

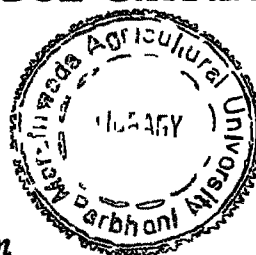
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FAMILY CREDIT PRACTICES IN SELECTED RURAL AREAS IN PARBHANI DISTRICT

BY

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A Dissertation

*Submitted To The Marathwada Agricultural University
In Partial Fulfilment Of The Requirement
For The Degree of*

MASTER OF SCIENCE

(Home Science)

IN

HOME MANAGEMENT

**DEPARTMENT OF HOME MANAGEMENT
COLLEGE OF HOME SCIENCE
MARATHWADA AGRICULTURAL UNIVERSITY
PARBHANI
1987**

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AFFECTIONATELY DEDICATED

TO MY


BELOVED PARENTS

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CERTIFICATE - I


Miss Maleka Shaheen Abdul Gaffar has satisfactorily prosecuted her course of research for a period of not less than two years and that the dissertation entitled "FAMILY CREDIT PRACTICES IN SELECTED RURAL AREAS IN PARBHANI DISTRICT" submitted by her is the result of original research work and is of sufficiently high standard to warrant its presentation to the examination. I also certify that the dissertation or part thereof has not been previously submitted by her for a degree of any University.


21/12/85
Dated :


(Ms. S. H. HARODE)
GUIDE

CERTIFICATE - II


This is to certify that the dissertation entitled "FAMILY CREDIT PRACTICES IN SELECTED RURAL AREAS IN PARBHANI DISTRICT" submitted by Miss Maleka Shaheen Abdul Gaffar to the Marathwada Agricultural University in partial fulfilment of the requirements for the degree of MASTER OF SCIENCE (Home Science) in the subject of HOME MANAGEMENT has been approved by the Student's Advisory Committee after oral examination in collaboration with the External Examiner.



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PARBHANI

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INTRODUCTION

CHAPTER - I

INTRODUCTION

Home management is concerned with the ways in which a family uses all its resources. As the environment becomes more complex and resources more abundant, a family is increasingly confronted with many possibilities for the use of its resources. Chief among the family's concern is the use of its major non human money resource, which plays an important role in the achievement of family goals. In an exchange economy, money conditions the content of a family, living through the standard of food, clothing and housing it allows, the cultural opportunities it provides, and the experience, possessions and comfort it furnishes (Knoll, 1973).

Every family has desires of varying intensities for many goods (Ramathilagam and John, 1976). Wise financial management brings together efficiently these wants and resources. In this context, the use of credit has become an accepted part of family financial management since like business, most families are also finding it difficult to keep their family expenditure including the investment within their income limits.

Credit is no longer disparaged and considered an evil to be shunned at the slightest improvement to one's finance. Credit has become a reality in the household budget, specially in the advanced countries, as a tool to raise the levels of living (Bhargava and Srinivasan, 1980).

The financial concept of credit is the method of obtaining money, goods or services in the present and paying for them in the future (Nickell and Dorsey, 1967). In reality, it is a process of postponed payments. Credit is the loan taken by the consumer to satisfy his personal needs and desires. At any time the use of credit increases purchasing power and makes the provision than the cash on hand would allow. Individual and family should understand the nature and operation of credit because repayment of amount borrowed, together with interest, for its use, must eventually be made.

Right use of credit leads families to enjoy higher level of living (Ramathilagam and John, 1976). It takes care of the immediate needs of the family, encourages thrift and instills financial responsibilities among the young generation. Most of families borrow to meet real or imaginary needs or obligations (Nickell and Dorsey, 1967). In addition, it is also used to repay an accumulated small debts or bills or to meet family expenditure. Many families use credit for the purchase of various commodities and profit there from. Credit is the pivot around which the subsistence economy of small farmers of India sustains and grows (Mohanam, 1983). It serves as the lever to stimulate development of the weaker section.

Various types of credits are available to the families such as cash credit and installment credit.

