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ROLE OF G20 IN FINANCIAL INCLUSION & ECONOMIC EMPOWERMENT

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Abstract

Financial inclusion is a way to provide financial services for every individuals and businessman nevertheless of their social and economic status has gained significant attention globally. Financial inclusion is important for every country for economic growth. Financial inclusion is defined as availability of financial services to all the group of the people in the society. Basically it provides financial solution to the economic weaker section of the society. It aims to provide financial services everyone nevertheless the savings or income of the individual. Financial inclusion is a process for offering banking and financial services to individuals of population of the country. It is must for every country for economic empowerment and to increase the GDP of the country. G20 (the group of twenty countries) and courage the financial inclusion is the base for the economic empowerment. It is the key fighter against poverty. G20 can look at policies and majors to facilitate the financial and closure for every group of society. Even to provide for the business as investment and innovation for digital financial inclusion. The G20 stand for growth of financial inclusion for promoting digital financial services. According to the report 2 billion adults globally do not have access to formal financial services and are excluded from the opportunities to improve their lives. The G20 recognize that it is a serious to take proper steps to advanced digital financial inclusion. Under the guidance of G20 High level principles for digital finance inclusion and of international standard setting boards (SSB) principal supporting financial inclusion for economic empowerment.

Keywords: - Financial inclusion, economic empowerment, G20, digital.

Introduction

Financial inclusion is a process or system to offer banking and financial services to each individual in the country. It basic aim to involve every section of the society nevertheless than come and saving. Basically, at the main aim to supply financial support to the economically underprivileged individual in the society as a whole. Financial inclusion includes banking loan, equity, insurance services, transfer money borrowing facilities for expansion and empowerment of the capital. Financial works from the supply side by giving them sufficient access to different financial services. Financial education, works from the demand side by encouraging the importance and benefits of financial services. These two generalship is the perfect for the overall financial stability globally.

Financial inclusion refers to the provision of financial services to those who are low income individuals backward rural population without using any banking facilities or services can provide the services the main goal of financial inclusion is to provide basic financial services to under privilege population the services like saving insurance credit payments to improve the economic conditions of their lives

Objectives

- Financial inclusions help the individual to access the financial services such as deposit, insurance service, transfer payments etc.
- It aims to establish the proper financial services to fulfill the needs of the underprivileged people.
- Financial inclusion gives support financial sustainability in the country.
- Financial inclusion provides more affordable institution to access the financial assistance.
- Financial inclusion works to improve financial education in awareness in the country
- The system of financial inclusion creating financial products and services which are benefits underprivileged individual
- It leads to bring mobile or internet banking globally.

Need for Financial Inclusion?

Financial inclusion increases the financial system of the nation. It boosts the availability of economic recourses. It increases the concept of saving more by the people in both urban and rural areas. This progress the economic development or empowerment in a continuous manner. Many poor people exploited by rich landlords and informal sector, moneylenders. So, the financial inclusion can change the hazardous situation.

Financial inclusion attracts more individual to access in the formal financial services with intention to securing the finance for future progress. There are many household's business, farmer's craftsmen do not have proper facilities to save their money.

The Importance of financial inclusion for economic empowerment has become more important now days financial facilities provide to financial resources used by much faster than earlier.

Importance of Financial Inclusion for Economic Empowerment

1. **Increase Financial Stability**

Due to financial inclusion there is improved in financial stability in the country because due to financial inclusion as individuals have more access financial services and products it provides them to manage their finance more effectively this would create great transparency between individual even more people individual participate and formal financial system.

2. **Enhanced Economic well being**

More use of financial services and products can help the people save more money due to this these funds camp for the use for the future and invest in other sector and it can bring economic well-being in the country.

3. **Improve access to Financial Markets**

Financial inclusion is a tool to increase access of financial market and give better opportunities to investment and different sector through organize segment of financial market this continuation process can create more growth and employment opportunities.

4. **Reducing Poverty and income equalities**

Financial inclusion is an important for the poverty reduction and reduce income inequality in a globally. Through financial inclusion people can access more financial services these resources can utilities to further development which can create a new employment opportunity, which can directly give impact on the reduction of poverty and income and equality globally.

