

Conference on Rural Immersion in Advancing Financial Inclusion



Madurai Symposium 2013

Fostering Development Knowledge

September 11, 2013





Financial inclusion has become central to the process of inclusive growth and development across the globe and the Government of India/Reserve Bank have accorded pride of place for the agenda of financial inclusion in the public policy. Several strategies and initiatives - important among them – doorstep banking through Business Facilitators and Business Correspondents, ultra small branches, etc have been underway to reach out to the excluded segments of population. Commercial Banks are '**natural spearheads**' of the financial inclusion process as we in India chose '**BANK CENTRIC**' model given the history of social banking, directed lending approach. What is more, Commercial Banks are better placed from the perspective of affordability in accessing financial services where other formal financial institutions (other than Banks) cannot match the Commercial Banks' inherent advantages. Lately, technology

applications including mobile has become the key driver to further the financial inclusion. It is common knowledge that long before the agenda of financial inclusion has formally been initiated since 2008, the SHG bank linkage programme has been serving this objective largely in rural areas by connecting tens and thousands of poor women to the Banks who have never been having any banking relationship. Thanks to the policy push for branch expansion in rural areas by Reserve Bank of India, the Banks are reaching to remote places through brick and mortar and virtual mode to advance financial inclusion.

There is also a recognition that the financial inclusion process has not gone beyond savings and credit, whereas, wholesome process of financial inclusion needs to enable access to all the services including savings, credit, insurance, remittances and pension. Here again, banks have a tremendous advantage due to their reach to provide all services. While, we made considerable headway in reaching out and enhancing the access, we are faced with many challenges, particularly, in rural areas like beyond last mile connectivity to what extent we have ensured client continuity/client retention. Enabling the process of inclusion is the importance attached to the financial entitlements of the people being (direct benefit transfer) credited directly to their bank accounts. Another major challenge is the low level of financial literacy and the need to recognize literacy as the critical component of the whole financial inclusion process in ensuring the business continuity of the clients with the banks.

What is heartening is the massive investment in the programmes and infrastructure investments in rural areas and the consequential fall out of the reduction in poverty in rural areas as brought out by the NSS recently and thereby the emerging opportunities for the banks. Above all, the community governance has crucial role in advancing financial inclusion as is evidenced by the increasing participation of the SHG leaders in connecting poor women to the Banks through the SHG Bank linkage programme. Given this scenario and the challenges, there is a need to have a platform for the different stakeholders working with the excluded categories particularly women, small and marginal farmers, agriculture labourers, etc to deliberate on the challenges being faced in the financial inclusion programme. And a conference for the Bankers on the advancing financial inclusion in rural areas is being organized as a part of the Madurai Symposium on 11th September, 2013 @ Madurai, by **DHAN Foundation with Indian Institute of Banking & Finance, Mumbai as knowledge partner.**

Objectives of the conference

- To take stock of the initiatives and strategies to advance the financial inclusion in rural areas
- To identify the weaknesses and pitfalls in the current efforts for better understanding of the ground level problems and to deliberate on the ways and means of overcoming the challenges including the community governance

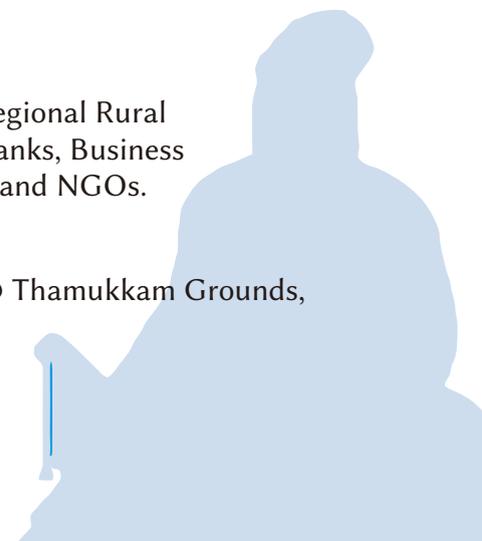
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- To look at more closely at last mile connectivity issues and beyond the continuity and the consummation in availing services
 - To formulate appropriate strategies to deepen the process of financial inclusion in terms of products across financial spectrum
 - To strategise on the financial literacy programmes for the rural mass of excluded categories who suffer from ignorance and illiteracy about the financial services and the institutions.

For whom

Commercial Banks/Regional Rural Banks/Cooperative Banks, Business Facilitators,pondents and NGOs.

When and where

September 11, 2013 @ Thamukkam Grounds, Madurai, Tamil Nadu



About DHAN Kalanjiam Foundation

DHAN Kalanjiam Foundation is a subsidiary of DHAN Foundation. It seeks to create significant impact in livelihoods of poor families and in women development through its community banking programme. The Foundation is working in 12 States and promoted 45,330 kalanjiam (SHGs) in villages and slums reaching 888,100 families and the self-help groups have been networked into 280 federations. The community banking programme has enabled the poor women to generate ₹288 crores of savings with and to mobilize ₹841 crores as loans from commercial banks for livelihood development.



**Facilitation Committee
Madurai Symposium 2013**

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