



EFFICACY OF STATE BANK TOWARDS ACHIEVEMENT OF FINANCIAL INCLUSION IN THE COUNTRY

A Thesis submitted to Department of Management Sciences in
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ABSTRACT

The growing prominence of 'Financial Inclusion' points towards an emergent consciousness of its impending transformative strength for acceleration of developmental achievements. Inclusive Financial Systems facilitates individuals and businesses in the provision of enhanced access for resources needed to fulfil their financial requirements, e.g. savings for the post-retirement period, investment towards education, seizing upon the business opportunities, coping with any unexpected shocks, etc. However, it is a disturbing fact that almost fifty percent of the adult population of world does not own a bank account. It would be worthwhile to mention here that a significant part of the poor community around the globe could have advantage of financial services but are unable to avail them because of the inappropriate public policies or the failure of markets.

The pristine evidence indicates that financial inclusion can be of much help towards poverty reduction and boosting of the shared prosperity but, at the same time, accentuates that endeavours for fostering the 'Inclusion' must be designed in a good way. For example, opening of bank accounts which are supposed to destine towards lying dormant are hardly of any usage, whereas policies aimed at provision of finance to all at any cost, may aggravate the financial and economic instability.

Like other Central Banks/Monetary Authorities of the world, an array of 'traditional' as well as 'non-traditional' functions is being performed by State Bank of Pakistan (SBP). In this regard, the Bank has to perform a significant 'developmental function' also, in addition to discharging the traditional function of monetary and financial system stability. This developmental role requires from State Bank of Pakistan to undertake some 'out of box' activities also - financial inclusion is one of them.

The period of recent past has witnessed an enhanced focus of SBP, among others, on the subject of financial inclusion. In particular, during last 3 years or so, State Bank of Pakistan appears to have made frantic efforts on this account. The research work embodied in this Study captures the appraisal of SBP's role in this regard. The findings of the Study indicate appreciable efficacy of SBP towards promotion of financial inclusion as the Central Bank of Pakistan.

This dissertation offers practical, evidence-based advice on policies that maximize the welfare benefits of Financial Inclusion. This research study is believed to provide an insight on different segments of the subject matter. The findings, as well as recommendations, presented in this Report should be of adequate help with regard to appropriate policy-making relating to financial inclusion in the country. In this way, besides serving as a ready reference on the topic under study, the dissertation is supposed to serve also as a basis for further research on the subject.

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