

Course Number	: HS535
Course Name	: Financial Inclusion in India
Credits	: 3-0-0-3
Prerequisites	: None
Intended for	: Ph.D./Masters/B.Tech. (3 rd and 4 th year)
Distribution	: Discipline Elective for M.A. Development Studies, HSS Free Elective for B. Tech. and Free Elective for others
Semester	: Odd/Even

1. Preamble:

Last mile delivery of financial services is a major challenge facing financial inclusion interventions in India which is home to a large unbanked population living in remote and rural areas. Lack of access to financial services causes poverty. On the other hand, access to financial services helps earn more, creates assets and cushions against external shocks due to investing in better nutrition, housing, health, and education. In other words, financial inclusion is imperative for inclusive development & growth. In this context, the course aims to provide avenues for an in-depth understanding of demand and supply side issues relating to financial inclusion ranging from user awareness to technological developments.

2. Course Modules:

Module I: Introduction Financial Inclusion (6 hours)

Introduction of Indian financial system, evolution, growth and developments in the Indian financial system over the years. Meaning and scope of financial inclusion, breadth and depth of financial inclusion in India, Economic and social causes of financial exclusion, Financial inclusion Indices, Status of financial inclusion in India, Barriers to financial inclusion in India.

Module II: Demand Side Issues (9 hours)

Nature and characteristics of clientele, economic status of rural folks, need for tailor made products and services: savings, investments, micro credit, micro insurance, remittances, pension, etc. Client vulnerability and credit risks, women empowerment, livelihood creation.

Module III: Supply Side Issues (9 hours)

Informal and formal sources of finance, Transaction cost, Institutional interventions: Microfinance institutions, Joint liability groups, Self Help Groups, Branchless banking models, Collateral issues, Business correspondent model of banking, Issues relating to interoperability, Convergence of digital identity and financial services, Impact on poverty reduction and employment generation.

Module IV: Emerging Trends and Innovations (10 hours)

Recent Trends and Innovations: Mobile banking, Digital Identity – Aadhaar, Innovations in Fintech, International case studies: Kenya and M-Pesa, Philippines and smart money, Bangladesh and bKash, and/or similar case studies.

Module V: Challenges for Future (8 hours)

Inclusive growth: Scaling financial inclusion – Role of banks, Jan-dhan yojna – trends & progress, non-banking finance companies, and technology, Rural Banking Infrastructure, Institutional changes required for financial inclusion, Client Trust, Financial Literacy, Financial Awareness, Privacy and Security concerns.

3. Textbooks:

Mani, N. (2015). *Financial Inclusion in India: policies and Programmes*. New Century Publications.

4. Reference:

Barua, A., Kathuria, R., & Malik, N. (2016). The Status of Financial Inclusion, Regulation, and Education in India. *ADB Working Paper Series*, (568), 1–24.
<https://doi.org/10.1017/S0020818300006032>

CRISIL. (2018). *CRISIL Inclusix: Financial inclusion surges, driven by Jan-Dhan Yojana* (Vol. 4). Retrieved from <https://www.crisil.com/content/dam/crisil/our-analysis/reports/Research/documents/2018/march/crisil-inclusix-financial-inclusion-surges-driven-by-Jan-Dhan-yojana.pdf>

Deepak Mohanty. (2015). *Report of the Committee on Medium-term Path on Financial Inclusion*.

Garcia Arebehety, P., Chen, G., Cook, W., & McKay, C. (2016). Digital Finance Interoperability & Financial Inclusion. *Cgap*, (December), 16. Retrieved from <http://www.cgap.org/publications/digital-finance-interoperability-financial-inclusion>

Gardeva, A., & Rhyne, E. (2011). *Opportunities and Obstacles to Financial Inclusion*. Retrieved from https://centerforfinancialinclusionblog.files.wordpress.com/2011/07/opportunities-and-obstacles-to-financial-inclusion_110708_final.pdf%0A

Gupta, S. K. (2011). Financial Inclusion - IT as enabler. *Reserve Bank of India Occasional Papers*, 32(2).

Holloway, K., Naizi, Z., & Rouse, R. (2017). *Women 's Economic Empowerment Through Financial Inclusion A Review of Existing Evidence and Remaining Knowledge Gaps*. (March).

Karmakar, K. G., Banerjee, G. D., Mohapatra, N. P. (2011). *Towards Financial Inclusion in India*. Sage Publications

Ng'weno, A., Oldja, L., Hassan, M. and, & Kapoor, P. (2018). Demand-side review of Financial Inclusion for Women in entrepreneurship and smallholder agriculture. *International Development Research Centre*. Retrieved from www.idrc.ca

Pradhan, N. C. (2013). Persistence of Informal Credit in Rural India: Evidence from 'All-India Debt and Investment Survey' and Beyond'. *RBI Working Paper*, 1–23.

Realini, C., & Mehta, K. (2015). *Financial Inclusion at the Bottom of the Pyramid*. Friesen Press.

Sriram, M.S. (2017). *Talking Financial Inclusion in Liberalised India: Conversations with Governors of The Reserve Bank of India*. Routledge.

Singh, A. S., Venkataramani, B., & Ambarkhane, D. (2014). Role of Mobile Banking in Financial Inclusion. *SSRN Electronic Journal*, (February).
<https://doi.org/10.2139/ssrn.2485777>

Singh, C., & Naik, G. (2017). Financial Inclusion in India: A Case Study of Gubbi. *SSRN Electronic Journal*, (May), 1–69. <https://doi.org/10.2139/ssrn.2973741>

Sethy, S.K. (2017). *Financial Inclusion An Overview: A Road Map For Inclusive Growth*. Bharti Publications.

Ujjawal, A., Champatiray, A. K., Sadhu, S., & Mendiratta, T. (2012). *Business Correspondent Model: An Analysis of the Financial Viability of Customer Service Providers and Client Satisfaction*.

World Bank. 2014. *Global Financial Development Report 2014 : Financial Inclusion*. Washington, DC. World Bank.

<https://openknowledge.worldbank.org/handle/10986/16238> License: CC BY 3.0 IGO

5. Similarity Content Declaration with Existing Courses

S.N.	Course Code	Similarity Content	Approx. % of Content
	HS528: Information Technology and Development	Module 4: Networking, access, mobile technologies, and development Access to hardware, software, information and services; WiMax and Internet backbone; role of TCP/IP and other protocols; (Certain example cases could include the case of the last 10km in Rwanda; case of microwave in rural Alaska; role of cellular – voice and data; case of M-PESA in India and Kenya.)	2%

6. Justification for new course proposal if cumulative similarity content is > 30%:

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