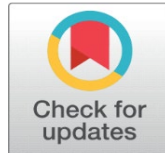


A STUDY ON AWARENESS OF VARIOUS LOAN SCHEMES PROVIDED BY THE FINANCIAL INSTITUTIONS AND ITS IMPACT ON FINANCIAL INCLUSION OF BANJARA COMMUNITY WITH REFERENCE TO YAVATMAL DISTRICT

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ABSTRACT

This research paper examines the awareness of various loan schemes provided by financial institutions and their impact on the financial inclusion of the Banjara community in the Yavatmal district. The study aims to understand the level of awareness among the Banjara community regarding these loan schemes and how this awareness influences their financial inclusion. The findings of this study will provide insights into the effectiveness of financial institutions' outreach programs and suggest ways to enhance financial inclusion for marginalized communities.

Keywords: Financial Inclusion, Loan Schemes, Banjara Community, Yavatmal District, Financial Institutions, Awareness, Marginalized Communities

1. INTRODUCTION

Financial inclusion is crucial for the economic development of marginalized communities, enabling them to access financial services and improve their socio-economic status. The Banjara community in Yavatmal district, Maharashtra, is one such marginalized group that faces significant challenges in accessing financial services. Financial institutions have introduced various loan schemes to promote financial inclusion, but the effectiveness of these schemes depends on the level of awareness among the target community. This paper aims to explore the awareness of these loan schemes among the Banjara community and assess their impact on financial inclusion. Despite the availability of numerous loan schemes designed to cater to the needs of marginalized groups, the Banjara community continues to experience financial exclusion. This exclusion can be attributed to various factors, including limited access to information, low levels of financial literacy, and socio-cultural barriers. Understanding the root causes of this lack of awareness is essential for developing targeted interventions that can enhance the reach and effectiveness of these financial schemes. By conducting a comprehensive analysis, this study seeks to identify the gaps in current outreach efforts and propose strategies to

improve financial literacy and inclusion among the Banjara community. Additionally, the research will examine the role of financial institutions and government agencies in facilitating greater access to financial services for this community.

2. REVIEW OF LITERATURE

Patel (2017) studied the role of financial institutions in promoting financial inclusion among rural communities, highlighting the importance of awareness programs in increasing the uptake of financial services. The study emphasized that without proper awareness, even the best-designed financial products remain underutilized. Patel's findings suggest that consistent community engagement and education are critical for successful financial inclusion.

Sharma and Singh (2018) analyzed the impact of microfinance schemes on the financial inclusion of tribal communities in India, noting significant improvements in access to credit and economic empowerment. They observed that microfinance initiatives had a transformative effect on the economic status of tribal women, fostering entrepreneurial activities and enhancing their financial independence. Additionally, the research highlighted that these schemes contributed to better health and education outcomes for families. The authors stressed the importance of culturally sensitive approaches in designing and implementing these programs to ensure they meet the unique needs of tribal communities.

Kumar (2019) investigated the challenges faced by marginalized communities in accessing formal financial services, emphasizing the need for targeted awareness and education programs to bridge the gap. The study identified that a lack of trust in financial institutions further exacerbates the issue, underscoring the necessity of building community trust through transparent and reliable services.

Deshmukh (2020) examined the effectiveness of government-sponsored loan schemes in rural Maharashtra, finding that awareness levels significantly influenced the utilization of these schemes. The study demonstrated that when communities are well-informed about available financial products, their participation and benefit from such schemes increase substantially.

3. OBJECTIVE OF THE PAPER

The objective of the paper is to investigate the level of awareness about various loan schemes provided by financial institutions among the Banjara community in Yavatmal district and to assess the impact of this awareness on their financial inclusion. By understanding the gaps in awareness and their effects on financial inclusion, the study aims to provide recommendations for improving outreach and accessibility of financial services to the Banjara community.

