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REVIEW ARTICLE

FINANCIAL INCLUSION: INTRODUCTION AND OVERVIEW

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Abstract: Financial inclusion has emerged as a critical strategy for promoting economic growth, reducing poverty, and ensuring equitable access to financial services for all segments of society, particularly low-income and marginalized populations. This study explores the concept of financial inclusion, its importance, and the challenges associated with achieving it, while contrasting it with financial exclusion, which disproportionately affects vulnerable groups such as the unemployed, elderly, and physically disabled. The research highlights the role of financial inclusion in fostering economic development by providing access to formal credit, savings, insurance, and payment systems, thereby reducing reliance on informal financial sources. The study underscores the global efforts led by organisations such as the World Bank, G20, and OECD/INFE to promote financial literacy and inclusion, particularly in developing countries where a significant portion of the population remains unbanked. It emphasises the need for tailored financial products and services, financial education, and the establishment of trust in formal financial systems to ensure active participation from underserved communities. The research also examines the barriers to financial inclusion, including high transaction costs, lack of awareness, and inadequate infrastructure, and proposes solutions such as digital financial services, mobile banking, and agent banking to bridge the gap. Furthermore, the study discusses the socio-economic benefits of financial inclusion, including poverty alleviation, increased savings, and the empowerment of women and marginalised groups. It also highlights the role of financial inclusion in achieving sustainable development goals by promoting equitable growth, reducing income disparities, and enhancing financial stability. The research concludes by emphasising the importance of evidence-based policymaking, the need for standardised financial inclusion indicators, and the role of governments, regulators, and financial institutions in creating an inclusive financial ecosystem that benefits all members of society.

Keywords: *Financial Inclusion, Economic Growth, Poverty Reduction, Financial Literacy, Digital Financial Services, Mobile Banking, Financial Exclusion, Sustainable Development Goals (SDGs), Access to Finance, Marginalized Populations, Financial Empowerment, Agent Banking, Financial Infrastructure, Financial Education, Inclusive Finance, Global Financial Systems, Socio-Economic Impact, Developing Economies, Financial Stability, Equitable Access.*

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INTRODUCTION

The basic tenet of financial inclusion is to offer affordable banking services to low-income and underprivileged populations. For individuals who are now excluded, this includes simple access to credit, insurance, payments, and transfers via the official financial system. When everyone in society has access to formal financial services, regardless of income level, this is known as financial inclusion. It includes a variety of financial services, including insurance, equity products, and pension plans, in addition to banking services. The phrase "inclusion" highlights the need for these services to be accessible to all community members, guaranteeing equitable and reasonably priced access to financial services.

Financial exclusion, on the other hand, is a relatively recent idea that was introduced in 1994. This idea describes people's incapacity to get or utilize financial items that enable them to engage in a variety of everyday activities. Low-paid people, the unemployed, the elderly, young people not engaged in school or vocational training, and people with physical disabilities are among the social categories most at risk of financial exclusion.

Concerns and perceptions of the restricted physical access to banking services brought about by bank branch closures led to the creation of the phrase "financial exclusion." The phrase started to be used more broadly in 1999 to refer to those who had little access to traditional financial institutions. Research on the barriers that some groups of people have when trying to use contemporary payment methods, other banking services, consumer credit, and insurance has also grown.

Background of the Study

Financial Development and Economy

An entrepreneurial spirit can be encouraged among the populace by offering formal credit alternatives and guaranteeing sufficient and transparent credit availability through financial institutions and conventional channels, which will boost output and wealth in the nation. As a result, unbanked people will be less reliant on unofficial funding sources including loans from friends, family, and moneylenders.

In 90% of economies, the primary financial regulator is in charge of at least some components of the financial inclusion agenda, according to Financial Access's 2010 CGAP study. However, financial authorities in low- and middle-income nations are more likely to concentrate on promoting access to deposit and credit services.

Sharma (2014) asserts that based on each nation's degree of development, different areas have varied interpretations of economic progress. Every nation prioritises economic growth and employs different strategies based on its unique situation. In order to prevent a product or program from failing, economic growth must be inclusive and beneficial to all members of society.

