

Measurement of Financial Inclusion : A Case Study of Assam

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This paper attempts to measure and understand financial inclusion by looking at supply of and demand for financial services. Separate composite Financial Inclusion Indices has been constructed for both financial services. For demand side, household level data is collected for three districts of Assam namely Baksa, Barpeta and Nalbari. Within supply side, one observes a lot of variation across states, for rural and urban regions. Even within a state, differences are clearly evident between rural and urban areas for the different indicators considered. From demand side indicators, it is found a dominant role of semi-formal organizations in rural areas of Assam, whereas the role of informal lenders is declining in rural Assam. The paper concludes to provide importance on vulnerable states in providing access to financial services on which they are lagging. In addition, the paper emphasized to expand semiformal sources in rural areas of Assam.

Keywords : Financial Inclusion, Demand Side, Supply Side, Semi-Formal Finance, Informal Finance, Assam.