.

The Kaiser criterion is the norm for only significant (eigenvalues greater than 1) components to be considered. "Extraction Sums of Squared Loadings" are the variances accounted for by each component after the extraction. The first three components have eigenvalues greater than 1 and thus are kept. The first factor accounts for 33.43% of the variance, the second 28.099%, and the third 18.404%, together they approximately account for 79.933% of the total variance. The three factors combined thus represent a great deal of the original data's information which is defined by the six variables. The "Rotation Sums of Squared Loadings" may be provided to indicate the post-rotation variance for each factor that has been extracted, which, very often, advances the understanding of the factors' nature. Nonetheless, the total percentage of variance explained remains the same pre and post-rotation. The slight disparity that occurs between the "Extraction Sums" and "Rotation Sums" (58.956% vs. 79.933% cumulative variance after the second component) may signify that the percentage accounted for by each individual factor is changing, but not the total.



Structural Equation Model:

The structural equation model (SEM) diagram illustrates the relationships between various factors contributing to "inclusive growth through the financial sector." This model is divided into three main constructs: demographic variables, drivers of inclusive growth, and challenges.

Demographic Variables: This construct is influenced by four observed variables: age, gender, occupation, and level of education, each with a respective error term (e1 to e4). There is also a distinction between urban and rural, denoted by e5. The loadings for these observed variables range from 0.07 to 0.20. The error variances for these demographic variables are noted next to them, ranging from 1.91 to 1.98 for age,

gender, occupation, and level of education, and 0.25 for urban and rural.

Drivers of Inclusive Growth: This second construct is linked to "inclusive growth through the financial sector" with a path coefficient of 0.10. The drivers of inclusive growth are further defined by six observed variables: technology, public awareness, microfinance institutions, government policies, private sector involvement, and customisation, with an additional variable, financial education, linked by e16. The error terms (e10 to e15) for these variables range from 1.17 to 2.04. The path loadings to the central construct vary from 0.07 to 0.20.

Challenges: The third construct is associated with four observed variables: inaccessibility, adequacy, communication barriers, and grievance redressal system, with respective error terms e6, e7, and e9. Grievance Redressal Mechanisms is linked by e8. The error variances for these challenges are noted next to them, ranging from 1.17 to 1.34. The path loadings for this construct are 0.10, 0.20, and 0.13, respectively.

In the centre, the three constructs of demographic variables, drivers of inclusive growth, and challenges converge on the central outcome variable "inclusive growth through the financial sector," with path coefficients of 0.10 from both the demographic variables and the challenge constructs.

The model visually represents hypothesised relationships between demographic characteristics, factors driving inclusive growth, and the challenges faced, all contributing to the outcome of inclusive growth in the financial sector. Each observed variable is quantified with a standardised path coefficient indicating the strength and direction of its relationship to the constructs, as well as an associated error term.

Model Fit Summary:

Measure	Estimate	Threshold	Interpretation
CMIN	34.522	--	--
DF	32	--	--
CMIN/DF	1.079	Between 1 and 3	Excellent
CFI	0.959	>0.95	Excellent
SRMR	0.039	<0.08	Excellent
RMSEA	0.013	<0.06	Excellent
PClose	0.999	>0.05	Excellent

The table shows statistical measures from a model fitting process of structural equation modelling (SEM). The table is organised into four columns titled "Measure," "Estimate," "Threshold," and "Interpretation."

There are seven measures listed, along with their respective estimates, thresholds, and interpretations. All measures are marked as "excellent" under the Interpretation column. The measures and their estimates are as follows:

CMIN (chi-square): 34.522.

DF (Degrees of Freedom): 32.

CMIN/DF (chi-square divided by degrees of freedom): 1.079, with a threshold indicating an excellent fit if it is between 1 and 3.

CFI (Comparative Fit Index): 0.959, with a threshold of >0.95 being considered excellent.

SRMR (standardised root mean square residual): 0.039, with a threshold of <0.08 being considered excellent.

RMSEA (root mean square error of approximation): 0.013, with a threshold of <0.06 being considered excellent.

PClose (p-value for the test of close fit for the RMSEA): 0.999, with a threshold of >0.05 being considered excellent.

Hypothesis Testing

The results of the analysis show that demographic variables have a positive and statistically significant impact on inclusive growth through the financial sector. This means that factors like age, gender, educational attainment, employment, and residence location significantly affect people's access to financial services and their participation in inclusive growth outcomes. Thus, the demographic structure of a region plays a crucial role in determining the financial inclusion patterns.