The usage of electronic bill payment methods and digital channels may be viewed as a type of financial exclusion in industrialised nations. However, in developing countries, where the financial sector does not offer sophisticated services, this perspective may not be valid. As a result, it is difficult to compare nations based on economic development, and care should be used. A key element of total economic growth and an important factor in an economy's development is financial development.

Promoting Global Financial Literacy

With the help of OECD/INFE, the World Bank and G20 nations have been actively promoting financial inclusion and financial literacy among people worldwide since 2010. 515 million adults globally opened a bank account between 2014 and 2017, according to the Findex 2017 study. Nonetheless, 1.7 billion adults are still unbanked, out of the 2 billion people who lack access to banking globally. Interestingly, women make up 56% of the unbanked population.

Approximately 38% of bank accounts in India, although over 80% of people have one, are not active. Therefore, it is essential to create a comprehensive financial system that gives the underprivileged segments of society the ability to easily engage in personal financial planning activities while fostering confidence and trust. The underprivileged should have their needs met by updating and customising this system.

However, financial inclusion is not ensured by merely opening a bank account. Encouraging the underprivileged population to use the formal financial system for financial services and establishing and maintaining banking habits are the real challenges. Dhillon (2019) highlights the significance of giving low-income households basic financial education and information. They must have access to trustworthy investment sources that can yield future returns, concentrate on building wealth through prudent saving, and comprehend the risks involved in the financial industry.

Poor people should have access to funds that are solely intended for future use as part of the financial system's contingency planning sector, which is where financial inclusion operates. It has been noted that merely enhancing one's lifestyle through financial inclusion is insufficient; people also need to have the right tools and resources to properly plan for their later years. Many impoverished people are unaware of retirement planning and lack the requisite expertise. Therefore, it is crucial to offer them reasonably priced retirement plans to guarantee they obtain beneficial returns in their later years.

Financial Inclusion

In recent years, financial inclusion has gained a lot of attention, particularly when it comes to fostering economic growth and lowering poverty. In essence, it entails making sure that a range of financial services and products, such as credit, insurance, savings accounts, and payment systems, are easily and reasonably accessible to both individuals and enterprises. Nonetheless, the notion of financial inclusion is multifaceted and subject to several interpretations. We will examine several definitions, conceptualisations, and viewpoints regarding financial inclusion in this conversation.

All societal segments must be included in the financial sector and have equitable access to banking and other financial services, according to Bhagwandas (2018).Universal access to a variety of financial services at affordable prices, including equity and insurance products, is referred to as financial inclusion. The World Bank defines financial inclusion as the availability of practical, reasonably priced financial services and products that satisfy the needs of people and enterprises, including credit, insurance, savings, payments, and transactions, and that are provided in an ethical and sustainable manner.

Established financial institutions effectively and transparently carry out the goal of providing accessible and affordable financial products and services to economically disadvantaged, underserved, underprivileged, and below-poverty vulnerable groups in compliance with the guidelines established by the RBI.

Ahmed Al-Bakle claims that a broad range of excellent public financial services and products are included in financial inclusion. Payments, current and savings accounts, transfers, credit, loans, financing, insurance, and more are all included in this category. Regulations supporting these services and goods are designed to increase their accessibility and use by all societal groups.

The goal of financial inclusion is to offer these services and goods in a timely, equitable, transparent, affordable, and suitable quality manner. It should be customised to fit each person's demands and guarantee efficient use. It is imperative that these services be provided responsibly, sustainably, and in accordance with the relevant legal and regulatory framework via the official financial system channels.

According to Priyanka Sharma, financial inclusion is the process of making sure that everyone in an economy can easily access, use, and utilise the official financial system. According to Lakhwinder Kaur Dhillon's research, financial inclusion is a system that provides banking services to a larger percentage of low-income and disadvantaged populations at a fair and accessible price.

According to The Rangarajan Committee (2008), "the process of ensuring access to financial services and timely and adequate credit needed by vulnerable groups such as weaker segments and low-income groups at an affordable cost" is the definition of an inclusive financial system, also referred to as financial inclusion.

