

Newsletter



PRAGATI



www.nird.org.in

 @nird.india

 @NIRDPR_India

Pages : 12



**Financial Inclusion for
Inclusive Growth**

In this issue



Financial Inclusion for Inclusive Growth

3



Training Programme on Capacity Building of Nodal Officers of Participating Institutes under Unnat Bharat Abhiyan

7



Seminar on Official Language at NERC, Guwahati

9



Conclave of Partnering Institutions on 'Transforming India by Strengthening PRIs through Continuous Capacity Building'

5



NIRD&PR signs MoU with MHRD and IIT New Delhi under UBA

8

Distinguished Visitors

10



Programme on Working Group Consultation by UN Women and NIRD&PR

6



NIRD&PR Staff Member Attends Seminar on Official Language

9

NIRD&PR Events

11

Cover Story

Financial Inclusion for Inclusive Growth

India is a country where majority of the population lives in rural areas. At the same time India's economy is one of the largest and fastest growing in the world. The growth performance of India is uneven, discrete and disconnected with regard to growth and distribution of growth benefits to certain sectors of the economy. Despite achieving high growth momentum in the recent past, the Indian economy could not bring down unemployment and poverty. Majority

hassle-free service. Financial Inclusion has an instrument to attain the aim of providing equitable distribution of growth benefit by creating equal access and economic opportunities to the poor.

Several initiatives by Government of India and the Reserve Bank of India like nationalisation of Scheduled Commercial Banks (1969), establishment and expansion of Rural Credit Co-operatives (1980), Regional Rural Banks (RRBs), Microfinance and Self-Help Groups (SHGs), and Pradhan Mantri Jan-Dhan Yojana (PMJDY) (2014), marked a paradigm shift in the focus of banking services to poor people.



of the population remained outside the ambit of basic health and educational facilities. In recent years economic and social inequalities have increased alongside high growth rates. Over 25 per cent of the population in the country continues to live in poverty.

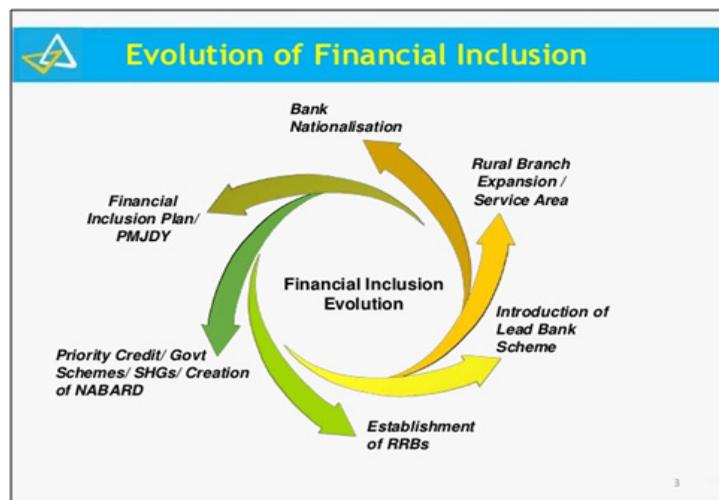
As a result, inclusive growth has become a national policy and main aim of the government. Inclusive growth includes both the pace and pattern of the economic growth, mainly the pro-poor growth. In a simpler sense, inclusive growth is a strategy of economic development for creating economic opportunities along with equal access to all. In this context the Government of India has taken a number of initiatives so that poor people can have access to the banks and can get

Financial Inclusion helps bringing a large section of the underprivileged people into the banking net. In the post-1991 liberalisation period the goal was given a short shrift. Financial inclusion is necessary for the country like India where more than 70 per cent of population lives in the rural areas and depend upon agriculture. Census (2011) estimated that only 58.7 per cent of the households have access to banking services (about 54.5 per cent in rural areas and 67.7 per cent in urban areas). Access to finance by the poor and vulnerable groups is a prerequisite for poverty reduction, employment, and economic growth of the vulnerable groups by giving them an opportunity to have a bank account, to save and invest, to insure their homes or take credit and thereby facilitate them to break the chain of poverty.

