



## District-wise Financial Inclusion Index Report Released

### Why in news?

- Madhya Pradesh Chief Minister Shivraj Singh Chouhan on July 29, 2022 released the **district-wise Financial Inclusion Index report prepared by Atal Bihari Vajpayee Institute of Good Governance and Policy Analysis** at Kushabhau Thakre Auditorium.

### Key Point

- **Nabard booklet was also released at the event.**
- This is the **first financial inclusion report of Madhya Pradesh**. The report has been prepared by The Atal Bihari Vajpayee Institute of Good Governance and Policy Analysis (AGPA). This report will serve as a guide in the development of the state.
- **Reserve Bank of India** Deputy Governor Mahesh Kumar Jain said Madhya Pradesh should adopt a **5-C approach (Content, Capacity, Community, Communication and Collaboration)** for financial inclusion and focus on strengthening regional rural banks.
- The Chief Executive Officer of the Institute G. V. Rashmi informed that the Financial Inclusion Index has been prepared for the financial years 2019-20 and 2020-21. The indices include the case of progress made in financial inclusion in the State and the demand and supply indicators.
- Access, dimensions of use and constraints have been used in the use of financial services to assess the level of financial inclusion.
- The index gives a score of zero to one on various aspects of financial inclusion. The state has improved its financial inclusion score from 0.238 to 0.283 in the last 2 years.
- According to this report, 16 districts like Shajapur, Mandla, Barwani, Bhind, Morena, Satna, Datia are lagging behind in banking facility. Among these, the tribal dominated districts are more, while 17 districts including Bhopal, Indore, Raisen, Dhar have performed well.
- In terms of financial transactions, use of ATMs and digital banking, including opening of bank accounts, the report has been prepared by classifying the districts into three categories (High Financial Inclusion District, Medium Financial Inclusion District and Low Financial Inclusion District).
- The average index of this report has been kept at 0.268. With an index of 0.640, Bhopal district has secured the leading position in the financial inclusion index. There are 17 districts in this category, which have scored 0.319 to 0.640 marks.
- In this study, the NITI Aayog has also presented the status of the identified aspirational districts (Vidisha, Rajgarh, Damoh, Guna, Chhatarpur, Khandwa, Barwani and Singrauli).
- **High Financial Inclusion Districts:** Bhopal, Indore, Hoshangabad, Harda, Dhar, Jabalpur, Sehore, Ujjain, Ratlam, Gwalior, Neemuch, Dewas, Raisen, Chhindwara, Jhabua, Narsinghpur and Rajgarh.
- **Medium Financial Inclusion Districts:** Shahdol, Balaghat, Damoh, Sagar, Mandsaur, Katni, Panna, Sidhi, Chhatarpur, Anuppur, Betul, Vidisha, Umariya, Seoni, Ashoknagar, Guna and Khargone districts are included. These districts have scored 0.229 to 0.316 marks.
- **Low financial inclusion districts:** Shajapur, Mandla, Barwani, Khandwa, Datia, Dindori, Satna, Tikamgarh, Sheopur, Alirajpur, Burhanpur, Rewa, Shivpuri, Singrauli, Bhind and Morena districts are included. These districts have scored 0.101 to 0.222 marks.
- The study has pointed out that due to reluctance in interacting with bank officials, people from tribal communities avoid going to the bank. Their relationship with the customer service centres is also not getting good.

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