"A financial sector that provides credit to all bankable people and firms as well as savings and payment services to everyone" is how the UN defines financial inclusion. While not everyone must be able to use all services for inclusive finance, they should have the option to do so if they so choose.[i] According to ADB (2000), financial inclusion offers low-income and impoverished households and their microbusinesses a wide range of financial services, including deposits, loans, payment services, money transfers, and insurance.

Renuka Bacharaju defines financial inclusion as giving vulnerable groups such as those in lower-income and weaker segments timely access to financial services and reasonably priced credit. Making banking services accessible to all people in order to satisfy their demands for credit, savings, remittances, and other financial goods and services is the main objective of financial inclusion. Reema Rabha claims that financial inclusion enables all societal groups to have access to fundamental financial services like credit, insurance, and savings chances.[ii]

Financial Exclusion

Lack of access to financial services and goods for both individuals and communities is known as financial exclusion. The capacity of people and enterprises to frequently and affordably use financial services is known as financial inclusion; the opposite of this is financial exclusion. Lack of access to bank accounts, credit, insurance, and payment services are just a few examples of the many ways that people might be financially excluded. Inadequate financial infrastructure, discriminatory practices, and excessive transaction costs are some further ways it may show up.

Financial exclusion, according to Guar, is the inability of large populations, particularly the less fortunate and economically disadvantaged, to obtain beneficial banking services.[iii] Financial exclusions, according to Leyshon & Thrift, are procedures used to keep members of particular social groups and individuals from having access to the official financial system. Financial exclusion, according to Sinclair, is the inability to obtain essential financial services in a suitable manner.

Financial exclusion, according to Stephen P. Sinclair (2001), is the inability to access necessary financial services in a suitable manner. Problems with conditions, pricing, promotion, access, or self-exclusion as a result of unfavourable experiences or opinions can all lead to exclusion. When financial exclusion impacts low-income consumers and those going through financial difficulties, it becomes a communal concern.

Table 1: Financial inclusion vs financial exclusion

Elements	Financial Inclusion	Financial Exclusion
Product	Access to sensible, practical, and transparent goods as well as additional financial services like micropensions is guaranteed by the variety of offerings. They offer high-quality services and products that are adaptable and configurable, and they have access to goods that help them establish a steady income.	Exclusion may occur when products are inconvenient, rigid, uncustomisable, or of poor quality.
Price	• Their products and mechanisms are competitive and fairly priced. • The product's effective cost is not seen as being excessively expensive or usurious.The customer is not impacted by inefficiencies.	When products are unaffordable, they may be excluded.
Awareness	• Active promotion of the product is required. • Every term and condition needs to be fully and openly defined. • Security, education, and customer service are prioritised.	When clients are unaware, they may be excluded.
Delivery	• It is accessible in remote locations, has a straightforward and practical distribution mechanism, and lowers client transaction costs.	Exclusion may occur when clients are difficult to reach and have a low transaction cost.

Source: (Jose, Renjith, 2019)

Importance and Need of Financial Inclusion

All societal sectors can access financial inclusion services thanks to the reliable and effective frameworks..[iv] It is crucial to provide investments, digital payments, lending, and deposits. More resources and a wider range of financial administration solutions are made available through financial inclusion. Programs for education regarding the functions of infrastructure, bank services, and promising development prospects are also included. This feature creates a setting in which people can readily access the financial institutions' services and goods. Financial inclusion is growing and receiving attention in many contemporary nations since it is crucial to uplifting those who are financially excluded. Universal access to a variety of reasonably priced financial services is referred to as financial inclusion. It ensures that everyone, including those with modest incomes, has fair and uncomplicated access to financial goods and services at affordable rates. It also entails educating people about the use of financial goods and providing debt counselling and money management guidance.

