

Financial Inclusion in India

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Abstract

Indian economy is growing at a rapid pace but the benefits of this growth are still not reaching the poor. They are still trapped in the vicious circle of poverty. Despite of various measures to curtail social inequality, the Government has not been successful in achieving inclusive growth. Financial inclusion is a process of ensuring access to financial services at affordable costs to weaker, disadvantaged and low-income segments of society. It broadens the resource base of the financial system by enhancing saving habits among rural population and by bringing them into formal banking structure, it protects their financial wealth and facilitates easy access to formal credit. In the long run Financial inclusion leads to economic growth of the country. However there rate of financial inclusion is very slow as compared to other developing countries. The present paper is an attempt to study the concept, extent of Financial inclusion in India and the initiatives taken by GoI and RBI to enhance the pace of Financial inclusion. At the end the paper discusses certain factors affecting access to financial services and also gives out Prerequisites for the success of Financial Inclusion in India.

Keywords: Inclusive growth, financial instability, financial inclusion, Micro finance, financial literacy.

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