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Use and Users Perception on Electronic Resources among The Research Scholars in Selected Library University –Tamil Nadu

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ABSTRACT

Agriculture farms are one of the backbones of Indian economy. More than 75 per cent of the population is economically dependent on it. As agriculture now accounts for only 14 per cent of Gross Domestic Product (GDP), it is still the main source of livelihood for the majority of the rural population. Since the breakthrough in agricultural production, technology, farm credit comprising of about 60 per cent short term credit and 40 percent term credit played crucial role in stepping up agricultural production and employment in India. Finance is required by farmers not only for the production and marketing of crops but also to keep a stagnant agricultural economy alive. Most Indian farmers live near the margin of starvation. A bad monsoon, a poor harvest, an accident or illness in the family forces him to approach the money lenders for a loan. Therefore, Finance may be regarded as one of the most prominent inputs for economic activity, development and growth. Nowadays, microfinance through SHGs has been recognised as one of the most promising an effective tool for empowerment of women. Micro credit can provide a much needed boost to peoples' earning power in remote parts of a country. It is now a decade since the National Bank for Agriculture and Rural Development (NABARD) piloted the SHG-bank Linkage Programme to provide poor rural households access to banking services. The programme has grown in an exponential manner, particularly during the past five years. This paper is mainly focused with the implementation of SHG programme in T.Kallupatti Block in Madurai District and its impact on SHGs to solve the financial crisis.
KEY WORDS: Agriculture Finance, NABARD, Micro credit, SHGs, and Empowerment.

1. INTRODUCTION

As agriculture now accounts for only 14 per cent of Gross Domestic Product (GDP), it is still the main source of livelihood for the majority of the rural population. Agriculture is the most important sector in India in terms of the population dependent on it. With more than two third of the population engaged in agriculture related activities. A country with one billion population, and 56 per cent workforce engaged in agriculture means this is the only sector where such a huge force is engaged. Many countries in the world even do not have their total population, which India is having the workforce engaged in agriculture. As such rapid growth of agriculture is critical for development of rural economy. A viable development of rural economy will leads to inclusive growth. Thus, it is imperative to study the constraints faced by Indian farmers. Like other sectors, agriculture also requires capital. Capital implies the credit required for the purchase of inputs and machinery. In a poor agricultural country like India, where savings are negligible among the small farmers, agricultural credit appears to be a critical factor affecting agricultural productivity. For many Indian farmers, it is to be expected to incur debt within every stage of the agricultural process. The main obstacles before Indian agriculture are finance. Unlike other industries, agriculture is not getting proper credit facilities. As a result, labours are migrating from agriculture

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to other industries to earn two squares of meal. Credit supply is an important determinant of investment in agriculture. In India, access to credit remains a significant challenge for low income households. Typically, the poor access credit through the informal sector, where monopolistic practices frequently occur, and interest rate can easily exceed 100 per cent per year. Besides, poorer households live in remote regions; have hardly any assets, and are viewed as being "unprofitable" by formal institutions.

2. OBJECTIVE

1. To examine the various programmes implemented by government to improve agriculture finance in India and.
2. To study the impact of agricultural credit Programmes on the employment and income of SHGs in the T.Kallupatti Block in. Madurai District.

3. METHODOLOGY

The study is based on both primary and secondary data. There are 13 blocks and 7 taluks are located in Madurai district. The study has covered only T-kallupatti block in Madurai district. In this study, the SHGs women who are engaged in agriculture and allied activities are selected for the purpose of study. The T.Kallupatti block does not get the sufficient rain, so that it is very difficult to the farmers and agricultural labourers to access their basic needs. It is very essential to initiate rural development programmes and micro-finance in such drought places. The primary data were collected by field survey. The primary data were collected by giving the questionnaires to the SHGs members in the selected villages and the questionnaire contains the general information about the SHG members and income expenditure, savings and loan schemes available to SHGs members. 50 sample respondents of SHGs members were randomly selected for the study.

RECENT TRENDS IN AGRICULTURAL CREDIT

Since the nationalization of commercial banks in 1969, India had strongly pursued a policy of "Social and Development Banking" in the rural areas. As a result, formal institutions of credit provision, mainly commercial banks, emerged as important sources of finance to agriculture displacing usurious moneylenders and landlords. The policy of social and development banking was a supply-led policy; it aimed at augmenting the supply of credit to rural areas, and that too at an affordable interest rate.

