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Place: Tezpur – 784028

(Reshma Kumari Tiwari)

Date:
PREFACE

Financial inclusion is crucial for inclusive growth and sustainable development of the country. Financial inclusion means making available the basic financial services to the poor and the disadvantaged sections of the society at an affordable cost. The situation of financial exclusion is grim worldwide more particularly in developing economies. India also occupies much lower rank in terms of provision for financial access as per World Bank data.

The problem of financial exclusion has attracted global attention. Government of India has also taken a number of initiatives and formed several committees from time to time for greater financial inclusion in the country since independence. To address, RBI directed different public and private sector banks to offer and issue certain specific products which can be termed as ‘financial inclusion products’ purposely designed to cater to the needs of weaker sections of the society. Accordingly on April 28, 2006, RBI advised the convener banks of the State Level/ Union Territory Level Bankers’ Committees to identify at least one appropriate district in each State/ Union Territory for attaining 100 percent financial inclusion. In Assam, Sonitpur was the first district to be identified for 100 percent financial inclusion and subsequently the Lead Bank of Sonitpur declared the achievement of 100 percent financial inclusion of the households in the district. The present study aimed at examining the progress of the initiatives and hindrances. Further, there are some districts which are not identified by the SLBC for achieving 100 percent financial inclusion. The study also aimed to assess the status of financial inclusion in those unidentified districts. The study also attempted to examine the extent of usage of financial services offered to the poor and disadvantaged under the financial inclusion initiatives. Data were collected from both primary and secondary sources.

The present study is divided into nine (9) chapters. The first chapter deals with the introduction (theoretical background) and the second chapter pertains to review of literature and research design. In third chapter an attempt has been made to describe the international experiences along with the outreach of the initiatives undertaken in India. The fourth chapter deals with the supply side interventions for furthering financial inclusion in Assam. The fifth chapter presents the details of partnerships and
The collaborative efforts of banks with BC/ BFIs and CSPs for enhancing the banking outreach in the unbanked areas. The sixth chapter attempts to give an overview of the socio-economic status of the households surveyed in both the districts. The seventh chapter describes the efficacy of financial inclusion drive in the areas surveyed. The eighth chapter tries to study the reasons for financial exclusion of the poor households and the alternative practices followed by them to fulfill their basic financial needs. The ninth chapter presents a summary of findings, suggestions & recommendations and conclusion on the basis of the present study.

The study attempts to fill the gap in empirical studies in north eastern region in general and Assam in particular regarding outreach of financial inclusion initiatives. It is a comparative study of outreach of banking facilities and its usage among the poor in rural areas along with the alternative mechanisms in practice in identified as well as unidentified districts. It also provides an overview of the achievements and hindrances of partnerships and collaborations between banks and other agencies for bringing greater financial inclusion in Assam. The study also presents some case studies illuminating different facets of the Bank – BC – CSP collaboration. The findings of the study can be extended to other parts of the country to verify the claim of the Lead Banks of achieving 100 percent financial inclusion.

It is sincerely hoped that the present study in its modest form would help to understand the status of financial inclusion initiatives in Assam. Both the policy makers as well as the beneficiaries of these initiatives would find it of practical utility. It shall be a matter of immense satisfaction for the researcher, if the findings of the research work done are found to be of practical application, rational and realistic. I also sincerely hope that the findings and recommendations of the present study would be meaningful for RBI and State Level Bankers Committee and other agencies working in this regard. Last but not the least; let us hope for the greater success of the financial inclusion programme for inclusive growth and development of the country.

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