

Impact Of Financial Inclusion Strategies For Sustainable Development Of Economy (With Reference To Andhra Pradesh)

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Abstract: Financial Inclusion plays a vital role in the A.P. The world Bank recently developed financial access by the end of twenty-two and also the government of India embrace specific policies for better economic integration. In A.P. the lowest the exclusion of economic is eighteen percentage and the highest percentage of economic exclusion is in Meghalaya i.e. 95.5 percentage. They are various measures and strategies for developing and implementing financial integration basically financial inclusion is used to providing the financial services like deposits, loans and advances and kcc and also insurance policies and financial inclusion analyze the relationship between inclusion strategies and economic development. Analyzing the gap and making appropriate proposals to get hundred percent economic integration in to the A.P.

Keywords: Financial Inclusion, Financial services and including Insurance, development of an economy, GDP.

I. INTRODUCTION

Financial Inclusion means is one of the technique for achieving economic growth using financial services. Providing financial services such as credit availability and banking services to the economically weaker sector of the society at affordable prices. Financial services known as deposits, savings, payments, credit and insurance facilities. In India about more than two billion people do not have a primary basic savings bank account. According to World Bank 2017 report more than 50 percent of the adults financially excluded. A significant problem inclusive growth. The successful financial integration depends mainly on the improvement of appropriate strategies and implementation of its time evaluation. Financial Inclusion is providing the financial services to the people who are living in rural areas to develop by themselves taking the creditability to achieve their needs. In India they are more than thousand commercial

Banks and eight thousand Regional Rural Banks across twenty-eight states in the country. (Bandlamudi Kalpana and Taidala Vasantha Rao 2017).

Ansari 2007 states that importance of availability of money to achieve the below poverty line people to fulfill their needs using financial services like banking, insurance, credit services etc.

The Sustainable Development Goals (SDGs) embrace in the twenty-third program in economic integration for better economic services are an important role in achieving goals of economic integration. According to Financial Inclusion is getting equally opportunities to secure excluded people in the society. (Classens and Feijan 2006). Accordingly Raj (2011) said that financial services are not successfully run due to more population to provide the banking and insurance services to rural areas.

A. Barriers:

In financial inclusion there are three types of Barriers.

a. Human Barriers:

Human barrier is a condition in financial inclusion. It depends on the popularity. They are several drawbacks such as gender inequality, lack of financial condition, lack of identity, lack of employment.

b. Institutional Barriers:

It mainly depends on synchronization between RBI and government of India. They lack in poor client protection and poor quality services.

c. Infrastructural Barriers:

It mainly depends on lack of knowledge about technology. Like ICT based banking transactions and Business Correspondents.

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Table I: Sustainable Development Goals

Sustainable Development Goals	Achievements
To Remove deficiency	To convene the every day overhead of the poor people, financial services can be provided to them to make savings and to get loans, deposits, advances, mutual funds in rural villages.
Providing Food Safety Measures	It can help the farmers and the population to meet the their complete strenghten food in the way of investments for better security.
To Achieve Good Health	Many of the financial services they serve better to the population from avoiding the risk factor life,general health,fire accidents and medical expenses on healthy emergencies.Financial services also will support to the poor people.
Gender Equality	It tells that ease of access to resources and oppourtunities recordless of gender including financial services and decision making.It helps to providing the better life style of their familes.
Economic Growth	Utlizing of financial services properly both men and women can get the employment is they work properly their will sustained their life to reach better position and also economically strong.
Better Employment	Employment is a basic individual right since it is not only provides a wage but is also an expression ofself fulfillment and dignity.It may be occurred from financial services to get the job in rural areas for both men and women.So that they will achieve their dreams come true life style and health risk normally
Wages and Inequality with in the Nation	Wage and inequality refers to the extent to which rises or distributed unevenly among a population to reduce to reduce the wages and inequality between rich people and poor people financial services provide the better employment and distributed the wages equally and to provide the growthof the nation by providing the equall wages.so financaial services are providing the security environment to grow the people who are living a rural areas.

