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## FINANCIAL INCLUSION - A STUDY ON FINANCIAL INCLUSION PROGRAMS FOR SMALL AND MARGINAL FARMER'S IN CHIKKALLAPUR DISTRICT

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### Abstract

Fiscal inclusion sees towards bringing everyone, irrespective of financial status, into the banking fold for the individual progress and development of society and there by achieving comprehensive growth with equality. Extending fiscal services through fiscal inclusion databases to the small and marginal farmers has been found to have many challenges due to the characteristic nature of the agriculture sector. To analysis such challenges of fiscal inclusion programs, a study was carries out in Chikkabalapur district of Karnataka state. This study publicized that inadequate income of small and marginal farmers resulting in non-repayment of credits was one of the key factors influencing unproductive execution/ implementation of a number of fiscal inclusion programs. This study results also highlighted the fact that success rate of fiscal inclusion programs was largely influenced by lack of education usage of bank accounts in the grass root level of rural Karnataka. In view of the conclusions from the study suitable suggestion and recommendations like creating regular awareness programs through grassroots level workers on fiscal inclusion programs and various Govt. schemes have been put forth.

**Keywords:** Financial inclusion, Technology farming, Small and Marginal Farmers, Financial Services, Financial Exclusion etc.

### Introduction

Fiscal inclusion for comprehensive development is integral to the formative considering the majority of the countries over the past period. It has been importance for approach creators and controllers in money related segment advancement for refining access and utilization of fiscal services to accomplish total fiscal inclusion. Fiscal Inclusion has a unique significance for a rising economy as this would help in bringing the enormous area of the financially avoided portions of the economy under formal fiscal system. Fiscal inclusion is being advanced as important improvement need among the countries particularly during the past period.

India has for a significant lot perceived the social and fiscal requirements for far reaching fiscal inclusion and has made remarkable commitment to fiscal improvement by finding imaginative approaches to enable poor people. With the entry of period the methods for accomplishing further and supportable fiscal inclusion has moved towards creative methodologies with the acknowledgment of innovation drove items. The idea of agriculture has been changing rapidly during the last two-time frames and ranchers presently need a scope of help including secondary, promoting, innovative, and business separated from a scope of financial administrations. Agricultural development has persistently been a critical factor for comprehensiveness and on-going background prescribes that high GDP development without high farming development is probably going to prompt speeding up in cost increments in the nation, which would inadequately influence the bigger development system.

### Need of Financial Inclusion

India is a farming liberated nation with around 70 percent of its populace depending straightly or indirectly on farming but majority of farmers cannot avail determined benefit of financial services. In India Fiscal inclusion has been a significant topic but its fiscal inclusion plan has seen a shift from significance on loan to a way towards fiscal services. Fiscal inclusion is much needed for farmers as it helps in growing amount of regular savings along with empowering farmers to pay for crop insurance and obtain loan. The determination of this paper is to examine the role fiscal inclusion in the authorization of farmer.

### Literature Review

- Prof. N.S Rao, (2012) establish out that the financial inclusion shows positive and of assistance changes because of strength change and technology changes.
- Nisha (2014) According to the in their investigation built up an immediate relationship between human development and financial inclusion. They further featured the significance of physical foundation for availability and data and Government strategies for financial inclusion.
- Hameedu (2014) studied issues in measurement and investigation of financial inclusion. He specified financial inclusion initiatives in national and international level. It is recommended to formulate important polices for achieving financial inclusion in nation.



- Mandira Sarma (2008) proposes that the issue of financial inclusion is extension strategy significance in numerous countries. Utilizing the list of financial inclusion created in phases of human improvement and financial inclusion in a country move intimately with one another, despite the fact that few exclusions exist. Between financial impacts, true to form, pay is decidedly related with the degree of financial inclusion. Further physical and robotized network and information availability, determined by street web, phone and web use, additionally assume positive job in expanding financial inclusion.
- Karmakar (2011), in surveying financial inclusion in India, start by underlining the need to grow the span of formal financial foundations, for example, banks, as a channel for access to a scope of financial administrations. The job of mechanical advancement in cutting down the expenses of administration arrangement is again featured, similar to the requirement for financial suggesting: without a doubt, the social and other interest side parts of financial inclusion. Merit as much consideration as innovative and supply side approaches.

### Literature Gap

In literature review the author have addressed financial inclusion programs in different places like from the study it can be said that results differ from region to region due to its demographic profile. But as per my research no study has come to light on financial inclusion for small and marginal farmers in Chikkabalapur district.

### Research questions the dissertations would like to address

- ❖ Whether the farmers in Chikkabalapur are benefited by financial inclusion
- ❖ Whether the farmers are satisfied with the current scenario of financial inclusion
- ❖ What are the roles of financial inclusion?
- ❖ What are the impacts of financial inclusion on farmers of selected geographical area?