The RBI and Central Government have taken a number of measures like opening of 'no-frills' savings accounts, engaging business correspondents/facilitators, Special Financial Inclusion Plans during 2010-2013 and 2013-16, which have been implemented by all banks. The RBI's plan includes provision of banking services to habitations with a

population of 2000 and above (As per 2001 Census) by March 2012 (*Strategy and Guidelines on Financial Inclusion, Ministry of Finance (MoF), 21 October, 2011*).

and mobile hand electronic devices for receipts and disbursement of cash by their agents such as business facilitators/correspondents. Banks are required to make available all printed material used by retail customers in concerned regional language. A multilingual website in 13 languages on all matters concerning the banking was launched by RBI on June 18, 2007. 'Project Financial Literacy' has been initiated by RBI with the objective of disseminating information regarding the central bank and general banking concepts to various target groups including school and college going children, women, rural and urban poor, defense personnel and senior citizens.



According to Raghuram Rajan, former Governor of the RBI, Financial Inclusion is about three important factors:

- Broadening of financial services to those people who do not have access to financial sector services
- Deepening of services for the people who have minimal financial services and
- Ensuring greater financial literacy and consumer protection so that those who are offered the product can make the appropriate choice.

The Government of India in June 2006 constituted a committee on Financial Inclusion under the chairmanship of former RBI Governor, Dr. C. Rangarajan to look into the problem of exclusion of rural poor from access to financial services. Based on the recommendations of the Committee and an announcement made in the Union Budget 2007-08, two funds [Financial Inclusion Fund (FIF) and Financial Inclusion Technology Fund (FITF)] were set up with National Bank for Agriculture and Rural Development (NABARD). The funds were meant for meeting the cost of developmental and promotional interventions, and costs of technology adoption respectively to facilitate the mandated levels of inclusion.

Banks were encouraged to make use of Information and Communication Technology (ICT) using biometric smart cards

To achieve the financial inclusion target, it is necessary to impart financial literacy to the poor excluded people. According to the Organisation for Economic Cooperation and Development (OECD), financial literacy is the combination of consumers/investors, understanding of financial products and concepts, their ability and confidence to appreciate financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective action to improve their financial well-being. The financial services market offers consumers a vast array of products and providers to meet their financial needs. The choice left with the today's complex society is that they should be well equipped with the knowledge and skills to evaluate the options and identify those who best suit their needs and circumstances. Thus, Financial Inclusion and Financial Literacy have to go together in countries like India depending on income level, location, literacy, profession, and age group, etc.

The RBI has initiated a number of measures to improve the credit delivery mechanism and bring about maximum financial inclusion of the poorer sections of the society. The Central Bank is also entering into agreements with Indian Postal Department for using the wide network of post offices as business correspondents. Financial inclusion of rural poor is the main focus of Reserve Bank of India's Policy. The RBI's plan includes the provision of banking services to habitations with the population of 2000 and above to ensure the financial inclusion. To achieve this model, the banks have adopted the service area approach, differential rate of interest, priority sector lending, lead bank scheme, issue of Kisan Credit Card and General Credit Cards to help the rural poor to overcome financial difficulties and get better access to financial institutions. District Rural Development Agency is responsible for the planning and implementation of rural development programmes



from the launch of PMJDY. However, mere opening of account is not financial inclusion. There should be a continuity and consistency in use of banking services at a reasonable cost to every citizen of the nation. Financial Inclusion also extends the banking habit among the less privileged in urban and rural India and weaning them away from unorganised money market and money lenders. The inclusive growth of excluded sections that are out of the ambit of formal financial system can be achieved by improving the skills, knowledge and understanding to make the best use of financial products and services.

Financial inclusion is an important step in achieving the poverty alleviation in India. Financial service providers should understand more about the consumers and new business models to reach them and promote inclusive growth.

**Dr. T. Vijaya Kumar, Associate Professor,
Centre for Human Resource Development,
NIRD&PR**

for poverty alleviation of the rural poor under the guidance of Ministry of Rural Development, Government of India at the district level.