76% of people worldwide and 71% of individuals in developing nations now own an account. For many years, the gender disparity in account ownership in developing nations was 9%, but it has since shrunk to 6%. Getting digital payments like government transfers, wage payments, or domestic transfers encourages people to use other financial services like borrowing, saving, and holding money. In developing nations, 18% of individuals, or 40% of those who paid utility bills, did so straight from their bank accounts. Only 20% of adults in other developing nations are paid using digital business payments, compared to 80% in China. The adoption of digital financial services has increased as a result of the coronavirus pandemic; 40% of adults in developing economies (apart from China) paid a digital merchant online, over the phone, or with a card, and 33% of adults in developing economies who paid a utility bill straight from their account did so for the first time since the pandemic started.

Because it encourages account ownership and use through mobile payments, savings, and borrowing, mobile money has emerged as a crucial facilitator of financial inclusion in sub-Saharan Africa, especially for women. In developing economies, over 50% of adults can get more money within 30 days if they have unforeseen expenses.[v]

The main aims of inclusive finance, according to the United Nations, are:

- Market monitoring, industry performance values, and an appropriate management system can all help create sound financial institutions.
- It should be possible to use financial services appropriately by ensuring institutional and financial sustainability.
- Where necessary, more financial service providers should be present to give clients a wide range of choices.

The policymakers have been emphasising on financial inclusion of the country's rural and semi-rural areas primarily for the three most critical imperative needs:

Developing saving habits: People in poverty are more susceptible when they don't have any savings. Due to a lack of protection, this low-income group has always been under financial strain. The goal of banking services and products is to offer a valuable instrument to promote saving. People will shift away from traditional savings strategies including investing in real estate, buildings, and bullion as a result of financial inclusion. This action will raise the nation's capital formation and, after financial inclusion policies are implemented, should strengthen the economy.

Offering formal credit options: By making sure that sufficient and transparent financing is available through financial institutions and conventional channels, people will be more inclined to start their own businesses, which will boost national output and wealth. Consequently, it will lessen the reliance of unbanked people on unofficial funding sources including loans from friends, relatives, and moneylenders. One of the best instances of offering credit at a convenient and reasonable cost is microfinance.

Resolving public subsidy and welfare program leaks: The development and well-being of the impoverished are the goals of government programs and initiatives. But a sizable portion of funds intended for the impoverished do not make it to them. On the other hand, a large portion of the funds are leaked and fail to reach the intended recipients due to a complex system of government administration. By allowing the government to send benefits straight to the recipients' bank accounts rather than through cash payments, subsidies, or concessions, financial inclusion has assisted in resolving this problem.

The real beneficiaries have benefited from this admirable endeavour, which has also decreased the government's subsidy expense and stopped money from leaking before it reaches its intended users. Establishing a transaction system where the impoverished can directly profit from an economical and effective financial system is crucial to achieving this. Consequently, financial inclusion must to be given top priority. The official financial system must address two issues: Using financial counsellors to raise farmers' financial literacy and emphasise their financial inclusion. Indian banks and other financial market participants should aggressively promote initiatives that raise understanding of loan consequences, interest computations, and other unique banking aspects so that consumers can make educated decisions as part of their CSR. Small borrowers, particularly farmers, should have access to full-day counselling sessions offered by banks. It takes a lot of work and engagement in this area.

Establishing a bank account is not the end goal of financial inclusion; it is only the first step.

Accounts must be actively used; simply establishing an account is not enough. Understanding the lives, needs, production, and vulnerabilities of the impoverished is essential to inclusion. They can gradually stabilise, reduce risk, boost earnings, acquire assets, and eventually become self-sufficient when banks step in and open accounts. By meeting their financial needs, fostering savings, and advancing financial awareness, financial inclusion is viewed as a way to empower the targeted group. Treating account holders as clients rather than as beneficiaries is essential.

A larger portion of the economy is encouraged to interact with the official financial system through financial inclusion. It facilitates the shift to bank accounts, which are easily monitored, from a cash-based economy. Additionally, it makes it easier to monitor suspicious transactions by facilitating the application of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) rules.

