



MICRO FINANCE – A GATE WAY TO FINANCIAL INCLUSION AND INCLUSIVE GROWTH IN THE INDIAN CONTEXT

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ABSTRACT

Any reform without human face cannot be regarded as an effective reform. A reform should be kept at poor-centric in which the policies need to be framed to get the poor out of the clutches from poverty and enable them to contribute in the growth process in terms of income, employment and consumption. In India our national agenda always emphasise to achieve inclusive growth in which economic growth is measured with respect to availability of opportunity, enhancement of capability, easy accesses and livelihood's security of the poorest of the poor. The process of tapping the bottom of the pyramid should not be ignored while framing financial policies. When a nation witnesses a growth without the upliftment of the poor it is like a construction without foundation. In this context a close relation is established among micro finance, financial inclusion and inclusive growth. The strong linkages among SHGs, Co-Operative banks, NABARD and MFIs act as a synergy in establishing and developing the small entrepreneurial activities. The role of banks, NGOs, government agencies and MFIs becomes more significant for the growth of micro credit and in turn helps to achieve financial inclusion and inclusive growth. By taking the facts in to account, this paper has made an attempt to analyse the following:

- *Micro finance – an instrument for poverty alleviation*
- *Impact of creation of synergy through strong linkages among SHGs, commercial banks, Regional Rural Banks, Co-Operative banks and MFIs*
- *SHGs contribution to Inclusive growth*

KEYWORDS: *financial inclusion, poor-centric, inclusive growth, micro credit, poverty alleviation.*