KISAN CREDIT CARD SCHEME (KCC)

The Kisan Credit Card Scheme (KCC) was introduced in 1998-99 to provide credit to farmers. The Indian commercial banks have been providing Kisan credit (also called cash credit or revolving fund) to farmers for more than a decade now. The base of fixing Kisan credit limit is land holdings, crops cultivated, and crop duration. The consumption needs of the farming family have also been taken into consideration while computing the limits. The Kisan credit card provides a lump sum loan released to the farmer to meet his crop needs like purchase of seeds, manure, pesticides, labour, and irrigation etc. The farmer is expected to draw from this account based on his needs on different occasions. He is expected to pay back the entire amount within one year mostly after the proceeds of the crops are realised so that he can apply for fresh Kisan credit limit. Without any doubt, Kisan credit helps farmer most at the time for the initiation of the farming operation.

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However, it is not possible for all farmers to repay the loan amount within one year. In order to repay the loan amount within one year he takes money from lenders and again he borrows to repay money lenders. Consequently, the continuing with no money to undertake his farming operations. He enters into a debt trap. Moreover, the Kisan credits are given to the farmers against mortgage of the lands on which cultivation is undertaken. In India, more often than not, farmers do not have proper title of the land on which they are cultivating. Thus, Kisan credit is useless for them. Therefore, Kisan credit policy is not as per the requirement of Indian farmers; it failed to entertain agriculture credit to all farmers.

THE GRAMIN BANK MODEL

The Gramin Bank model, developed originally in Bangladesh, is one of the most popular model of micro finance institutions and has been replicated in various parts of the world. Under this model, non-government organisations (NGOs) form and develop self help groups (SHGs). Gramin Bank has reversed conventional banking practice by obviating the need for collateral. It has created the need for a banking system based on mutual trust, accountability, participation, and creativity. It offers credit for creating self-employment, income generating activities and housing for the poor, as opposed to consumption. In India, three main models of micro credit are being followed and they are different from the Gramin Bank model. Under the first model, bank themselves assumes the role of Self Help Promoting Institutions (SHPIs) by promoting formation of SHGs and extending loans to them. Under the second model, groups are formed and nurtured by NGOs, Government Agencies, or other community based organizations. These agencies act as facilitators. Banks open saving accounts for the SHGs formed and nurtured by the NGOs and provide them credit in due course of time. This is the most popular and wide spread model of micro credit in India. Under third model, the NGOs (SHPIs) promote formation of SHGs. Bank provide bulk assistance to these SHPIs for undertaking financial intermediation. NGOs, here, thus act as both facilitators and micro finance intermediaries (RBI, 2007-08).

MICROFINANCE

The concept of micro finance is understood as providing poor families with very small loans (micro credit) to help them engage in productive activity or grow their tiny business. The importance of micro finance lies in the fact that the formal/institutional banking sector has not lived up to its social responsibility of meeting the financial needs of the poor due to various reasons such as: (a) lack of branch network in the rural areas, (b) lack of collateral security of farmers and poor people and (c) lack of education, awareness among the poor. Micro finance scheme in India has emerged as major avenues for bringing the poor within the purview of the organized financial sector. The access to credit for the poor from conventional banking is often constrained by lack of collaterals, information asymmetry and high transaction cost associated with small borrower accounts. In operational terms micro credit involves small loans, up to Rs. 25000, extended to the poor without any collateral for undertaking self-employment project (RBI, 2007-08). Realizing the importance of credit in the development process, the government and the Reserve Bank of India have taken various steps in this regard and have encouraged banks to make timely and adequate finance available to poor for agricultural credit as well as allied activities making institutional credit to the poor.

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SELF HELP GROUPS (SHGS)

A self-help group has been defined as a small and formal association of poor having preferably similar socio-economic background and who have come together to realise some common goals based on the principle of self-help and collective responsibility. The Self Help Group movement in India has gained a momentum in recent years. The promotion of self-help groups in India began more formally in 1992 with the launch of the SHG-Bank Linkage Programme (SBLP) by National Bank for Agriculture and Rural Development (NABARD). The programme’s main aim was to improve rural poor’s access to formal credit system in a cost effective and sustainable manner by making use of SHGs.