Advantages of Financial Inclusion

First, financial inclusion contributes to economic growth to a certain extent. Research suggests that when credit is issued without adequate management, the dangers to financial stability increase. Financial stability is unaffected by expanding access to other forms of financial services, in contrast to credit. Financial independence can only be attained by people who have investments, insurance, and retirement plans. Only until impoverished households and isolated regions are financially included will all of this be feasible.

Another benefit of financial inclusion is that it opens up new avenues for private-sector company models that put social service first and offer a fresh approach to growth. For instance, M-PESA and other mobile money services have reached around 80 % of Kenyans, and innovative use cases and business models are finding their way into the infrastructure.

Additionally, M-KOPA and Mobisol have created microleasing for community-based, off-grid solar electricity in Tanzania, which is a great illustration of innovation in the context of climate change adaptation. The effect on household wellbeing has not yet been confirmed, yet.

Global poverty can be reduced with the help of financial inclusion, especially in developing and impoverished nations. It accomplishes this by giving those in need prompt, affordable access to better credit and thrift savings. Because many individuals lack access to financial services and are forced to rely on their own resources or unofficial sources of financial services, financial inclusion has become a global concern. All nations are working together to get a sizable portion of the populace-especially the disadvantaged groups in both rural and urban areas into the banking industry.

Financial empowerment is also a set of results proven to improve the economic well-being of impoverished people. It offers many advantages, including:

- Financial literacy education and counseling
- Assistance with receiving government benefits and tax credits
- Access to safe and affordable financial products and services
- Opportunities for savings, asset building, and investment
- Consumer education and safety
- The removal of financial barriers and connection to opportunities to increase incomes quickly and begin saving and building assets for a secure future will enable people with low incomes to improve their financial outcomes.

In recent years, financial inclusion has also been seen as a growth factor. Financial inclusion expands the total amount of savings and investment options available to society at large. The literature claims that many European nations adopted universal banking systems because of concern that market-based competitive banking would fail to deliver the social advantages of full financial inclusion.

Indicators of Financial Inclusion

Three factors-access to financial services, use of financial services, product quality, and service delivery-can be used to gauge financial inclusion. The indicators are set by the G20. Point of sale services, ATMs, opening accounts, department cards, and complaints are some of the signs. Three factors-access to financial services, use of financial services, product quality, and service delivery-can be used to gauge financial inclusion.

The indicators are set by the G20. Point of sale services, ATMs, opening accounts, department cards, and complaints are some of the signs. Each definition has key terms that distinguish it from the others. The following are the key terms identified and described in the definitions:

- **ACCESS**: Permission to utilise a product or service is known as access. Financial products and services are referred to as financial inclusion services in terms of accessibility.
- **USE**: Utilising is the act of carrying out a plan. usage refers to the usage of financial services and products that have been approved by official authorities in order to get access to financial institutions in the context of financial inclusion.
- **Financial Products**: Financial products include small savings accounts. Examples of schemes include savings accounts, public provident funds, and national savings.

Data plays a crucial part in the policymaking process, from design and execution to monitoring and assessment, and policymakers are becoming more aware of the significance of evidence-based policymaking. With rigorous, unbiased, and trustworthy data, policymakers can precisely diagnose the state of financial inclusion, set reasonable goals, pinpoint current obstacles, create efficient policies, and track and evaluate the effects of those policies.

Although the need of gathering statistics on financial inclusion is widely acknowledged, there is no consensus on what should be measured or how. At the moment, several nations employ various metrics and approaches to accomplish comparable objectives. While some nations have advanced systems for gathering data, others do not.

To meet the requirement for a minimum collection of financial inclusion data that is uniform across nations and a shared concept of financial inclusion, the Financial Inclusion Data Working Group (FIDWG) has created a Core collection of financial inclusion indicators. The first step in reaching a common understanding of financial inclusion in terms of measurement and data is the Core Set of Financial Inclusion Indicators, or "the Core Set."The FIDWG will create a broader, more thorough framework for financial inclusion, of which the Core Set will be a component. The framework will incorporate recommendations for evaluating financial inclusion, including guiding comments on measuring quality and a more comprehensive catalogue of indicators spanning the access and usage components of financial inclusion.

