

AN ANALYSIS OF FINANCIAL INCLUSION IN INDIA

PUSHPALATHA.V

Assistant Professor, S.N. College, Nattika, Kerala, India

ABSTRACT

Even after 64 years of independence, large sections of Indian population still remain unbanked. This malaise has led generation of financial instability and pauperism among the lower income group who do not have access to financial products and services. However in the recent years the government and RBI has been pushing the concept and idea of financial inclusion. Financial inclusion is the delivery of financial services at an affordable cost to the unbanked environments, especially the low income and under privileged. The Government of India and RBI have taken initiatives to spread banking services such as expanding the number of rural bank branches, allowing the banking correspondent model and adoption of CBS technology. Government of India and the Reserve Bank of India making concerted efforts to promote financial inclusion as one of the important national objectives of the country. Some of the major efforts made in the last five decades include –nationalization of banks, building up of robust branch building network of scheduled commercial banks, cooperatives and regional rural banks, introduction of mandated priority sector lending targets, lead bank schemes and formation of self help groups. In India financial inclusion is necessary to build uniform economic development, both spatially and temporally, and ushering in greater economic and social equity. Again financial inclusion broadens the resource base of the financial system by developing a culture of savings among larger segment of rural population and plays its own role in the process of economic development. This paper analyses the policy initiatives of RBI and the progress of financial inclusion in India.

KEYWORDS: Financial Inclusion, Policy Initiatives, Financial Services