Source: LeoraKlapper, Mayada El-Zoghbi and Jake Hess, 2016.

B. Causes of Financial Exclusion:

In India, USA, and France the terms and conditions are forced by rigid rules and regulations while opening a new account and maintaining the minimum balance. Ex: In Belgium, customer bank accounts have been closed by the bank itself because the operation of the account is done rarely or the money is withdrawn from the account habitually.

a. Identity requirements:

The primary requirement of opening an account is having some identity of proof like driving license or passport. As the rural people are not having their driving licenses or passport which is leading to final exclusion.

b. Psychological and cultural problem:

Pakistan and Bangladesh citizens are facing a lot of religios conflicts in England with the banking system, as overdraft of accounts is harmful which is based upon the Islamic rules and regulations.

c. Bankers approach:

Now and again rural people are concerned by the rigid financial term used by the bankers and sometimes indifferent perception towards the banks.

II. REVIEW OF LITERATURE

Hariharan and Mark Tanner (2012) in their article mentioned that financial inclusion services are plays main roles which helps in development of people who are living in rural areas, to achieve their regular needs like food and health.

Lawrence Uchenna Okoyein he was explained about Banking sevices and Financial Services, to grow the villagesl based on the population to develop the Industries to provide the employment for over the years.

Sarma and Pias in their article (2011) they purely explain about Financial inclusion services as investments and insurance, and credit payments. growth: A cross country investigation” mentioned in financial inclusion services.

Martinez (2011) in his article highlights to encourage the development of financial services, the



right of entry to finance is an important policy tool which is used by policymakers and government.

Khan in his article (2011) said that Policymakers have recognized financial inclusion as an tool for the achievement of sustainable economic development and increase high financial inclusion index trend to achieve very high elevation of financial growth and improvement.

Sansui in his article Financial Inclusion is necessary for the acceleration of micro, small and medium industries development. Martinez, in his article “The political facility of improved financial access” points that access to finance is a necessary strategy instrument used by governments and policymakers to motivate economic growth.

III. OBJECTIVES OF THE STUDY

1. Financial inclusion is mainly initiative the economical growth of a country. Such as deposits, loans and credits Kisan credit cards
2. To know the financial inclusion strategies and growth of the people financial conditions.
3. To providing the employment to reduce the gap between the gender provide the employment to do their work in different types of industry to achieve their lifestyle, to get the better food and health.

IV. DATA ANALYSIS AND INTERPRETATION

The Financial Inclusion has a main role to develop the country by providing the financial services like deposits, loans and advances, kisan credit cards.

A. Deposits:

The financial services has introduced the banking system to develop economy of the country. They are several types of banks called commercial banks, RRB's, Co-operative banks.

Commercial Banks: Mainly the commercial banks plays a crucial role. The main role of these banking system is savings, Fixed deposits, Recurring Deposits.

Regional Rural Banks: Which are situated in rural areas to develop the people who are living in villages. To develop the lifestyle of the village people.

Co-operative Banks: It is also called as society banks. They are form as society to develop such localities usually these banks are located in district wise. For example: District cooperative banks, Durga cooperative banks, Guntur district cooperative Cooperation bank, Krishna district cooperative cooperation banks etc. usually all the banks have same operations like deposits, withdraws, borrowers.

Table II: Deposits in the State of Andhra Pradesh during the Period 2008-2017

YEAR	DEPOSITS IN CRORES	% OF GROWTH	AP GDP
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2008	1,60,990	NIL	17
2009	2,05,899	27.89552	12
2010	2,45,686	19.32355	20
2011	2,83,600	15.43189	15
2012	1,82,307	-35.7169	13
2013	1,45,480	-20.2005	12
2014	1,65,242	13.584	11
2015	1,93,753	17.25409	11
2016	2,18,022	12.52574	12
2017	2,62,556	20.42638	11

Source: Reserve Bank Of India

Table II :It explains the growth of deposits in the commercial Banks of A.P 2008 negative growth in 2012 and 2013 years the table stated the growth percent is -35.72 and -2.20. It stating that there is a positive relationship between deposits and GDP, i.e., with rising from 2008 to 2017.