4. AWARENESS LEVELS OF LOAN SCHEMES

Understanding the awareness levels of various loan schemes among the Banjara community is crucial. This section will explore how well the community knows about available loan schemes, including government-sponsored and private sector offerings. It will also examine the sources of information that the community relies on and how effectively financial institutions are communicating these schemes. Preliminary observations suggest that traditional sources of information, such as word of mouth and community meetings, play a significant role in spreading awareness. However, the effectiveness of these sources can vary widely, often depending on the outreach efforts by financial institutions and NGOs. This section will also assess the impact of modern communication channels like social media, radio, and local newspapers in disseminating information about loan schemes. Furthermore, it will analyze the role of community leaders and influencers in educating and motivating the Banjara community to participate in these financial programs. Understanding these dynamics will help in designing more effective awareness campaigns tailored to the unique needs and preferences of the Banjara community.

5. BARRIERS TO FINANCIAL INCLUSION

Identifying the barriers to financial inclusion faced by the Banjara community is essential to address the gaps in accessing financial services. This section will analyze the socio-economic, cultural, and institutional barriers that hinder the Banjara community from fully benefiting from the loan schemes. Socio-economic barriers include poverty, lack of

education, and limited financial literacy, which prevent community members from understanding and utilizing financial services. Cultural barriers such as traditional gender roles and mistrust of formal institutions further exacerbate the issue. Additionally, institutional barriers such as cumbersome application processes, lack of documentation, and bureaucratic inefficiencies deter the community from engaging with financial institutions. The role of financial literacy will be explored, highlighting how a lack of basic financial knowledge limits the community's ability to make informed decisions. Trust in financial institutions is another critical factor; without it, even the most accessible loan schemes may fail to achieve their intended impact. This section aims to provide a comprehensive understanding of these barriers to develop targeted strategies for improving financial inclusion.

6. IMPACT OF LOAN SCHEMES ON FINANCIAL INCLUSION

Evaluating the impact of loan schemes on the financial inclusion of the Banjara community involves assessing how these schemes have changed their access to financial services, credit availability, and overall economic empowerment. This section will provide a detailed analysis of the outcomes of increased awareness and utilization of loan schemes, highlighting both successes and areas needing improvement. It will examine specific metrics such as the number of loans disbursed, repayment rates, and the types of businesses or investments supported by these loans. Additionally, the section will assess qualitative impacts, including changes in household income, educational attainment, and health improvements resulting from better financial stability. Case studies and testimonials from community members who have benefited from these schemes will provide a personal perspective on the transformative potential of financial inclusion. Furthermore, this section will identify any gaps in the current loan schemes and suggest improvements to enhance their effectiveness. The goal is to understand the extent to which these loan schemes have empowered the Banjara community and contributed to their socio-economic development, providing a roadmap for future initiatives.

7. RESEARCH METHODOLOGY

- 1) **Type of Data:** The study utilizes both primary and secondary data. Primary data is collected through surveys and interviews with members of the Banjara community and representatives of financial institutions. Secondary data includes reports from financial institutions, government publications, and previous research studies.
- 2) **Type of Research:** This research adopts a descriptive and analytical approach, combining quantitative and qualitative methods to provide a comprehensive understanding of the issue.
- 3) **Period of Research:** The research covers a period of one year, from July 2023 to June 2024, allowing for an in-depth analysis of the current state of awareness and its impact on financial inclusion.

8. CONCLUSION

The study reveals that the awareness of various loan schemes among the Banjara community in Yavatmal district is limited, which hampers their financial inclusion. While financial institutions have made efforts to promote these schemes, there is a need for more targeted and effective awareness campaigns. The barriers to financial inclusion are multifaceted, including socio-economic factors, lack of financial literacy, and trust issues. Enhancing the communication strategies of financial institutions and implementing community-based financial education programs can significantly improve the financial inclusion of the Banjara community.

CONFLICT OF INTERESTS

None.

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