

Financial Inclusion

- Defn/Intro: RBI's Natl. Strategy for Financial Inclusion (2019-24) describes financial inclusion as the stated obj. of



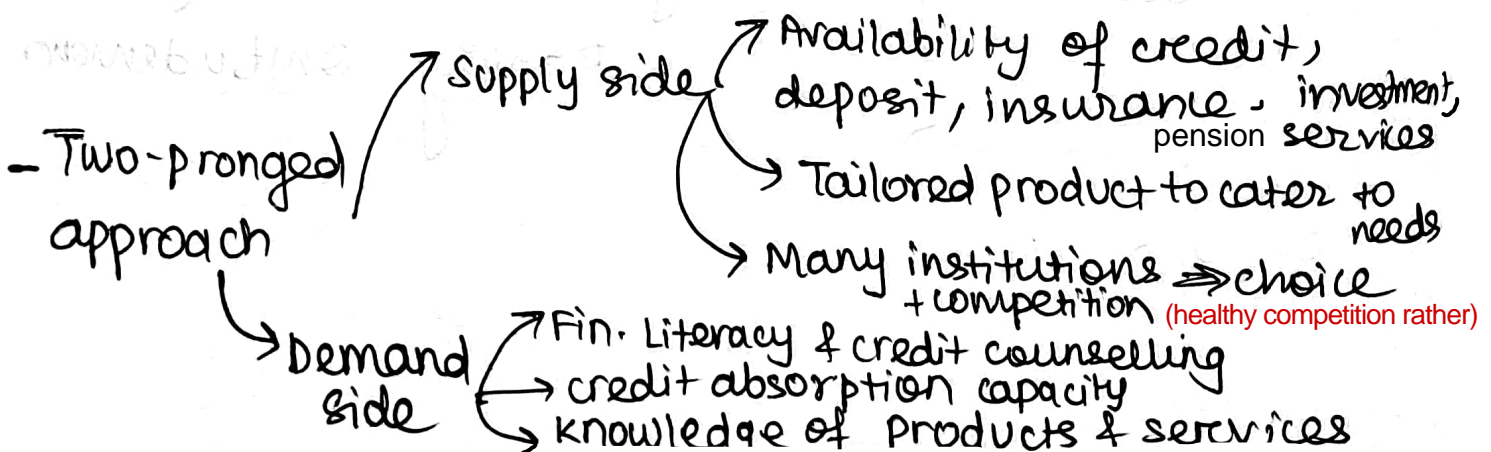
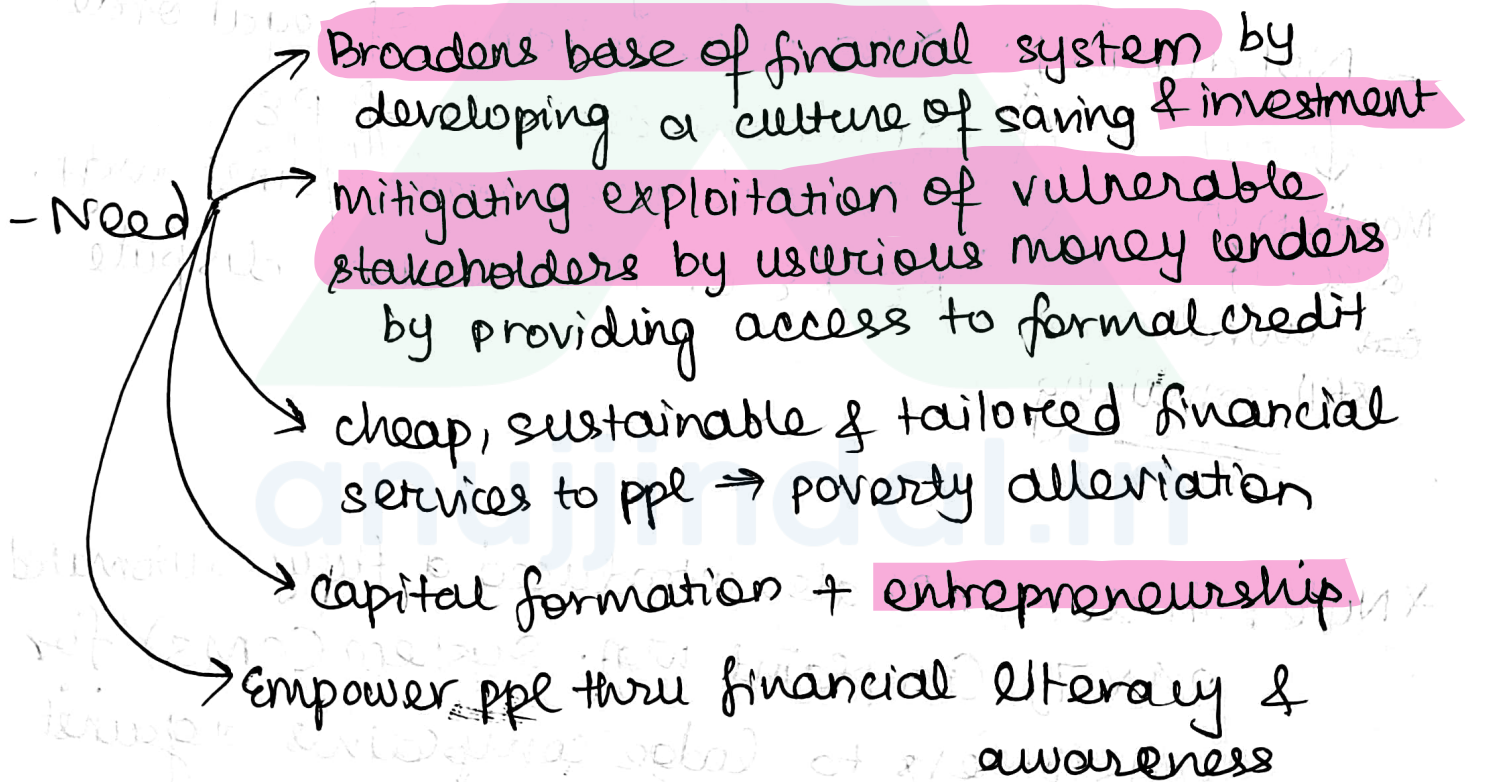
"making financial services available, accessible & affordable to all citizens



