



Tropentag, September 14-16, 2010, Zurich

“World Food System —
A Contribution from Europe”

Primary Co-operative Agriculture and Rural Development Bank (PCARDBS) Credit Impact on Income and Employment of Borrowers and Participation of Weaker Section

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Abstract

An effective research in the field of co-operatives can help to identify strength and weaknesses in their working and performance. Hence, an attempt on credit impact of primary co-operative agriculture and rural development banks (PCARDBs) on borrowers was undertaken. In the present, ever changing economic environment, the role of co-operative institutions in meeting the necessities of the weaker section (SC/ST members) being increasingly recognised from last few decades. Present study has also focused on to insight the extent of participation and credit disbursement to the weaker section of the society.

The study was conducted in the year 2004 in Tumkur, Tiptur, Gubbi, Koratagere and Sira PCARDBs of Tumkur District in Karnataka state. Time series data for 7 years on various performance indicators were collected, besides information from randomly selected sample of 75 borrowers for the study. The techniques like tabular analysis were used to analyse the data.

Findings of the study revealed that, the income generation was more in farm mechanisation, and employment generation was more in non-farm sector of loan for all the PCARDBs and the variation in magnitude of employment generation was observed among the banks as well as among the purposes. The study on extent of participation of weaker section inferred that, the coverage of SC/ST farming communities and percent loan advanced for them are not reaching the expected level. Hence, there is a need to enroll more number of members from weaker sections particularly SC/ST so that they can avail the services from PCARDBs to enhance their socio-economic conditions. The study suggested new venturing into the scheduled banking activity, extensive training to the members for better use of productive loans and need more programmes for reaching and also creating awareness to the weaker section of the society to use the existing opportunities within PCARDBs.

Keywords: Income and employment impact, PCARDBs, weaker section