The invention of Self-Help Group is a boon for the small farmer in general and village women in particular. It has been responsible for bringing in a qualitative change in the lives of thousands of people. Under Self-Help Group, banks are expected to provide credit to the SHGs against group guarantee and members of the group stand as collective guarantors. Banks allow the members of the SHGs to decide on which members of the group shall borrow and how much, and the methodology of repayment. Normally, SHGs loans are term loans wherein the members are expected to repay the loans in regular installments over a period of time. In India most farmers, especially small farmers and marginal farmers neither have title of the land nor have any collateral security. As a result, they fail to get credit from commercial banks. In this situation, SHGs help them to get credit without any hassles.

South India based NGO, Sri Kshetra Dharmasthala Rural Development Project (SKDRDP) has been promoting SHGs of the small farmers for more than two decades and helping them with credit facilities for their farming operations. This movement popularly known as pragathibandhu groups in Karnataka state has helped more than one and half million farmers directly or through their family members who are members of the SKDRDP promoted SHGs. SKDRDP sources bulk loans from commercial banks and lends them to SHGs for undertaking their farming operations. The unique feature of the SKDRDP is that SHGs members have to repay in weekly installments. This uniqueness encourages farmers to go for subsidiary activities like dairy farming, vegetable cultivation, floriculture, or pure daily wage labour so that they can earn money every week to repay the loan. This scheme of repayment has not only help farmers to repay loan easily but also help them think innovatively. Realising the potentiality of the SHGs, the National Bank for Agriculture and Rural Development Bank (NABARD) is now actively facilitating promotion of Joint Liability Groups (JLGs) of farmers for providing necessary credit through JLGs. Commercial banks and Non-Government Organisations (NGOs) are given incentives for promoting JLGs and credit linking them with bank. Department of financial services, ministry of finance, government of India issued a directive in November 2011, wherein advising bank to provide cash credit or revolving fund to SHGs instead of term loans. This will act as a twin edged sword. On the one hand, members of the SHGs will get loan easily and on the other hand it can give freedom to the group to decide on the priorities of the members and lend to them on its own terms without having to take guidance from the banker. The main thrust of this Programme is on development of such agricultural and allied activities in rural areas and small towns of the country and would create large employment opportunities in these areas. It is an implementing arm of the Central and state Government of the various schemes and programmes.

The impact of SHG programmes helps to increase agricultural credit facilities in the study area.

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ANALYSIS OF THE DATA

Average and percentage analyses were carried out to draw a meaningful interpretation of the results.

TYPES OF EMPLOYMENT OF THE RESPONDENTS

The data collected from the respondents are given in the different tables. Landless women agricultural workers perform almost all types of agricultural operations as given in Table:1

TYPES OF EMPLOYMENT OF THE RESPONDENTS

S.NO	ACTIVITIES	PERCENTAGE OF REPLACEMENT	PERCENTAGE
1	Farmers	12	24
2	Cattle farms	8	16
3	Poultry farms	5	10
4	Agriculture labours	9	18
5	Vegetable vendors	6	12
6	Dairy farms	10	20
	Total	50	100

Source: Primary Data

TABLE NO 1

This table shows that out of 50 samples, 24 per cent of the women are farmers, followed by 16 per cent of the respondents are involved in cattle farms and 10 per cent of the respondents are in poultry farms. 18 per cent of respondents are working in agricultural works, 12 per cent and 20 per cent of the respondents are involved in vegetable vendors and dairy farms. The above table clearly explains that most of the respondents are farmers in the study area.

MONTHLY INCOME OF THE RESPONDENTS

The income is the most influencing factor in determining the standard of living, pattern of expenditure and savings of the Respondents. The SHGs beneficiaries income has been increased after joining the scheme. Therefore they are now economically independent and contribute to increase their household income. The following Table-2 explains the income structure of 6the respondents.

