

# ***Call for Papers***

## ***Seminar by State Bank of India Chair at CRRID***

### **on Financial Inclusion**

*Studies based upon primary data of different areas/village/colonies covering saving linkage, preference of banks, purpose of opening account, and operation in accounts, availment of Rupay card, insurance, overdraft by members of sample households (hhs). The outstanding loans against sample hhs from banks and other informal sources to reflect credit linkage and their purpose-wise credit requirement. The findings may enable to comment on issues of saving and credit linkage of different categories of hhs; landless, land owning, women, preference for banks, cost & time spent in access due skewed geographical spread of bank branches in rural areas. Interested scholars may contact for Model questionnaire.*

**Venue & Date: CRRID, Chandigarh, 17-18 November 2016**

Submission of abstract by 15 July 2016 and full paper by 15 September 2016

**Contact Persons: Dr S S Sangwan, Professor SBI Chair**

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*Paper are invited based upon primary data from different areas/villages/colonies covering saving linkage, preference of banks, purpose of opening account, operations in accounts, availment of Rupay card, insurance, DBT, overdraft by members of sample households (hhs). The outstanding loans against sample hhs from banks and other informal sources to study credit linkage and their purpose-wise credit requirements. The findings may enable to comment on issues like barriers in FI of different categories of households; landless, land owning, women, preference for banks and capabilities of new small finance & payment banks in FI, skewed geographical spread of bank branches in rural areas. Some analytical papers blending historical experience & role of SHGs and various financial agencies in FI with policy suggestions are also welcome.*

*Interested scholars may contact for Model questionnaire.*

The seminar will be organised on 17-18 November 2016 in the conference hall of CRRID.

Schedule of Paper submission is as under:

- a) Submission of Abstract : 15 July 2016
- b) Submission of full Paper : 15 September 2016

One of Author(s) of selected paper will be given actual travelling cost upto 2nd AC train fare and free other logistics during seminar. The selected papers may be published in a book.

Please make all your submissions by email.

**Patron**

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## **Concept Note for a Seminar on Financial Inclusion: Achievement and Challenges Ahead**

The relevance of financial inclusion (FI) in improving economic growth has been widely discussed in the literature. The cross-country data and evidence from specific policy experiments suggest that the more-developed financial systems are associated with lower income inequality and financial exclusion (Rakesh Mohan, November 2006 & World Bank, 2007, and Sangwan 2007). It has been opined that the impact through the mechanism of financial markets are more sustainable than grants and subsidies. Redistribution approach for equality may have to be endlessly repeated, which could result in damaging incentives to work and save (World Bank, op cit). In absence of inclusive financial systems, excluded individuals and enterprises are limited to their own savings and earning or that of the relatives who themselves are likely to be poor. Since late nineties, technology driven and competitive financial services enabled access to a wide range of financial products related to savings, credit, insurance etc. FI also enables them to successfully handle income shocks and tide over unforeseen emergencies such as illness or loss of employment (HM Treasury 2007 and Collins et al 2009). Realizing the importance of Financial Inclusion (FI), currently, over 60% of banking regulators out of a total of 143 countries are actively engaged in promoting financial inclusion (Cihak et al 2012; Demirgüç-Kunt and Klapper 2013).

In India, since the year 2005, RBI and Govt of India has taken a number of steps for increasing saving accounts of weaker sections of society all over the country (Sangwan, 2013). To expedite the linkage of weaker sections with banks, RBI in November 2005, directed all banks to open the 'no frills' savings accounts with a zero balance requirement for small account holders, which has been renamed as Basic Saving Bank Deposits Account for all persons since August 2012 by RBI. Further, since January 2006, banks were permitted to engage business correspondents (BCs) and business facilitators (BFs). The BC/BF model has been liberalised overtime to even use the NBFCs as BC by the banks (RBI, June 24 2014). Besides, requirement of opening saving accounts has been simplified from time to time and

as per the latest instructions of RBI (June 9, 2014), only one address is sufficient. During April 2010 to March 2013, the 3-year Financial Inclusion Plan (FIP) was implemented by all banks so as to provide a point of sales in all villages above 2000 population. Further, RBI initiated another FIP during 2013-2016 to increase access of financial services in the habitats below 2000 population. All these measures enabled GOI to implement the Direct Benefit Transfer (DBT) to beneficiaries of Central Government schemes since January 2013 in the selected districts. However, DBT was discontinued after Supreme Court pronounced it voluntary and not mandatory in 23 September 2013 and Oct 11, 2015.

The Present Central Government has emphasized for financial inclusion in its budget of July 2014 and its 'Pradhanmantri Jan-Dhan Yojana'(PMJDY) is being implemented in campaign mode since 15 August 2014. PMJDY's, in its phase-I from 15 Aug, 2014 to 14 Aug, 2015 aimed for Basic Banking Accounts for saving & remittance, RuPay Debit card and inbuilt accident insurance cover of Rs 1 lakh. In its phase-II from 15 Aug. 2015 - 15 Aug. 2018, aims an overdraft facility of upto Rs 5000 and mapping of all the 6 lakh villages across the country to have provide at least one fixed Banking outlet catering to 1000 to 1500 households. PMJDY is the flagship programme of the Central government and its progress is directly monitored by Finance Ministry of Govt India. On advice of PM, RBI set up a Committee to devise a measurable and monitorable action plan for financial inclusion that encompasses both households and small businesses. The committee gave its report "Medium-term Path on Financial Inclusion" on 28 December 2015. Further to advance the FI, RBI has granted approval to 11 Payments Banks and Small Finance Banks (available at [www.rbi.org.in/publication/reports](http://www.rbi.org.in/publication/reports)). Moreover, passing of Aadhar Bill by Parliament in March 2016 has made its use mandatory for targeted delivery of government benefits and strengthened the financial inclusion campaign of the government.

The progress under PMJDY upto 4<sup>th</sup> May 2016 (<http://pmjdy.gov.in/account> accessed on 13 May) shows that 21.74 crore PMJDY accounts were opened, 17.94 crore RuPay cards issued and 9.73 crore were seeded to Aadhar. The achievement under PMJDY appears to be unprecedented but issues are raised regarding operations in the accounts and leverage of the accounts for credit and other benefits. Therefore SBI chair of CRRID has decided to organise

a two day seminar to obtain feedback on various aspects of implementation and impact of Financial Inclusion especially the PMJDY from different regions of the country.