Financial Inclusive initiative has become successful with a record of 8.76 saving accounts opening within 100 days

Meeting

Conclave of Partnering Institutions on 'Transforming India by Strengthening PRIs through Continuous Capacity Building'

A one-day Conclave of Partnering Institutions on 'Transforming India by Strengthening PRIs through Continuous Capacity Building' was held on December 28, 2016. Representatives from 12 reputed institutes from across the country took part in the programme. The programme focused on capacity building of the representatives of Panchayati Raj Institutions (PRI) and enhancing the skills of people associated with, especially the elected representatives (ER) across the country.

The programme began with the welcome address by Dr. W. R. Reddy, IAS, Director General, NIRD&PR. The DG in his welcome address mentioned that the PRIs are the

fundamental unit of local self-government to promote economic development and social equity with justice. They are the exemplary of participatory democracy to capture the ground realities and identify the needs of people. But, the skills and educational levels of ERs of PRIs are varied. There is a dire need to adopt innovative means of capacitating and motivating the PRIs to improve service delivery standards.

It is a tough task to enhance the skills of around 6 million (3 million ERs and 3 million functionaries) people. The elected representatives keep changing after every five years and there is no system to train them continuously. Only solace is that the elections to PRIs are varied from year to year. So, few States

can go to the elections at the same time. The basic training should be completed within two years of the elections. Theme specific training should be given to different committees after the completion of basic training programme. This task will be fulfilled through partnering institutions.

The DG has informed that the NIRD&PR is launching the Certification of Master Trainers, On-line courses, Distance Mode Programme, a One-year Diploma Programme and a Two-year Post Graduate course on Panchayati Raj Administration to fulfil the task of capacity building and equip them with updated knowledge.



Further, the Chief Guest of the programme, Shri J S Mathur, Secretary, Ministry of Panchayati Raj, Government of India addressed the delegates.

In his inaugural address, the Secretary has focussed on following aspects:

1. Trainer's quality (communication skills)
2. Training methods (user-friendly learning methods)
3. Training environment (Conducive environment for learning)
4. Training by the former sarpanches to motivate the ERs of PRIs
5. Focus on building leadership qualities, especially women leadership.

The Secretary advised the partnering institutions that the training should not be conducted for the training sake, with only a few people attending it. He felt that former sarpanches are great help in providing training. They will explain how they have succeeded and why they have failed, and how to overcome the obstacles. This can be a great motivation to the ERs of PRIs.

In conclusion, the Secretary, MoPR has mentioned that NIRD&PR is a Nodal Agency to strengthen PRIs through partnering institutions. The secretary has urged the partnering institutions to send feedback and identify strengths of their institutes to strengthen the PRIs. The programme was coordinated by Dr. S. N. Rao, Associate Professor, Centre for Panchayati Raj.

Programme on Working Group Consultation by UN Women and NIRD&PR

The Centre for Gender Studies and Development, NIRD&PR organised a one-day Working Group Meeting on January 25, 2017 under the UN Women sponsored project. The NIRD&PR and UN Women are now in the process of implementing the second phase of UN Women Project titled 'From Opportunities to Capacities: A Multi-sectoral Approach to Enhance Gender Responsive Governance'. The second phase of the programme aims at building a body of evidence to inform and enhance the capacity of governance institutions to deal with the real opportunities for gender equality and women's empowerment.

As an initiator to the second phase, this programme on working group meeting was organised. The major objective

of this programme was to develop a roadmap for a Gender-Friendly Panchayat and to prepare a broad outline and framework for developing Gender-Friendly Panchayat Handbook. The programme was inaugurated by Dr. S. S. Meenakshi Sundaram, IAS (retired). He said that as an institution of local self-governance, Panchayats have greater scope to become gender-friendly in their composition and functions. Five partner SIRDs of this project from Andhra Pradesh, Telangana, Karnataka, Rajasthan and Odisha participated to evolve strategies for Gender-Friendly Panchayat. Several other experts like Ms. Sarojini Ganju Thakur, IAS (retired), Ms. Kameshwari Jandhyala, former Director of Mahila Samakhya Programme and Ms. Neeta

Hardikar from ANANDI were there to give their inputs in designing Gender-Friendly Panchayat. Ms. Navanita Sinha, Ms. Arunima Sen, Ms. Rachna and Ms. Rosalin Mahapatra also participated in the meeting representing UN Women. Dr. Jayalakshmi, Professor and Head, Centre for Panchayati Raj, NIRD&PR and Dr. Lavanya Suresh from TISS, Hyderabad were also present during the meeting.