B. Loans and advances:

It plays the main role to develop the rural people who are staying in villages. All the banks are provided loans to develop their lifestyle. Banks are providing different types of credits and loans such as loan against securities, properties, loan to individuals and firms. (Bandlamudi Kalpana & Taidala Vasantha Rao, 2017).

Table III: Advances in the State of Andhra Pradesh during the Period 2008-2017

YEAR	ADVANCES IN CRORES	% OF GROWTH	AP GDP %
2008	1,48,015	--	--
2009	2,10,294	42.07	12
2010	2,69,760	28.27	20
2011	3,27,275	21.32	15
2012	2,11,381	-35.41	13
2013	1,69,710	-19.71	12
2014	2,01,201	18.55	11
2015	2,15,797	7.25	11
2016	2,42,311	12.28	12
2017	2,73,372	12.81	11

Source: Reserve Bank Of India

Table III states that the highest growth value was recored in 2009 and negative growth rate occurred in 2012 and 2013. In table III we can can observed that lending growth and progress are positive. In the Years from 2008 to 2017.

C. Kisan Credit Cards:

Which are provided for the farmers. It is a credit scheme implemented to the meet the requirements of the agricultural sector and milk daires and small scale industries using the KCC.



It was started in the year 1998 by Indian Bnaks.Using progressive in the last one the year and three months. . .
KCC scheme the agricultural sector has achieved massive

Table IV: Correlation- Deposits in the State of A.P during the Period 2008-17

			GROWTH	APGDP
Kendall's tau_b	GROWTH	Correlation Co-efficient	1.000	-.111
		Sig. (2-tailed)	.	.655
		N	10	10
	APGDP	Correlation Co-efficient	-.111	1.000
		Sig. (2-tailed)	.655	.
		N	10	10
Spearman's rho	GROWTH	Correlation Co-efficient	1.000	-.200
		Sig. (2-tailed)	.	.580
		N	10	10
	APGDP	Correlation Co-efficient	-.200	1.000
		Sig. (2-tailed)	.580	.
		N	10	10

According to the above IV table explains that Kendall's in the growth and APGDP growth.i.e 1 positive relationship is
the deposits table from the 2008 to 2017 the realtion between their.

Table V: Correlation -Advances in the State of A.P during the Period 2008-17

			GROWTH	APGDP
Kendall's tau_b	GROWTH	Correlation Co-efficient	1.000	.156
		Sig. (2-tailed)	.	.531
		N	10	10
	APGDP	Correlation Co-efficient	.156	1.000
		Sig. (2-tailed)	.531	.
		N	10	10
Spearman's rho	GROWTH	Correlation Co-efficient	1.000	.236
		Sig. (2-tailed)	.	.511
		N	10	10
	APGDP	Correlation Co-efficient	.236	1.000
		Sig. (2-tailed)	.511	.
		N	10	10

According to the above V table explains that Kendall's in between the growth and APGDP growth.i.e 1 positive
theadvances table from the 2008 to 2017 the realtion relationship is their.

Table VI: Total Number of Kisan Credit Cards issued in India

Year	Cooperative Banks	Regional Rural Banks	Commercial Banks	Total	Growth
2006	25,98,226	12,49,474	41,64,551	80,12,251	Nil
2009	36,145	11,471	37,051	84,667	-98.94
2012	2,961	1,995	6,804	11,760	-86.11
2013	2,691	2,048	8,243	12,982	10.39
2017	35,883	12,271	23,320	71,474	450.56

Source:Reserve Bank of India

Explanation:The KCC issued in India 2006 &2017.The 80,12,251 and mainly commercial Banks are highly issuing
growth rate is 450.56% and the highest KCC issued in India is the KCC.

