



Research Paper

Financial inclusion drive in India: Emerging approaches

■ **Shilpa P. Chowti and Priyadarshini C. Gadad**

See end of the paper for authors' affiliations

Correspondence to :

Shilpa P. Chowti
Department of Agricultural Economics, University of Agricultural Sciences, Dharwad (Karnataka) India

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ABSTRACT : Financial inclusion is a process of ensuring access to financial services and to provide timely and adequate credit needed by vulnerable groups such as weaker sections and low income groups at an affordable cost. The paper highlights the basic features of financial inclusion, its approaches, issues, challenges and its need for socio-economic development of the society. Rural India presents a remarkable opportunity for bankers and financial institutions to seek their fortunes and bring prosperity to the aspiring poor through financial inclusion. But to achieve this, the government should provide a less perspective environment in which banks are free to pursue the innovations necessary to reach low income consumers and still make a profit. Financial service providers should learn more about the consumers and new business models to reach them. A holistic approach on the part of the banks in creating awareness about financial products, education and advice on money management, debt counselling, savings and affordable credit would be required. Moreover, there is a need of cost-effective manner of forging linkages with microfinance institutions and local communities. Technology can be a very valuable tool in providing access to banking products in remote areas. Therefore, financial inclusion has the potential and is a great step to alleviate poverty in India from its roots.

KEY WORDS : Financial inclusion, Stages of development, Poverty alleviation, Policy option

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