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Financial Inclusion and Its Current Status

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ABSTRACT

Without looking one's savings or income, providing basic financial services to every individual in the society leads to financial inclusion. After 61 years of independence, a large number of persons in India still remain unbanked it leads to financial instability among the lower income group of the economy. But in nowadays government adopt various methods to access the financial inclusion to the needy persons. Financial inclusion concentrate providing reliable financial solutions to the economically backward sectors of the economy for their upliftment without any hidden transactions or cost. Govt. of India and Reserve Bank of India take initiatives to the promotion of financial inclusion. But Nationalization, strengthening of the scheduled commercial Banks, Regional Rural Banks, formation of a self helps group etc help the nation to promote financial inclusion.

KEYWORD- financial inclusion, backward sector, Regional Rural Banks

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INTRODUCTION

Financial inclusion mainly focuses on providing various financial solutions to the economically backward people without any discriminations. The method of offering financial solution to every individual in the society without any form of inequality. After the 61 years of independence, most of the population still remaining unbanked. It will leads in financial imbalance with in economy. Financial inclusion help the nation to fill the gap between the low income group and high income group by providing various measures taken with the help of Central government and Reserve bank of India. Nationalization of banks, Building of branch network among India by scheduled commercial banks. Lead Bank scheme formation of self help group etc. accelerated the growth of financial inclusion. But nowadays there are many households that do not have any access to the financial services in the country, they are ignorant about bank and their functions.

These economically backward people of the society do not have certain mandatory documents which are essential for the dealings with the bank. Financial inclusion eliminate these barriers and provide various financial services to the less formulate sections of the society. Financial inclusion also gives the scope of getting awareness about the various financial services among the people of the society.

OBJECTIVES OF THE STUDY

1. To study the importance of the financial inclusion in India.
2. To present the current status of financial inclusion in India.

METHODOLOGY

The study is mainly based purely secondary in nature and has been collected from various sectors such as referred journals, News papers , RBI Journals authenticated official journals and websites.

CURRENT STATUS OF FINANCIAL INCLUSION IN INDIA.

The concept of financial inclusion is not a new one. It has attracted global attention in the recent years. According to RBI, in the past years 72% of the Indian population lives in village and they lack the basic banking service and they were not the part of financial inclusion.

As per the circular of Press Trust of India “financial inclusion” is the way the government strive to take the common man along by bringing them in to the formal channel of economy thereby ensuring that even the person standing in the last is not left out from the benefits of the economic growth and is added in the mainstream economy there by encouraging the poor person to save , safely invest in various financial products and to borrow from the formal channel when(s) he need to borrow.

Financial inclusion is not just like opening a bank account, with a branch in an unbanked area, but it extends to other financial services as well like insurance, equity products, pension products etc. The central government and Reserve bank also take utmost effort for strengthening the financial inclusion in India. The prime minister Narendra Modi give special emphasis on the financial inclusion of every person of the country. Out of the various steps taken by the government, JanDhan, Aadhar and mobile are remarkable. The prime minister Narendra Modi formally launched 'Pradhana Mantri Jan Dhan yojana' on 28th August 2014 with a view to increase the number of bank accounts and to ensure that all households have at least one bank account.

In addition to these various pension schemes introduced as part of financial inclusion, like Pradhana Mantri Suraksha Bima Yojana (PMSBY), Pradhana Mantri Jeevan Jyothy Bima Yojana, Atal Pension Yojana, Varista Pension Bima yojana etc. to the benefit of non corporate small business sector Pradhana Mantri Mudra Yojana. Other schemes like Jeevan sureksha Bandhan yojana, Kisan Credit Cards(KCC), and General Credit Card (GCC), BHIM App etc. will accelerate the growth of financial inclusion in India.

CONCLUSION

Financial inclusion aims to provide economically priced financial services to the less fortunate sections of the society. So that they can be financially independent. Financial inclusion helps the women by increasing financial awareness among them. Many women get mobile phones for their usage is an impact of financial inclusion. Banks accounts are provided as first important step in providing financial empowerment to the policies of financial inclusion. With the increasing liberalization and higher economic growth, the role of the banking sector is poised to attain greater heights in India. So financial inclusion is not a short term goal. It is a progressive initiative, which will emerge over a period of time.

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