As a part of this programme, consultants from UN Women shared their research studies on Gender Responsive Budgeting, Panchayat Resource Centre and Convergence. Two women Gram Panchayat Sarpanches namely, Smt. Kumrum Taramati and Smt. Chandramma from Telangana and Andhra Pradesh respectively, spoke about their activities on Gender-Friendly Panchayat. Finally, the programme concluded with a resolution that the Gram Panchayat Development plan will be used as an entry point for developing Gender-Friendly Panchayat. Partner SIRDs agreed to initiate the process under the guidance of NIRD&PR. Discussions were also held to prepare a handbook on Gender-Friendly Panchayat by SIRDs and NIRD&PR will facilitate them.



The working group meeting was organised by Dr. N. V. Madhuri, Associate Professor in Centre for Gender Studies and Development, NIRD&PR with Dr. Vanishree Joseph, UN Women Programme Analyst under the guidance of Dr. C. S. Singhal, Professor and Head, Centre for Gender Studies and Development, NIRD&PR.

Training

Training Programme on Capacity Building of Nodal Officers of Participating Institutes under UBA

The Centre for Human Resource Development organised a National-level training programme on Capacity Building of Nodal Officers of Participating Institutes under Unnat Bharat Abhiyan from January 4 to 6, 2107 in collaboration with Indian Institute of Technology, New Delhi. The programme was sponsored by the Ministry of Human Resource Development, Government of India, New Delhi. The objectives of the programme were to acquaint the participants with the framework for preparing the village development plan, and orient them about tools and techniques of Participatory Rural Appraisal and its use in preparing village development plan.

A total of 36 faculty members of IITs, NITs, Central Universities, and Engineering Colleges have participated in this programme. Besides NIRD&PR faculty, a few resource persons were also invited to share their expertise with participants. The content of programme was prepared in a



way that it covered the basics of PRA tools and techniques, framework for village development plan, technology under UBA and hands on experience on PRA and village development plan through field visit. Dr. W. R. Reddy, IAS, Director General, NIRD&PR has addressed the participants in inaugural session about the importance of this programme

in sustainable village development. Shri Subba Rao, Economic Advisor, MHRD, New Delhi interacted with the participants and clarified the doubts regarding various issues related to funding during valedictory session.

The programme was coordinated by Dr. Gyanmudra, Professor & Head, Dr. T Vijaya Kumar, Associate Professor, and Dr. Lakhan Singh, Assistant Professor of Centre for Human Resource Development.



NIRD&PR signs MoU with MHRD and IIT Delhi under UBA

Unnat Bharat Abhiyan (UBA) by Ministry of Human Resource Development, Government of India is initiated to meet the challenges of education in 21st century by fostering knowledge with analytical skills, logical reasoning and the ability to imagine beyond the given time. This approach makes sure that we achieve our goals with the right value system, sensitivity and responsibility.

This Abhiyan is inspired by the vision of transformational change in rural development processes by leveraging knowledge institutions to help build the architecture of an Inclusive India. The main objective of UBA is to enable higher educational institutions of India such as IITs, IIMs, and NITs, etc., to work with the people of rural India in identifying development challenges and evolving appropriate solutions/technologies for accelerating sustainable growth. It also aims to create a virtuous cycle between society and an inclusive academic system by providing knowledge and practices for emerging professions and to upgrade the capabilities of both the public and the private sectors in responding to the development needs of rural India.

Ministry of Human Resource Development, Government of India has designated IIT Delhi as a Coordinating Institute (CI) for the Unnat Bharat Abhiyan (UBA) to convene various consultative workshops and meetings and 92 apex level institutions (participating institutions) to provide academic institutional resource base for implementing objectives of Unnat Bharat Abhiyan.

Since NIRD&PR is India's apex body for building capacities of Rural Development and Panchayati Raj functionaries and believes in enriching the quality of life of poor rural people by meeting their basic needs and generating employment opportunities on a wider scale through decentralised planning, the Institute has made an agreement with Ministry of Human Resource Development, Government of India and Indian Institute of Technology, Delhi to be a partner of this important initiative. In continuation of this, NIRD&PR has signed a Memorandum of Understanding with MHRD and IIT Delhi on December 27, 2016 to develop capacity building of nodal officers of 92 participating institutions under Unnat Bharat Abhiyan.

