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INCLUSIVE GROWTH IN INDIA A STUDY ON FINANCIAL INCLUSION OF RURAL HOUSEHOLDS IN SRIKAKULAM DISTRICT, ANDHRA PRADESH

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ABSTRACT

Effective access to financial services for the poor and vulnerable group is a prerequisite for poverty reduction and social cohesion. This issue can be focused as "Achilles heel" to become an integral part of our major efforts to promote inclusive growth for the country. In fact, providing access to financial services is a form of empowerment among the vulnerable groups. Financial inclusion (CGA 2009) defines delivery of financial services at an affordable cost to the vast sections of the disadvantaged and low-income groups. The various financial services include credit, savings, insurance and payments and remittance facilities. The main objective of this study is to examine the extent of financial inclusion in India and Srikakulam district in particular. Both primary and secondary sources were used to obtain the necessary data. Three hundred (300) rural households were selected as a sample by using stratified sampling. Binarry-Logistics Regression Model was used as data analysis tool to analyze the data from survey. Methodology of Sarma (2008) was used to obtain the enter-state and enter district level of financial inclusion index. From the survey it revealed that socio-economic factors, level of education, asset holding, distance from institution, level of awareness, banking habits, house-hold characteristics have significant impact on financial inclusion in Srikakulam district households. On the other hand, the influence of age, caste, and religion is found to be in significant to be financially included in the study area. In a nutshell, it can be stated that although various measures have been taken for financial inclusion, the success is not found to be considerable. However, only supply side factor is not responsible for the financial exclusion. Demand side factors are also equally responsible for this exclusion

KEY WORDS: Financial Inclusion, Inclusive Banking.

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