in a safe & transparent manner



to support inclusive & resilient multi-stakeholder led growth"



- Microfinance vs Financial inclusion

supply side narrow (poor) only focus on poor		supply + demand wider Broader focus
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- Initiatives for financial Inclusion (Govt. + RBI)

Historical

① 1969 & 1980 → Bank Nationalization

② Lead Bank Scheme → 1969

③ PSL

④ 1975 → RRBs

⑤ 1982 → NABARD formation

⑥ 1990s → LABs, SHG-BLP

⑦ 1998 → KCC

⑧ 2006 → Introduction of Banking Correspondents

⇒ agents of bank
↓
Doorstep delivery
of banking services

Recent

① 'No-frills' Account by RBI in 2005 (no minimum balance)

② PM JDY (2014)

↓
universal zero-balance
bank account

→ spl. benefits

- Insurance: PMSBY, PMJJBY
- Pension: APL
- DBT
- Overdraft facility: ₹10K
- Rupay card

Data on Jan : Abt 52 Cr
Dhan Acc.

Accounts (2024)

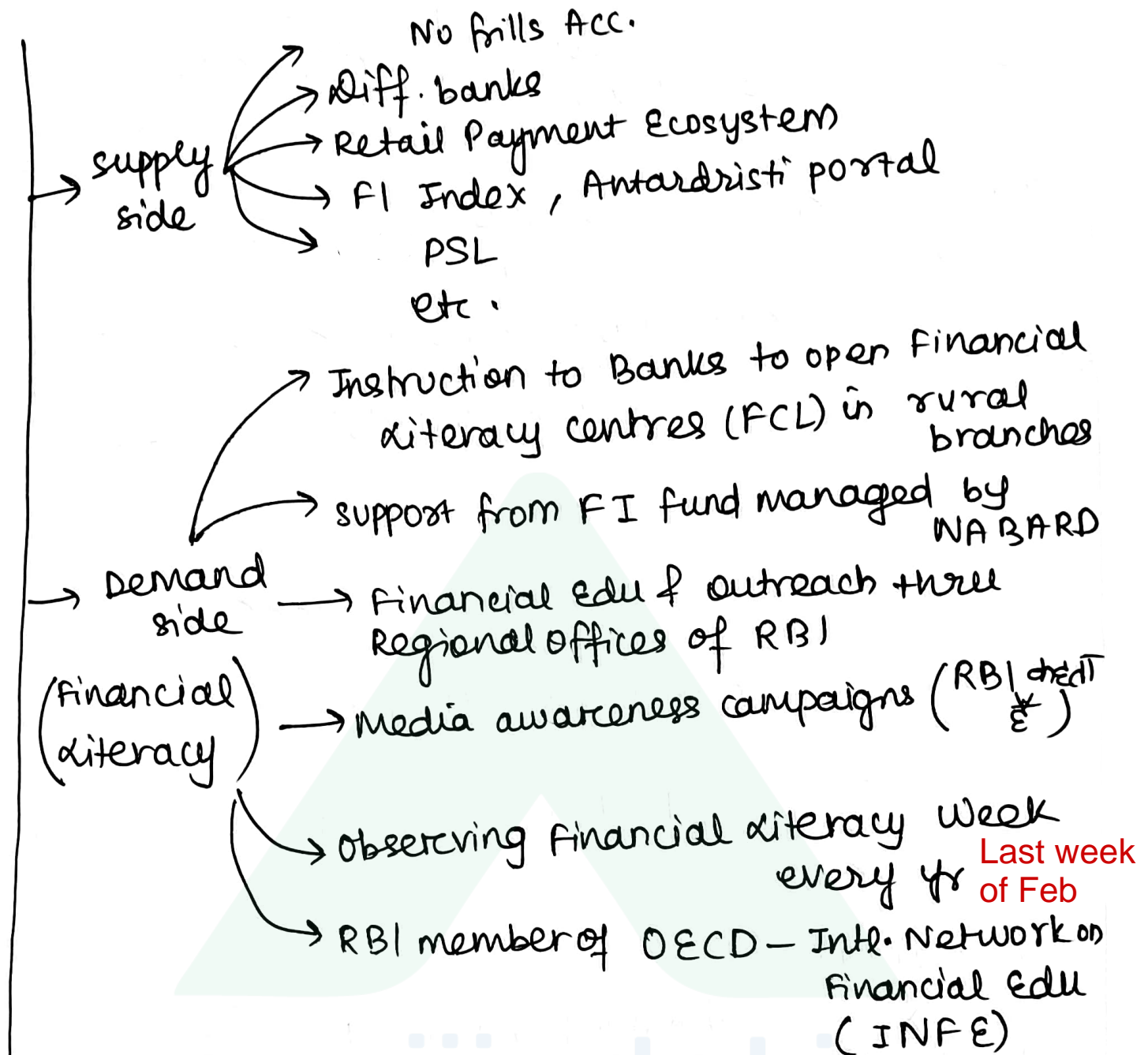
- 55% women
- 66% rural & semi-urban

↳ pick & choose
in exam
if asked

- ③ MUDRA
- ④ DBT
- ⑤ RBI license for differentiated banks (SFB & PBs)
 - ↳ support to NBFC network in 2015
- ⑥ Retail Payment ecosystem
 - Mobile Banking, e-wallets, UPI, USSD etc.
 - UPI 123 Pay, UPI Lite etc. → further financial inclusion
- ⑦ RBI
 - Financial Inclusion Index
 - Antardrishti portal
- ⑧ RBI → Natl. Strategy for Financial Inclusion (2019-24)

Conclusion for this topic: Financial inclusion crucial to inclusive and sustainable growth

Steps Taken by RBI specifically



National Strategy on Financial Inclusion (2019-24)

(Intro/obj. already written above → also inputs & suggestions from other regulators; SEBI, IRDA, PFRDA)

6 Strategic pillars (story at 21:17)

- Universal Access to financial services; every village must have FSP within 5 km radius
- Providing Basic Bouquet of FS: Deposit, Credit, Insurance, Pension, Investment
- Access to Livelihood & Skill Dev: Augment govt. initiatives
- Financial literacy & Edu: Capability dev.
- Customer protection & GRM: cyber fraud ↓ + Timely GRM (RBI-IOS)
- Effective coordination: Bank-led → multi-stake holder approach (Telecom Service Provider, Fintech companies)