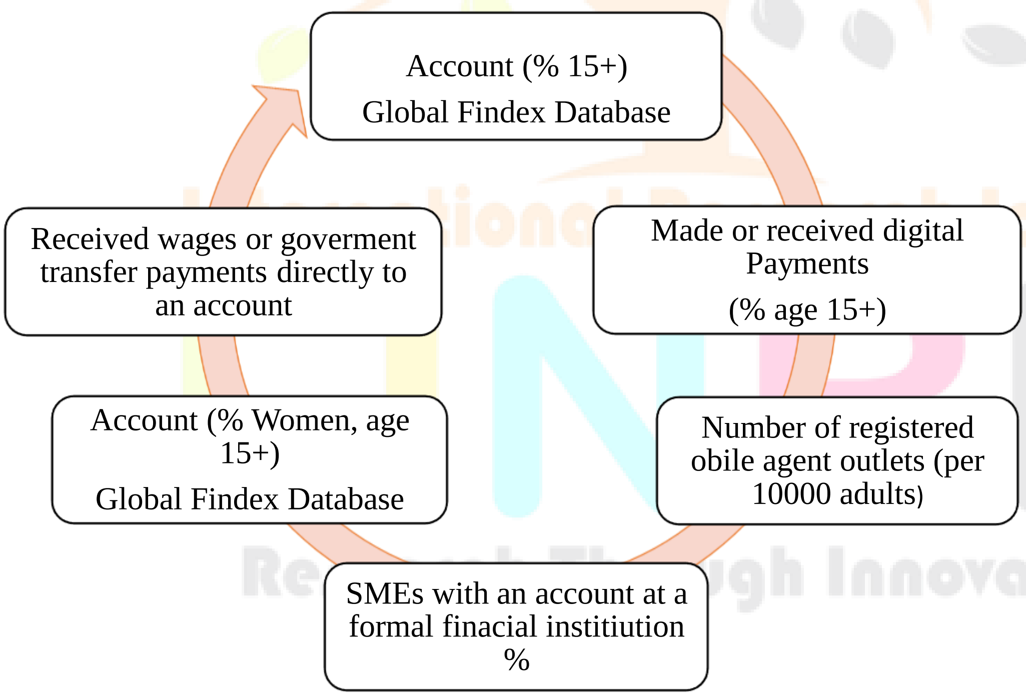
Financial Inclusion and G20

G20, The group of twenty recognizes that financial inclusion is a key enabler in the fight against poverty, income inequalities and economic empowerment. The pursuit of inclusion development is leading to a greater focus on financial inclusion policies and initiatives. Financial inclusion is a part of business, social, economic responsibility & can't just be left to policymakers. The G20 can look policy measures to facilitate business as investment & innovation the digital financial inclusion space.

Mainly the financial inclusion has important for economic empowerment. The G20 grouping has since its inaugural edition and Washington DC in 2008, for faster inclusive economic development and financial stability in the country. This result the major financial inclusion guidelines policies and programs started in the globe to educate about financial inclusion. The recent growth was seen in the countries and institution through the financial inclusion. The studies find that the adults who having account in a organize financial institution has gone up.**51% person in 2011, 74% in 2021.Similarly, the latest Global Findex Database 2021 shows 76% world population have bank account.** The G20 recognize that the financial inclusion is a key component for economic empowerment for every country. Even G20 talk about the growth of inclusive economic by promoting digital financial services. 2 billion adult globally do not have access the formal financial services and exempted from the opportunities to improve their lives. Digital technology is make affordable way for financial excludable women's who says from household budget small business and remittance insurance.

Key Indicators

The Group of Twenty (G20) gives key indicators for the increases the financial inclusion in the country. The indictors show asses the position of financial services, domestically and globally. These indicators measure the access and use of quality of financial services, used by countries to reach the financial inclusion goal.



These indicators state the financial inclusion and digital finance services in a nation. These indicators measure the use of quality of finance services in the nation.

The G20 Principles for innovative Inclusion take efforts and policy frames. The High-Level Principles for digital financial inclusion to construct building the success to provide action plans for a country to bridge the digital technologies. The G20 provide crucial action and programmers for advance digital financial inclusion for economic empowerment in the nation. G20 provide High-Level Principles for Digital Financial Inclusion and of international standard setting bodies (SSBs) principles to support financial inclusion & economic empowerment. They give specific circumstances to every nation, G20 members aim to take proper programmers to promote digital financial inclusion at their own nation level. The updated version of the G20 Financial inclusion indicators, the new framework of the G20 action plan for SME Financial, developed by the Global Partnership for Financial Inclusion (GPFI). Financial inclusion is an important actor of the financial services that can provide sustainable development economic stability. There are interdependencies between financial inclusion, financial, stability, the integrity and the protect the consumer protection. The GPFI has play significant role to work on global standard stating from many years & has joined for international Settlements and Global SSBS to 'enhanced cooperation arrangements'. The GPFI provide the leadership & guidance for financial inclusion community through its representation in the G20.

