**Financial Inclusion**

Financial Inclusion is described as the method of offering banking and financial solutions and services to every individual in the society without any form of discrimination. It primarily aims to include everybody in the society by giving them basic financial services without looking at a person’s income or savings. Financial inclusion chiefly focuses on providing reliable financial solutions to the economically underprivileged sections of the society without having any unfair treatment. It intends to provide financial solutions without any signs of inequality. It is also committed to being transparent while offering financial assistance without any hidden transactions or costs.

Financial inclusion wants everybody in the society to be involved and participate in financial management judiciously. There are many poor households in India that do not have any access to financial services in the country. They are not aware of banks and their functions. Even if they are aware of banks, many of the poor people do not have the access to get services from banks.

## Financial Inclusion Schemes in India

The Government of India has been introducing several exclusive schemes for the purpose of financial inclusion. These schemes intend to provide social security to the less fortunate sections of the society. After a lot of planning and research by several financial experts and policymakers, the government launched schemes keeping financial inclusion in mind. These schemes have been launched over different years. Let us take a list of the financial inclusion schemes in the country:

* [Pradhan Mantri Jan Dhan Yojana](https://www.bankbazaar.com/saving-schemes/pradhan-mantri-jan-dhan-yojana.html) (PMJDY)
* [Atal Pension Yojana](https://www.bankbazaar.com/saving-schemes/atal-pension-yojana.html) (APY)
* [Pradhan Mantri Vaya Vandana Yojana](https://www.bankbazaar.com/saving-schemes/pradhan-mantri-vaya-vandana-yojana.html) (PMVVY)
* [Stand Up India Scheme](https://www.bankbazaar.com/saving-schemes/stand-up-india-loan-scheme.html)
* [Pradhan Mantri Mudra Yojana](https://www.bankbazaar.com/personal-loan/mudra-loan.html) (PMMY)
* [Pradhan Mantri Suraksha Bima Yojana](https://www.bankbazaar.com/saving-schemes/jan-suraksha-schemes.html) (PMSBY)
* [Sukanya Samriddhi Yojana](https://www.bankbazaar.com/saving-schemes/sukanya-samriddhi-yojana-account.html)
* Jeevan Suraksha Bandhan Yojana
* Credit Enhancement Guarantee Scheme (CEGS) for Scheduled Castes (SCs)
* Venture Capital Fund for Scheduled Castes under the Social Sector Initiatives
* Varishtha Pension Bima Yojana (VPBY)

## Objectives of Financial Inclusion

* Financial inclusion intends to help people secure financial services and products at economical prices such as deposits, fund transfer services, loans, insurance, payment services, etc.
* It aims to establish proper financial institutions to cater to the needs of the poor people. These institutions should have clear-cut regulations and should maintain high standards that are existent in the financial industry.
* Financial inclusion aims to build and maintain financial sustainability so that the less fortunate people have a certainty of funds which they struggle to have.
* Financial inclusion also intends to have numerous institutions that offer affordable financial assistance so that there is sufficient competition so that clients have a lot of options to choose from. There are traditional banking options in the market. However, the number of institutions that offer inexpensive financial products and services is very minimal.
* Financial inclusion intends to increase awareness about the benefits of financial services among the economically underprivileged sections of the society.
* The process of financial inclusion works towards creating financial products that are suitable for the less fortunate people of the society.
* Financial inclusion intends to improve financial literacy and financial awareness in the nation.
* Financial inclusion aims to bring in digital financial solutions for the economically underprivileged people of the nation.
* It also intends to bring in mobile banking or financial services in order to reach the poorest people living in extremely remote areas of the country.
* It aims to provide tailor-made and custom-made financial solutions to poor people as per their individual financial conditions, household needs, preferences, and income levels.
* There are many governmental agencies and non-governmental organisations that are dedicated to bringing in financial inclusion. These agencies are focussed on improving the access to receiving government-approved documents. Many poor people are unable to open bank accounts or apply for a loan as they do not have any identity proof. There are so many people who live in rural areas or tribal villages who do not have knowledge about documents such as PAN, Aadhaar, Driver’s License, or Electoral ID. Hence, they cannot avail many of the services offered by governmental or private institutions. Due to lack of these documents, they are unable to avail any form of subsidies offered by the government that they are actually entitled to.

## Goals of Financial Inclusion for Women Empowerment

Financial inclusion is very particular about including women in financial management activities of a household. Financial inclusion believes that women are more capable of handling finances efficiently when compared to men of a house. Hence, financial inclusion activities target women by helping them get started engaging in financial management. There are many houses where women are not permitted to be involved in managing money. They are controlled by the men of the house and are asked to take care of only the domestic chores.

## Financial Inclusion through Digital Payment Systems

They can also make payments for products and services in their residential regions with the help of electronic payment wallet systems. The Government of India has launched several electronic wallet systems through smartphone apps such as Bharat Interface for Money (BHIM), Aadhaar Pay, and lots more!

### Financial Inclusion Programmes Organised by the Reserve Bank of India (RBI)

The Reserve Bank of India works on exclusive programmes and plans in order to have financial inclusion in the nation effectively. It applies a bank-led strategy in order to attain financial inclusion smoothly. The central bank of India also has firm regulations in place that need to be followed by every bank. The RBI also is offering qualified assistance to every bank in the nation in order to attain its financial inclusion objectives.

Let us take a look at some of the programmes introduced by the RBI in order to achieve its goals:

* The RBI instructed every bank to have Basic Saving Bank Deposits (BDSD) accounts for the economically weaker sections of the society. These are no-frill accounts where account holders do not have to maintain any minimum balance or minimum deposit. These account holders can withdraw cash at any ATM or at the bank branch. They should also be given the opportunity to make use of electronic payment channels for receiving and transferring money to others.
* The RBI also asked banks to have simple Know Your Client (KYC) regulations for the less fortunate people of the society. There are many people in rural areas who are unable to open bank accounts due to strict KYC norms. Hence, the RBI wants banks to have simplified KYC requirements particularly if a low-income individual is interested in opening a bank account with an amount not above Rs.50,000. It also wants minimal KYC norms if the overall credit in the accounts does not go above Rs.1 lakh for 1 year. Recently, banks have been asked to accept Aadhaar Card as identity proof as well as address proof since most people belonging to low-income groups have made Aadhaar card in their names.