Table VII: Total Number of Kisan Credit Cards issued in Andhra Pradesh

Year	Cooperative Banks	Regional Rural Banks	Commercial Banks	Total	Growth
2006	1,21,206	161,069	10,63,529	13,45,804	Nil
2009	3,594	1,853	8,985	14,432	-98.92
2012	27	143	1,244	1,414	-90.20
2013	126	234	1,965	2,325	64.42
2017	1,570	767	1,754	4,091	75.95

Source: Reserve Bank of India

Explanation: The growth rate is highest in the year 2017 only. Again the number of KCC issued commercial Banks as 75.95%. The highest KCC issued in the year 2006 highest in the year 2006 only i.e 10,63,529

Table VIII: Total KCC Amounts (in crores) issued in India As On 31st.March 2006-17

Year	Cooperative Banks	Regional Rural Banks	Commercial Banks	Total	Growth
2006	20,33,937	8,58,253	18,77,947	47,60,137	Nil
2009	1,32,988.2	48,832.30	1,93,249.5	3,70,070.80	-92.22
2012	106.4	115	695.1	916.8	-99.75
2013	119.2	132.6	1,010.9	1,262.80	37.73
2017	1,122.0	1,024.2	1,581.10	3,747.40	195.16

Source: Reserve Bank of India

Explanation: Issuing the KCC in India as on 31st. March 2006 to 2017. As the growth percentage is 195.16 in the year 2017 and the more number of issued KCC from commercial Banks in the year 2009 and also total number of issued KCC in the year 2009 only.

Table IX: Total Kisan Credit Cards Amounts (in crores) issued in Andhra Pradesh As On 31st.March 2006-2017

Year	Cooperative Banks	Regional Rural Banks	Commercial Banks	Total	Growth
2006	41233	59,632	3,49,595	4,50,460	Nil
2009	67,5100	3,739,20	27,986,60	37,476.80	-91.45
2012	1.7	1,244	82	88.9	-99.76
2013	3.1	8	141.4	152.5	71.54
2017	68.6	65.7	140.6	274.9	80.26

Source: Reserve Bank of India

Issuing the KCC in India as on 31st March 2006 to 2017. As the growth percentage is 80.26% in the year 2017. Issuing of KCC from the commercial Banks in the year 2009 27,986,60 crores.

V. FINDINGS

1. The above analysis stated that the strategies and policies are doubled from year 2008 to 2017. In regards to loans and advances, deposits according to in the state of Andhra Pradesh.
2. The growth rate also high compare from 2005-17 in secondary sectors like information technology, retail services and manufacturing etc compared to government policies. GST also effected the growth rate on GDP in the year 2006-17.

3. The government needs more attention and encouragement to formulate the financial inclusion in India.

The above analysis stated that financial inclusion is a much positive correlation between government and secondary sectors.

VI. SUGGESTIONS

1. Need to maintain the transparency system to create better financial inclusion with the help of mainstream institutions by the government.
2. By providing the banking and services like savings accounts and credits to the people for to the farmers.

3. Need to provide insurance services with affordable cost for the backward classes essential for process and development.
4. It should be recover the gap between the demand and supply of financial services to the people who are living in villages. Financial services need to provide the initiatives which are easily understandable by them.

VII. CONCLUSION

The financial inclusion is stating that it is the heart of the economic development for the country. It should meet the policies of the Reserve Bank of India and Government of India. Financial inclusion is used for development of rural areas for providing user-friendly banking services to the rural communities where minimum facilities provided by Regional Rural Banks and commercial banks to the people who are living in rural areas. In the direction of RBI's many villages have developed from the financial integration. The rural areas also developed in their employment growth. In addition, there is expansion of commercial facilities in the form of small-scale industries. In rural areas, commercial banks providing deposits, loans and advances, etc. to analyze to improve the economic growth in rural areas. It is useful to get the hundred percent of economic integration in to Andhra Pradesh.

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