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Looking back at the year that has just passed by, it gives us a sense of one of hope and despair, pleasantries and disappointments, and astonishments and anticipations – and as we move to 2012, India would herald the 12<sup>th</sup> Five Year Plan and also complete its sixty years of journey as a planned economy. The Eleventh Plan that we are about to complete, has been, more or less, a success. With a population well over one billion, and the fear of recession and uncertainty looming large, (albeit assertions by our Hon'ble Finance Minister that India will soon revert to the path of higher growth trajectory) India has achieved a near double digit growth to draw admiring attention from the rest of the world. However, the dismal picture of poverty and hunger in India leaves little scope for us to be complacent. India is the home to the largest number of illiterates and hunger-stricken people in the world. It appears that the poor have very little to gain from the planning, which is premised upon lofty ideals of just and equitable society. In fact, a candid admission of the failure of our planning process to include the poor has come from none other than the Hon'ble Prime Minister himself, who said that, "We have yet to achieve comparable success in inclusiveness". That India cannot afford to ignore the graveness of the issue, is reflected in the clarion call in the Approach Paper to the Twelfth Plan for a "faster, sustainable and more inclusive growth".

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Financial exclusion is not just an India centric problem–this is a global conundrum as well. Speaking with evangelical fervour on the occasion of the International Year for Microcredit (2005), the former Secretary-general of the United Nations, Kofi Annan, observed, "The stark reality is that most poor people in the world still lack access to sustainable financial services, whether it is savings, credit or insurance. The great challenge before us is to address the constraints that exclude people from full participation in the financial sector.... Together, we can and must build inclusive financial sectors that help people improve their lives."

India, of course, did not remain a passive spectator as it had set up a committee to measure the extent of financial exclusion and credit gap under the stewardship of noted economist and the chairman of the Prime Minister's Economic Advisory Council Prof. C. Rangarajan. The Report, published in 2008, had redefined the scope of inclusive banking, the first phase of which was indeed marked by the nationalisation of banks in India way back in 1969. Unfortunately, the fruit of bank nationalisation was not fully reaped; Rangarajan Committee now reveals that well in excess of 73 percent of the farmer households in India have no access to credit and almost half of the country remained unbanked. Such a yawning gap can be closed only by huge efforts by the banking institutions – opening at least 12.5 million new accounts each year.

The task is arduous, but challenge must be met and all the innovations in finance and technological possibilities must be explored to bring more people within the ambit of inclusive growth and social justice.

The Rangarajan Committee has defined financial inclusion as "the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost." In this context, the role of the Management accountants appears to be cut out. Since cost and its management is their forte, they can serve the financial institutions by identifying a range of appropriate financial services and measuring the cost implications for their organisation. This financial inclusion initiative is not charity. It is a way to extend the same rights and services to the poor that are available to everyone else. It is recognition that poor people are the solution, not the problem. It is also a way to build on their ideas, energy, and vision.

The contributors to this edition of the Management Accountant have left indelible mark of scholarship in exploring the areas of inclusive finance which is increasingly being recognised as a weapon against poverty and hunger.

I am sure; this edition of the journal will make some happy readings for the New Year !