MONTHLY INCOME OF THE RESPONDENTS BEFORE AND AFTER JOINING THE SHGS

S.NO	INCOME IN (RS)	NUMBER OF THE RESPONDENTS	PERCENTAGE
1	Below 3000	6	12
2	3000-6000	13	26
3	6000-9000	20	40
4	Above 9000	11	22
	Total	50	100

TABLE NO 2

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Source: Primary Data

The above table-2 reveals that out of the 50 sample respondents, 6 per cent of the respondents monthly income is less than Rs 3000. It is followed by 26 per cent of the respondents are having monthly income between Rs.3000-6000 , 40 per cent of them are having income between Rs.6000-9000 and 22 per cent of them are having family income of Rs 9000 and above. This study concluded that 40 per cent of the respondents are having monthly family income between Rs.6000-9000.

RURAL CREDIT AND SHGS

One of the main reason for an member to join SHGs is to avail credit which is true in the present study area. The second objective of the present study is to know the rural credit by SHGs. The credit organizations like nationalized banks, Co-operative Societies and so on, follow many formalities to provide credit to the rural people. At same time village money lenders charging very high rate of interest. In this situation SHGs are the boon to the rural people because instead of approaching banks individually, SHGs can easily approach the banks and other institutions to get loan. The SHGs get loan from credit institutions refinance (share) to the members in the SHGs.

AMOUNT OF LOAN AVAILED BY THE MEMBERS THROUGH SHGS

SL.NO.	AMOUNT OF LOAN	NO OF RESPONDENTS	PERCENTAGE
1	Less than 5000	8	16
2	5000-10000	13	26
3	10000-15000	19	38
4	Above 15000	10	20
	Total	50	100

Source: primary data

TABLE NO 3

The above table shows that out of the 50 sample respondents, 16 per cent of them borrowed below Rs.5000, followed by 26 per cent of them borrowed the amount of loan between Rs.5000-10,000, 38 per cent of them availed loan amount ranged between Rs.10,000-15,000 and 20 per cent of the respondents availed of the loan amount above Rs.15,000.

REPAYMENT OF LOAN BY SHGS MEMBERS

SL.NO	AMOUNT OF LOAN	NO OF RESPONDENTS	PERCENTAGE
1	Repayment in time	31	62
2	Repayment in advance	11	22
3	Repayment not in time	8	16
	Total	50	100

Source: primary data

TABLE NO 4

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From the above table-4 shows that, 62 per cent of the respondents repay the loan in time, 22 per cent of them repay the loan in advance and 16 of them delay the repayment of loan.

Moreover banks instruct the members to save minimum Rs.200 per month. So re-payment is very easy to SHGs. The loans can be used by individual group members for their personal needs, sometime the group may invest on any economic activities. Nowadays many SHGs are starting small business, cottage industries, food processing units etc. The SHGs in the study area grant the loan to their member for various purposes. The maximum loan amount per members is decided by the general body meeting of the group . Almost the all members in the study areas are availing the loan facilitates through SHGs.

4. FINDINGS, SUGGESTIONS AND CONCLUSION

- The study found that the income of the women has been increased after joining the SHGs.
- The good practice of the women SHGs in the study area is repayment of the loan is regular in time.
- Majority of the respondents are farmers in the study area.
- For the same agricultural activity there is a wage discrimination between the male and female .
- Nearly two third of the respondents migrate to other places for the purpose of employment during agricultural off season.
- The banks should relax their terms and conditions while giving loan to the SHGs. Bank should not impose any minimum limit for the savings.
- The SHGs linkage show that majority of them have been linked to banks and NGOs but there is need to increase the SHGs access to the supply chain, linkages to markets and appropriate technologies.
- The government department should make budgetary allocation for training components for the Self Help Groups.

5. CONCLUSION

Socio-economic development of the rural poor is the pressing need of the day. A problem cannot be viewed in isolation. The present study provides evidence to the fact that financial inclusion through SHGs, laid the seeds for rural development because, the all round economic development depends upon rural development. Banking the 'un bankable' through Micro Finance is a valuable contribution to the development planning as it presents an alternative way to development. It has aided in making the passage from darkness to light for thousands of poor people struggling to breathe. However, SHGs should not only be used to redress poverty but it should be used as a tool to bring the rural under privileged into total financial inclusion. If the SHGs are made an effective intermediary in the implementation of rural development programs, greater financial inclusion would be possible. Though financial inclusion has become the buzzword in present day financial circles, there are miles to go, before it becomes a reality among the rural population.

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