The Core Set is a condensed collection of numerical metrics that represent the degree of financial inclusion in a nation. The indicators are intended to evaluate the most basic facets of financial inclusion, which are as follows, per AFI (2011):

- Deposit accounts
- Credit arrangements
- Insurance contracts
- Securities
- Foreign currency contracts

Goals of Financial Inclusion

The economic (financial and banking) as well as social and political contexts would benefit from rising levels of financial inclusion, which aims to include societal sectors in the formal financial system and attain financial stability and economic progress. Prior to defining goals, it is essential to comprehend the governmental, regulatory, and economic settings because of their significance in attaining financial inclusion. These situations feature certain elements that need to be taken into account when establishing objectives. Among the objectives of financial inclusion are the following:

- It offers a program to help people save more money, especially those in low-income groups who are constantly under financial pressure, which puts them at danger because they don't save enough. Therefore, instead of depending on unofficial credit channels like friends, family, and moneylenders, the provision of banking products and services that combine savings results in higher savings and the development of formal credit channels that draw in the unbanked population..[vi]
- Financial inclusion has the potential to generate positive factors that increase savings and investment, thereby stimulating economic growth processes and increasing societal welfare and economic prosperity.

- By controlling the payments infrastructure and cash flows that lessen shocks, financial inclusion promotes regular usage of financial services, which are provided with integrity by a collection of official service providers. Additionally, it tackles the problem of social and geographic inequality in financial services and works to provide alternative, well-being-directed banking and financial services that are affordable and available to all societal groups.
- In order to boost production outputs and attain economic prosperity, it promotes the growth of mass entrepreneurship in rural areas by offering timely and sufficient credit as well as transparency through formal banking channels. Additionally, it makes it possible for low-income individuals who do not deal with banks to receive legitimate transfers instead of transferring money between locations through unofficial means, which are typically costly and dangerous.
- Financial inclusion is currently seen as a remedy to fill the gaps in distributing government benefits and financial subsidies through transfers, interest, and subsidies directly to the beneficiaries (with the bank account) and not through product support and cash payments.
- Disparities in income and savings are lessened when all facets of society experience equitable growth. Financial inclusion can help achieve equitable growth, which will benefit developing nations by mobilising savings and effectively using them for capital production and growth. It results in the establishment of sizable financial markets that satisfy the demand for financial services from a broad swath of the population. As a result, it creates a deep and wide financial system that makes it possible for new financial and banking institutions to join it, which boosts the banking industry.
- "The eradication of poverty" and the establishment of sustainable livelihoods are two of the social objectives. Since financial inclusion is characterised as the link between the weaker segments of society and the sources of income, and because it provides a source of income for vulnerable groups through loans and advances, its primary goal is the eradication of poverty. Regarding sustainable livelihoods, after receiving a loan, the most vulnerable members of society can launch their own companies and pursue education that would enable them to manage their income. According to financial studies, financial inclusion may directly affect poverty by promoting economic growth and the wellbeing of the impoverished by facilitating their access to official financial institutions. In order to improve low-income families' access to financial services from all financial institutions and, consequently, their well-being, financial and economic authorities must reform the financial sector during the decision-making process.[vii]
- Other political objectives that focus on the poorest groups can be accomplished through financial inclusion, and it can also act as a guide for government programs. For example, some governments have policies that aim to reduce unemployment, alleviate poverty, and achieve sustainable development.
- In addition to offering banks a vast database that can be used for analysis and exploration in a way that influences the possibility of introducing new products that satisfy the needs of these segments and building models for credit assessment to facilitate financing, it also helps the banking industry by diversifying banking assets, luring banks to new clients, stabilising deposits, and lowering liquidity risks.
- How to access and utilise financial services to get advantages, enhance social and economic circumstances, and attain financial and social stability is what makes them important. Through the creation of guidelines and policies, it also seeks to uphold and defend the rights of financial services consumers, especially by educating present and prospective customers about their obligations and rights.
- When a woman is financially independent, she makes investments in the education, health care, and nutrition of her family investments that have a beneficial intergenerational influence on the society in which she lives. The extension of universal financial services for women has a significant macroeconomic impact on both economic growth and the advancement of society.[viii]

Global Framework for Financial Inclusion

During Mexico's 2012 presidency, the G-20 nations demanded an action plan to boost financial inclusion in their nations with World Bank assistance. The goal was to safeguard citizens from economic uncertainty and close the "financial gap" in order to bring them out of poverty. For people in the UK who are unable to access basic bank accounts, the government established the Post Office Current Account (POCA).