### Research Objectives

- To study the background and existing framework of financial inclusion
- To identify and analyze the measures taken to improve financial inclusion
- To analyze the role and impact of financial inclusion on small and marginal farmers
- To suggest suitable recommendations based on study findings

### Scope of Present Investigation

The present study is conducted in understand to know the importance of integration of small and marginal farmers and the factors which are affecting towards integration in Chikkabalapur district. The analysis is conducted using primary data and secondary data collected from the clients of farmers and descriptive statistics is used to derive results.

### Small and Marginal Farmers

The term Marginal Farmer means a farmer refining (as owner or tenant or share cropper) agricultural land up to 1 hectare. While Small Farmer means a farmer refining (as owner or tenant or share cropper) farming land of more than 1 hectare and up to 2 hectares.

### To identify the measures taken to improve financial inclusion

Reserve financial institution of India and authorities of India is sail across the direction to monetary inclusion via rules and supervision. To do away with all problems and hurdles in the manner of monetary exclusion RBI and government of India (GOI) has taken plenty of initiatives and policy measures these projects and policy methods are:

- No-frills accounts: No-frills bills are with nil or low minimal stability in addition to prices that make such bills on hand to vast sections of the population. Human beings in the financially included sector locate it quite hard to meet the necessities of daily financial savings accounts. Banks have been suggested to offer small overdrafts in such accounts.
- Overdraft services: In saving.Account-Banks are offering overdraft (OD) facilities in saving account and additionally Small Overdrafts in No-frills debts. Banks had been a directed to deliver small overdraft (OD) in such accounts.
- Relaxation on known-your-customer (KYC) norms: So as to guarantee that people groups having a place with the low profits group both rural and urban areas don't experience challenges in opening financial balances the Know You. Customer methodology (KYC) for opening bank account was simplified asking banks to seek only a take pictures of the account owner and self-accreditation of addresses the measure of exceptional parity in these records would be restricted to 50000.rupees and complete exchanges would be constrained to one lakh rupees in one year.
- Overcoming language barrier: Big divisions of the Indian populace aren't acquainted with English and Hindi, the languages commonly used in financial organisation forms. Banks are subsequently necessary to offer forms concerning account beginning disclosure etc. In the local language as well.



- Business correspondents. (BCs) and Business Facilitators (BFs) Model: The Reserve bank approved banks to communicate business reporters (BCs) and business facilitators (BFs) as middle people for giving financial and banking contributions. The BC model lets in banks to offer access conveyance of administrations predominantly cash in real cash out exchanges along these lines tending to the rest of the mile inconvenience. With impact from September 2010 for money organizations have additionally been permitted to be locked in as BCs.
- Simplification of Savings Bank Account Opening Form: To facilitate the outlet of financial balance by utilizing the traveling labourers road dealers and other less fortunate areas of the general public. "Disentangled Account commencing form" has been planned. Banks have been mentioned to set up a machine to allow the buyer to fill the record setting up form on an online mode. This form contains areas for little records bills with presentation and major sparing money related organization Deposit Account.

### Financial inclusion barriers

In India economic exclusion is being recognized as leader barrier for releasing wealth at the lowest of pyramid.

Economic exclusion is a confluence of multiple problems:

- Lack of get entry
- Lack of bodily and social infrastructure
- Lack of know-how and expertise
- Lack of technology
- Lack of help, Lack of self-assurance, amongst others.

### Conclusions

Despite the fact that enough endeavors are being made by all partners viz Regulator, Government, Financial Institutions and others, the endeavors are not yielding the sort of result anticipated. The controller needs to make a reasonable administrative condition that would keep the enthusiasm of the considerable number of partners. The worry of banks about gainfulness is to be tended to by the controller as the whole procedure of monetary incorporation would be a sort of social work in the initial couple of years. The worries of the legislature about the achieve, achievability and execution of government approaches to the last mile should be tended to. The simple accessibility of budgetary administrations to the last mile client, the general population in level 3 to level 6 in total should be tended to. The aadhar card could be the response to the government's worry as the financial balances can be connected to the holder's aadhar number; anyway, the sheer scale makes it troublesome. Substitute to the equivalent could be utilization of the immense postal office arrange at the transfer of the legislature. The post workplaces can without much of a stretch achieve the end client and the other way around as the framework is now set up. Administrative bodies, banks and Government ought to seriously take a shot at make mindfulness by teaching individuals about fund.

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As of Last Complete Printing  
Number of Pages: 4  
Number of Words: 2,234 (approx.)  
Number of Characters: 12,737 (approx.)