

CHAPTER – I

INTRODUCTION

1.1 INTRODUCTION

Finance has become essential part of the economy for development of society as well as economy of nation. For, this purpose strongly financial system required in not only in under development countries and developing countries but also developed countries for substantial growth. Through financial inclusion was a achieve equitable and inclusive growth of the nation. Financial inclusion stands for delivery appropriate financial services at the affordable cost, on timely basis vulnerable group such as low income group and weaker section who lack access even to most basis banking service

The kudumbashree programme was initialized by Govt. of Kerala in 1998. The slogan of mission is “Reaching out to families through women and reaching out to community through family.” The concept was developed by NABARD and Government of Kerala through joint initiative as a poverty eradication programme, women empowerment and rural development. Kudumbashree. Act as a catalyst for economic empowerment of women by providing economic, security, social solidarity and political betterment of women particular region.

Financial Inclusion refers to a process of providing the financial products/services to weaker section of the society at affordable cost. It is delivery of financial services to poor people and low-income group at reasonable price. In other word, financial inclusion is access of safe, easy and affordable financial services to financially disadvantaged people. People may be financially included through Commercial Banks, Regional Rural Banks (RRBs), Insurance services, Post Office Saving Banks (POSB). Planning Commission (Government of India) has targeted the Faster Inclusive Growth in Twelfth Five Year Plan (2012-17)¹. In order to achieve the inclusive growth, Government of India has launched several development and employment programmes such as MGNREGS, Development of Women and Children in Rural Areas (DWCRA), Swarnajayanti Gram SwarojgarYojana (SGSY)

Especially for women development, National Rural Health Mission (NRHM) etc. Financial inclusion is one of the major areas, on which government is paying attention to achieve the inclusive growth. An inclusive financial system is necessary to reduce informal financial system where people borrow money from neighbors, relatives, and village money- lenders by paying high rate of interest. In the rural area, large number of population does not have bank account, insurance schemes and other financial services. Thus, there is need of inclusive financial system that will facilitate financial services efficiently to financially excluded people at affordable cost. Financial excluded individual/households cannot be expected for financial

1.2 STAMENT OF THE PROBLEM

Financial inclusion places a greater role in the growth and development of financial system in the country. Kerala has been among the traditionally well backed state of country, and has adopted several measures to make successful of finance inclusion among kudumbashree members in Kannur District, and making them awareness about various financial services available today.

1.3 SIGNIFICANCE OF THE STUDY

A study on financial inclusion among the Kudumbashree members is a great importance in the present day situation. Achieve participation of each and every in the financial system of the country is prerequisite for the effective functioning of financial system. Financial system facilities the need of those who are need of those who need the money and those who have surplus money. Therefore, the study proposes to analysis the intensity financial inclusion among kudumbashree members in Kannur District.

1.4 OBJECTIVEOF THE STUDY

- To know the factors motivating women joining Kudumbashree
- To study the financial inclusion among Kudumbashree members.
- To evaluate the awareness of Kudumbashree members towards the banking sectors

1.5 SCOPE OF THE STUDY

The study on “FINANCIAL AMONG KUDUMBASHREE MEMBERS WITH SPECIAL REFERANCE TO KANNUR DISTRICT” is confined to Kannur District.

1.6 RESEARCH METHODOLOGY

The present study is descriptive and analytical in nature. The study attempt to examine the financial inclusion among kudumbashree members with special reference to Kannur District.

1.6.1 SOURCE OF DATA COLLECTION

➤ Primary data

The primary data is collected through interviewing the kudumbashree members in mayyil Panchayath by using structured questionnaire

➤ Secondary data

Secondary data collected from books, web and other published source

1.7 LIMITATION OF THE STUDY

- 1) This project consists only 100 samples. It is less accuracy
- 2) A details study could not be conducted limited time
- 3) Sample study is based on 3 wards and hence the findings cannot be generalized
- 4) The respondents sometimes were too busy to answer the questions in details