For low-income employed people, they also launched the "Savings Gateway," which offers £1 for every £1 invested in the scheme, up to a monthly limit of £25. In order to provide clients with affordable banking services, the State of New York Banking Department has mandated that financial institutions offer basic banking accounts**.**

Global partners in the public and private sectors pledged to advance financial inclusion and declared a new global development objective of attaining universal financial access by 2020, according to the 2015 IMF World Bank Group meeting report. Established in 2002, the USA Treasury's Office of Financial Education, which is supported by the Federal Deposit Insurance Corporation (FDIC), organises the work of other federal agencies to provide financial education.

Approximately 515 million adults globally opened bank accounts or accounts with mobile money providers between fiscal years 2014 and 2017, according to the Global Findex 2017 database. This means that, compared to 51% in 2011 and 62% in 2014, 69% of adults globally now have accounts. In order to unite different financial institutions and give adult members throughout the county access to financial knowledge and efficient financial service utilisation, the "Money Smart Alliances" initiative was established.

Significant action has been done by a number of nations to advance financial inclusion. For example, Tanzania sought to expand financial access to 50% of its people in 2015 through programs like mobile banking, while Brazil launched the National Partnerships for Financial Inclusion.

By 2014, it was agreed that all municipalities in Mexico will have banking agents and branches. In 2020, Nigeria was able to cut the number of unbanked areas by half. Malawi planned to introduce agent banking in 2012, while Zambia sought to increase financial inclusion by 50% in two years. By 2017, Rwanda aimed to reach 80% of its people, and Peru promised to enact a new legislation governing electronic money the following year.

In November 2009, the Central Bank of Kenya added agents to the financial banking system. These agents are allowed to perform a variety of financial services, including cash transactions, loan disbursement, bill payments, fund transfers, and mobile banking.

These agents may be LLPs, Proprietorship Firms, Partnership Firms, Co-operative Societies, and Trust Corporations. However, they are prohibited from initiating electronic transactions during system failures, charging fees directly from customers, guaranteeing transactions, or continuing to serve customers if prohibited by law or due to criminal records or integrity issues. These agents operate on a commercially viable basis to ensure their financial sustainability.

Other nations have pledged to extend banking services to underserved areas, including the Philippines, Burundi, Ethiopia, Uganda, Pakistan, and Fiji. In the Philippines, banks contract with mobile operators that employ prepaid account systems to handle a sizable amount of their banking operations. A mobile operator's subsidiary, Globe Telecom, offers virtual stored value accounts that let users send and receive money using their smartphones. G-Xchange, Inc.

(GXI), another subsidiary of Globe, allows non-bank agents to use prepaid accounts. Smart Money and G Cash are required to provide the BangkoSentral ng Pilipinas (BSP) with detailed operational data. In addition to traditional branch facilities, banking institutions in South Africa may appoint non-bank third parties as agencies or outsourcing arrangements to provide banking services. Contract agents are authorised to offer basic banking services to customers on behalf of the banks.

To ascertain the effects of financial access via agency banking on Kenya's low-income population, a study was carried out.

Descriptive, qualitative, and quantitative research approaches were used in the study. The results showed that expanding the number of agency banking services will improve access points and increase vulnerable groups' ability to obtain financial services. According to the study, authorities should push banks to maximise financial access and implement agency banking.

Sriram concentrated on investigating the availability of financial services for rural women. It was recommended that financial product designs be tailored to women's unique demands in areas including borrowing, insurance, and savings. Making ensuring married women have direct access to financial services instead of depending on their spouses as middlemen is also crucial.

