



Inclusive Financial Growth in India

R.Balaji¹ & Dr.J.Vijayadurai²

¹Associate Professor, Bharath School of Management Studies, Bharath University, Chennai.

²Research Supervisor & Associate Professor, School of Management Studies, Madurai Kamaraj University, Madurai.

INTRODUCTION

Inclusive financial growth is the growth of economy and benefit of the every section of society. It connects with the macro and micro economic growth. Macro economy relates to the gross domestic product and gross national product whereas; micro economy includes change form of framework of the society.

Sometimes it is difficult to manage the inclusive growth due to the uncertain negative changes in economy. And for example of this the main problem to obstruct in the economic growth of India is corruption. At the same, it effects the social livelihood; e.g. production, market, consumption, employment help to create good opportunity for the poor people to live with a high standard. It also emphasizes that we can find out the best solution only when we the inequality between rich and poor household people in the society.

DEFINITION

K. C. Chakrabarty, Deputy Governor of RBI clarifies the meaning of inclusive growth. According to him, Inclusive growth as the literal meaning of the two words refers to both the pace and the pattern of the economic growth. The literature on the subject draws fine distinction between direct income redistribution or shared growth and inclusive growth. The inclusive growth approach takes a longer term perspective as the focus is on productive employment rather than on direct income redistribution, as a means of increasing incomes for excluded groups. Inclusive growth is, therefore, supposed to be inherently sustainable as distinct from income distribution schemes which can in the short run reduce the disparities, between the poorest and the rest, which may have arisen on account of policies intended to jumpstart growth. While income distribution schemes can allow people, to benefit from economic growth in the short run, inclusive growth allows people to “contribute to and benefit from economic growth”

The ‘inclusive growth’ as a strategy of economic development received attention owing to a rising concern that the benefits of economic growth have not been equitably shared. Growth is inclusive when it creates economic opportunities along with ensuring equal access to them. Apart from addressing the issue of inequality, the inclusive growth may also make the poverty reduction efforts more effective by explicitly creating productive economic opportunities for the poor and vulnerable sections of the society. The inclusive growth by encompassing the hitherto excluded population can bring in several other benefits as well to the economy. The concept “Inclusion” should be seen as a process of including the excluded as agents whose participation is essential in the very design of the development process, and not simply as welfare targets of development programmes (Planning Commission, 2007).

KEYWORDS Pace, pattern, productive employment, poorest and the rest, contribute to and benefit from economic growth, strategy of economic development, poverty reduction, productive economic opportunities.

OBJECTIVES OF THE STUDY:

1. To focus the financial growth in India.
2. To analyse the aspects of the inclusive financial growth.
3. To study the causes and consequences of inclusive financial growth.
4. To suggest remedies.

RELEVANCE/SIGNIFICANCE OF THE STUDY

The study on inclusive financial growth in India signifies mostly in the economic position of India which is included gross domestic product (GDP) and gross national product (GNP). It also relates to the micro economy and the macro economy. To signify the inclusive growth we can mention some elements related to the growth. These are:

1. High growth rates for several years-
 - Sustained growth acceleration.
 - Avoid growth collapse.
2. Structural Transformation:
 - Output and export diversification
3. Broad-based productive employment.
4. Significant reduction in poverty.
5. Propitious business environment.
6. Efficient natural resource management.
7. Equality of opportunity through basic education, health and infrastructure.

The discussion of Inclusive financial growth is related to the several essential things, such as:

1. Opportunity: Get the way to earn and increase the incomes for the people.
2. Capability: Use the opportunity appropriately.

3. Access: bring the opportunity and capability appropriately.
4. Security: To save the people from the loss of existence which can be permanent and temporary.

Inclusive financial growth is the key element for the Indian Govt. to achieve the goal which indicates the progress in economic sectors where all levels people will be able to equally match each other.

CONSEQUENCES

As far we discussed about the inclusive growth in India, the growth is fully concentrate on the economy of India as a whole. To increase the economy, it will help to provide the incomes to improve and also find out the lacking which is the reason behind inequality between poor and rich householders and also help to solve it. Moreover, other consequences of inclusive financial growth is to support the government as well as the public to get the profit from gross domestic product (GDP), gross national product (GNP) and in the export import business respectively. These positive changes in economic growth will also help India to increase the Indian currency.

REMEDIES

As much progressively as the inclusive finance growing day by day there has still some questions which answers we have to find out; e.g. to clarify the meaning of the word 'Inclusive' elaborately, what is actually inclusiveness defines in the term of economy? Is it Equity? Opportunities? Empowerment? Participation? Satisfaction? Or a combination of all these? Or something else? To get the solution clearly about those questions is to gain knowledge about the relationship between inclusiveness and economic growth to describe the Inclusive financial growth more specifically.

CONCLUSION

Thus, at the end of the discussion we can conclude that Inclusive Financial Growth is the major part of the Indian economy. The appropriate strategy helps to achieve inclusive growth and that brings the revolution in the economic or financial sectors. And the Indian Government as well as public should be concern about to improve the economy and they should contribute initially.

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