Dr. Gyanmudra, Professor & Head, Centre for Human Resource Development (CHRD) and Faculty Team of CHRD coordinated this programme.



Seminar

NIRD&PR Staff Member Attends Seminar on Official Language

A one-day Seminar on Official Language was held in New Delhi on January 13, 2017. Smt. Anita Pandey, Assistant Director, Official Language, NIRD&PR participated in the programme, which was jointly organised by Rashtrabhasha Swabhiman Nyaas and USM Palika. The programme was attended by several noted dignitaries including, Shri Thavar Chand Gehlot, Union Minister of Social Justice and Empowerment, former Governor and Gandhian Thinker, Dr. Bhismanarayan Singh, Padmashri Dr. Shyamsingh Shashi, former Mayor, General Secretary of the Council of Nagari Lipi Dr. Harisingh and scholars from different parts of the country.



Seminar on Official Language at NERC, Guwahati



The Akhil Bhartiya Rajbhasha Sammelan was conducted on January 19 and 20, 2017 at NIRD&PR, NERC, Guwahati. Chief Guest of the programme, Ms. Damyant Devi from Kasturba Gandhi Trust spoke about the importance of Rajbhasha Hindi. A total of nine papers were presented by the participants. Smt. Anita Pandey, Assistant Director, Official Language,

NIRD&PR, and E. Ramesh, Senior Hindi Translator, NIRD&PR also presented a paper on 'Grameen Vikas mei Hindi ki Bhoomika'.

Dr. R.M. Pant, Director, NERC, Keshav Sharan, Junior Hindi Translator, Smt. Anita Pandey, Assistant Director (OL) and E. Ramesh, Senior Hindi, Translator NIRD&PR, Hyderabad coordinated the Sammelan.

Distinguished Visitors



Delegation led by Shri Prakasam Tata, Metropolitan Reclamation District of Greater Chicago, USA, Mr. David St Pierre Pe, Executive Director, Interacting with Dr. W. R. Reddy, IAS, Director General, NIRD&PR



Prof. Mark Gesner and Prof. Nancy Stanford Blair from Cardinal Stritch University, Milwaukee, Wisconsin, USA Interacting with Heads of Centres as Part of Their NIRD&PR Visit



Shri Sanjay Dubey, IAS, Divisional Commissioner, Indore, Delivering a Special Lecture on Agriculture and ICT Education at NIRD&PR



Shri Parameshwaran Iyar, Secretary, Ministry of Drinking Water and Sanitation, GoI, Interacting with Dr. W. R. Reddy, IAS, Director General, NIRD&PR

NIRD&PR Events



Dr. W R Reddy, IAS, Director General, NIRD&PR addressing staff and faculty at New Year Celebrations

Dr. W R Reddy, IAS, Director General, NIRD&PR Unveiling 2017 Calendar



Republic Day Celebrations at NIRD&PR



Update for JRD

The Journal of Rural Development, a quarterly journal published by NIRD&PR has gone online with regard to the submission of papers. Henceforth, the contributors are requested to follow the procedure given in Online Journal Management System (OJMS). One can access the OJMS site on the link <http://nirdprojms.in>.

OIGS

Book-Post (Contains Printed Matter)



National Institute of Rural Development and Panchayati Raj

Rajendranagar, Hyderabad - 500 030

Phone: (040) 24008473, Fax: (040) 24008473

E-mail: cdc.nird@gov.in, Website: www.nird.org.in

Dr. W.R. Reddy, IAS, Director General, NIRD&PR

Dr. Gyanmudra, Professor and Head, CDC,

Editor : Dr. K. Papamma,

Photographs : P. Subrahmanyam,

Published by Dr. Gyanmudra, Professor and Head,

CDC on behalf of the National Institute of Rural Development & Panchayati Raj, Rajendranagar, Hyderabad - 500 030

and printed at M/s. Vaishnavi Laser Graphics, Hyderabad.