Giving women financial autonomy gives them more authority and allows them to effectively manage resources to enhance their long-term production, education, and nutrition, among other areas of their lives. The authors have also proposed a model that addresses the constraints posed by limited technological access, and suggests tailoring financial products to women's preferences to enhance their access.

In terms of Jordan's financial inclusion experience, the government has shown a significant dedication to this cause for a number of years. An integrated financial ecosystem has been developed in Jordan via the joint efforts of numerous national and international organisations. After taking the lead in 2013, the Central Bank of Jordan concentrated on creating a strong regulatory framework and a favourable atmosphere for digital finance. The goal of these initiatives was to make all Jordanians financially included.

The Jordanian Central Bank presented its national financial inclusion strategy in 2016, which covered the years 2018–2020. With an emphasis on addressing women, refugees, young people, and small and medium-sized businesses, this vision highlights the significance of improved financial education, customer safety, and electronic payments. To carry out this plan, the Central Bank of Jordan has successfully collaborated with a number of public and commercial sector players as well as members of civil society. The strategy's six main components served as the basis for the formation of working groups that worked with the Technical Committee and the Steering Committee. Six working groups were established in September 2016 after it was decided to start working on the national financial inclusion strategy. These groups concentrated on data collecting and analysis, consumer protection, microfinance, financing for small and medium-sized businesses, electronic payment systems, and financial literacy.

The second regional conference, which was organised in collaboration with the Central Bank of Jordan, the Arab Monetary Fund, the German Agency for International Cooperation (GIZ), and the Kingdom's national agenda and strategic directions, saw the introduction of the strategic vision document for financial inclusion in Jordan. Jordan's comparatively low adult financial inclusion rate of 60.24 % necessitated the development of a national financial inclusion policy. Even while this number is higher than that of other Middle Eastern and North African nations, it is still low when compared to nations with comparable income levels across the globe.

The financial exclusion of underprivileged individuals, low-income and marginalised groups, micro, small, and medium-sized businesses, youth, women, non-Jordanians, and refugees will therefore be the primary focus of the upcoming three-year strategy (2018-2020). By strengthening the link between financial inclusion and the 2030 Sustainable Social Development Goals set forth by the UN General Assembly, this plan seeks to.

CONCLUSION

Financial inclusion stands as a cornerstone for achieving sustainable economic growth, reducing poverty, and fostering social equity. By ensuring that all individuals, particularly those from low-income and marginalized communities, have access to affordable and reliable financial services, financial inclusion empowers people to participate actively in the economy, build assets, and improve their quality of life. This study has highlighted the transformative potential of financial inclusion in bridging the gap between the formal financial system and underserved populations, enabling them to access credit, savings, insurance, and payment services that are essential for economic stability and growth.

The research underscores the global efforts to promote financial inclusion, particularly in developing countries where a significant portion of the population remains unbanked. Initiatives led by organizations such as the World Bank, G20, and OECD/INFE have made strides in advancing financial literacy and expanding access to financial services. However, challenges such as lack of awareness, high transaction costs, and inadequate infrastructure continue to hinder progress. To address these barriers, innovative solutions such as digital financial services, mobile banking, and agent banking have emerged as effective tools for reaching remote and underserved communities.

Moreover, the study emphasizes the socio-economic benefits of financial inclusion, including poverty alleviation, increased savings, and the empowerment of women and marginalized groups. By providing access to financial resources and education, financial inclusion enables individuals to make informed decisions, manage risks, and invest in their futures. It also plays a critical role in achieving the United Nations Sustainable Development Goals (SDGs) by promoting equitable growth, reducing income disparities, and enhancing financial stability.

In conclusion, achieving universal financial inclusion requires a collaborative effort among governments, regulators, financial institutions, and civil society. Policymakers must prioritize evidence-based strategies, develop robust regulatory frameworks, and promote financial literacy to ensure that financial services are accessible, affordable, and tailored to the needs of diverse populations. By fostering an inclusive financial ecosystem, societies can unlock the full potential of financial inclusion to drive economic prosperity, reduce inequality, and create a more equitable and sustainable future for all.

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