G20 and INDIA

The G20 has acknowledge financial inclusion as a fundamental driver of economic development, which diminish economic infirmity and poverty and enhances people's quality of life. In 2010, it was first time set up the G20 Financial Inclusion Action Plan (FIAP) as part of the Global Partnership for Financial Inclusion (GPFI) — a world manifesto for encourage financial inclusion. In 2017, G20 FIAP was line up with the UN Development Programme 2030 Agenda for economic development. After in 2020, G20 FIAP recognized the role of financial inclusion in mitigating COVID-19's negative effects through government intervention and technology adoption. India has been positively participated in the G20. GPFI and other participated in various GPFI working groups and task forces. The country contributes to the development of international standards, best practices and policy recommendations for financial inclusion. One of the key pillars of India's financial inclusion policy is *Pradhan Mantri Jan-Dhan Yojana* (Prime Minister's People's Wealth Scheme, PMJDY) — a flagship program launched in 2014 that aims to provide financial services to unbanked and underbanked populations. The program provides millions of earlier unbanked citizens with basic savings accounts, insurance and pension services.

India has executed various other policy measures to give promotion financial inclusion, such as *Pradhan Mantri Mudra Yojana (*Prime Minister's Micro Units Development and Refinance Agency Scheme, PMMY), which provides credit facilities to small- and medium-sized enterprises, as well as *Pradhan Mantri Jeevan Jyoti Bima Yojana* and *Pradhan Mantri Suraksha Bima Yojana* (Prime Minister's Life Insurance Scheme), which give better life and insurance coverage to economically backward classes of society. Since its inception in 2015, the PMMY scheme has granted Rs 23.2 trillion (US$283.8 billion) worth of loans to over 408 million beneficiaries. These loans help facilitate collateral-free micro-credit and generate employment opportunities. The PMMY scheme has also benefited women entrepreneurs as 68 per cent of accounts are reserved for women under this scheme. The government further take some action for financial needs and address regional and gender_disparities, social and regional inequalities, financial illiteracy, information asymmetry, vulnerability to financial fraud and the digital financial divide to achieve inclusive economic empowerment. The 77th round of All India Debt and Investment Survey using 2019–20 survey data finds that government financial inclusion programs like the PMJDY have a noticeable impact on households. This research suggests that despite being illiterate, 57 per cent of household heads have access to at least one financial instrument, such as deposits in saving bank accounts, fixed deposits and post office accounts. Moreover, 50 per cent of the household heads with higher education have access to two or more instruments. Around 6 per cent of illiterate household heads use at least three financial instruments. This indicates that the financial literacy of family members, higher economic activities in the region and better information pass-through increase the awareness of financial products and services. Financial literacy can potentially reduce the marginal impact of illiteracy, allowing more people in rural households to benefit from financial inclusion. But women and other socially excluded entrepreneurs have lower utilization rates of financial instruments. This is due to the high collateral requirement, preference-based supply-side discrimination and high-interest rates while accessing formal financing. These barriers arise because of the small size of loans and the perceived riskiness of women entrepreneurs. In India, the government introduced many programs like the PMMY Scheme, the *Udyogini* Scheme, the *Dena Shakti* Scheme and the *Annapurna* (Goddess of Food) Scheme — even there is more scope to enhance the business environment for entrepreneurs in rural and urban areas through financial inclusion. Appointing more women business correspondents, increasing digital literacy and implementing more women-centric policies would facilitate access to formal finance. The new concept i.e. Digital financial services can also fill the gap in refine financial services through the G20 High-Level Principles for Digital Financial Inclusion. Doing so would help achieve the gender equality goal of sustainable development. Continued efforts towards advancing financial inclusion policies are crucial to promote empowerment and inclusive growth.

Conclusion

The paper analyzes the importance of G20 program and policy to provide financial services globally. The G20 took many steps to increase financial education and awareness to the underprivileged population from financial services. Financial inclusion is the base for very country to economic growth and development. The G20 gives that financial inclusion is the main component for economic empowerment. They G20 give guidelines to increase the financial services and product for financial inclusion. Financial inclusion helps the individual to access financial services like deposits, loan, insurance services, transfer payments which boost economic empowerment globally.

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