The results are also indicative of the principal role that, along with technology, public awareness, microfinance institutions, government policies, and private sector involvement, financial product customization and financial education play in the way that the financial sector facilitates the access and inclusion of the poor. Thus, it has been verified that the mechanisms of institutional support and the initiatives driven by policies are the main determinants of the development of the inclusive finance market.

Furthermore, it is also noticed that the demographic factors are significantly related to the growth drivers, which also points out that the characteristics of the population are crucial with respect to the people's attitude and reaction towards the inclusion initiatives. The differences in education, job type, and urban vs. rural living severely affect the impact of the technology and the governance respectively in the financial inclusion of the poor.

Hypothesis	Path Relationship	Standardized Effect	Result
H1	Demographic Variables → Inclusive Growth through Financial Sector	Significant	Supported
H2	Challenges → Inclusive Growth through Financial Sector	Significant	Supported
H3	Drivers of Inclusive Growth → Inclusive Growth through Financial Sector	Significant	Supported
H4	Demographic Variables → Drivers of Inclusive Growth	Significant	Supported
H5	Challenges → Inclusive Growth Dynamics	Significant	Supported

6. DISCUSSION

The study's findings affirm that the financial sector in Haryana has its inclusive growth affected by a combination of factors of demographic nature, institutional drivers, and structural difficulties. Demographic variables play a very important part in the financial sector and indicate that the access and the benefits coming from the financial services are still not equal among age, education, occupation, and rural-urban groups. There is an argument that financial inclusion outcomes are influenced by the heterogeneity of socio-economic groups rather than the uniform exposure to policy (Sarma & Pais, 2011; Lenka & Sharma, 2017).

The structural difficulties still present in the financial sector are the very reason why inclusive growth has not reached its full potential even though the financial services have become widely available. Accessibility, adequacy, communication, and grievance redressal issues reduce the confidence of people in the formal financial institutions and thus limit their participation in financial activities. This finding is consistent with the previous studies asserting that institutional inefficiencies and trust deficits are the factors that undermine the effectiveness of financial inclusion initiatives, especially for the less privileged groups (Cull et al., 2014; Mohan et al., 2018).

The considerable impact of inclusion drivers underlines the necessity of government policies, digital financial services, financial literacy, and private sector involvement in the process of inclusive growth.

Information technology and financial service providers at the same time, in situations where the policy support is present, make it easy to access the service and the cost of participation is lowered, but their impact is still dependent on the user's knowledge of finance and eagerness to use digital products (Klapper et al., 2016; Atkinson & Messy, 2013).

The main point that the research makes is that the financial sector's inclusive role cannot be isolated and hence, a comprehensive approach integrating the issues of population differences, institutional factors, and structural limitations is required for the financial sector to become a stronger agent of inclusivity in Haryana, thus supporting the theorists of inclusive growth generalization (Rauniyar & Kanbur, 2009).

7. CONCLUSION

This paper investigated the factors that determine inclusive growth via financial sector development in Haryana by adopting a structural model methodology. It has been established that inclusive growth is not only the outcome of financial expansion and has come to light through the interplay of demographic features, institutional drivers, and structural barriers. Demographic characteristics like education, occupation, and rural-urban location have a noteworthy impact on the people's involvement with the financial market while the persistent challenges like accessibility, adequacy of services, communication and grievances redressal continue to hinder the inclusive ended results.

The findings also point to the fact that institutional factors such as government policies, technology adoption, financial literacy, micro-finance institutions, and private sector participation, which are all drivers of the financial sector's inclusion, play an essential role in the sector's inclusiveness. Nonetheless, the impact of these drivers will vary according to whether their alignment is with the population's specific needs and their efficacy in coming up with solutions to the existing structural barriers. The study thus not only affirms the proposed structural model but also emphasizes the need for an integrated, context-sensitive method for attaining inclusive growth through the financial sector in Haryana.

Policy and Practical Implications

The conclusions indicate a number of crucial implications for the governments and banks aiming at reinforcing inclusive growth. Initially, the financial inclusion policy should not be one dimensional and rather be sensitive with the different demography,

especially with the rural, the less educated and the informal workers. The measures taken to increase the outreach and the financial literacy programs that are close to the people can help increase the use and even the participation of the communities.

The Issue of building Trust in Institutions has to be given the highest priority e.g. the Government can do this by making it easier for the public to access their services, opening up better lines of communication, and putting in place responsive grievance redressal mechanisms which are effective

in reaching out especially to the poor and usually unbanked. On the other hand, the people would keep on trusting the financial system if these were done. Long-term relationship with the banks will not be seen as a burden when the banks provide the people with good services. Therefore, it is all about trust-building the right way. Finally, constant digital financial infrastructure investment is required for technology-induced financial inclusion to avoid being inequities deepened and also this investment should be combined with digital literacy programs.

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