In the olden days, credit was advanced by the private money lenders, who very often using malpractices, exploited the illiterate needy people, specially in the rural area. Realizing this situation, Government has issued licence to the selected money lenders, to help the needy ones. Besides this, to-day, function of lending money is undertaken by many Government and semi Government agencies, which include Gramin Bank, Cooperative Societies, Land Development Bank and Nationalised Bank etc. However, how many rural families are availing advantages of these credit facilities and what are the problems they are facing in the credit transactions is not known. In addition, woman being pivot in the family's economy, awareness of her role in the family credit finance is equally important, though unknown. The present study is therefore undertaken with following specific objectives:

- (1) To know the kind, sources and purposes of availing credit by the rural families.
- (2) To find out the conditions that lead rural families to avail the credit.
- (3) To know the attitudes of the respondents towards credit financing.
- (4) To assess the effect of education, land, family size, and income on credit of the rural family.
- (5) To find out the problems faced by the rural people in the credit transaction.
- (6) To assess the role of rural women in the credit finance.

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REVIEW OF LITERATURE

CHAPTER - II

REVIEW OF LITERATURE

The available literature pertaining to the family credit practices is scanned and presented under the following heads:

- (1) Kind, sources and purposes of availing credits.
- (2) Attitudes of the respondents towards credit financing.
- (3) Problems faced in credit transaction.

2.1.1 Kind and sources of credit:

The loan is given in the form of cash or kind, in lumpsum or in installments. Various sources offering loan to the needy people include Government, Semi-Government and Private agencies, thus comprising of various Banks, Credit Cooperative Societies, friends, relatives, private and licence money lenders etc. All India Rural Credit Survey of 1951-52 of Indian cultivation revealed that 7.3 per cent rural credit was supplied by institutional source of Government, Cooperative and Commercial Banks and the remaining 92.7 per cent by a host of non institutional sources comprising professional money lenders, agriculturists, money lenders, land lords, traders, commission agents and relatives.

Anonymous (1954) report on rural credit in India denoted that the borrow ngs of the cultivators from the Government and cooperative were 3.3 per cent and 3.1 per cent, respectively. Further, from the total borrowings, the agricultural and professional

money lenders provided 24.9 per cent and 44.8 per cent, respectively. The share of traders and commission agents and commercial banks was observed to be 5.5 and 0.9 per cent, respectively. Relative provided 14.2 per cent, while share of land lords and others was to the extent of 1.5 and 1.8 per cent, respectively;

Report of Committee on Cooperation in India (1957) pointed out that cooperative credit societies provided 3.11 per cent of the credit requirements of the cultivators.

Thingālaya (1968) conducted the study in the south Kanara district and found that about 50 per cent of farm borrowings were from private individuals and nearly 25 and 21 per cent were from the cooperative and commercial banks, respectively.

In Madurai district, Subramanian and Nagarajun (1969) found that only 10 per cent farmers borrowed from cooperative agencies, while 85 per cent depended on external financial assistance from private agencies. Farmers managing agricultural operations with their own funds were 5 per cent.

The sample of cultivators, members and non-members of cooperative from three villages of Hathras blocks of Aligarh district, was studied by Dixit (1973). It was found that on an average, a family borrowing was Rs 300/- from cooperatives, and loans were advanced to cultivators both in cash and in kind. Further, the disbursement of loan in cash accounted for about 76 per cent of the total.

Chawla and Singh (1975) surveyed a sample of bullock operated and tractorised farms in 4 villages of Amritsar district, and concluded that the major loan contributions came through cooperatives, followed by commission agents and then relatives and friends.

Pawar (1976) conducted a survey in Nanded district and revealed that cooperative society shared higher credit distribution, i.e. 79.19 per cent to small farmers than other lending agencies.

George and Mehta (1984) observed that in Baroda district, charge account credit and consumption credits were the most popular, though investment and installments credits were also used among rural households. Further, the consumption and investment credits were used for the purchases of goods and services required in daily living, while the charge account and installment credits were used for marriage, repair of house, purchase of clothes, festivals, death and the like.

2.1.2 Purpose for availing credit:

Credit requirement of the rural sector is often for normal consumption, owing to the low levels of income, the lack of savings and the irregular nature of income flows in an agricultural economy. Often farmers borrow continuously for their living expenses and repay their debts. Unexpected expenditure on illnesses, religious festivities, family occasions like marriages as well as disasters like crop failure tend to increase indebtedness as no surpluses from current income are generally available for such expenses (Anonymous 1979).

Singh (1960) studied seven villages of Rajasthan and attributed 55.7 per cent of indebtedness to consumption and unproductive purposes, 20.8 per cent for cost of cultivation and 23.5 per cent for livestock and implements etc.

Deole (1964) studied 30 families in Nagpur in the different group of land holding ranging from 1-20 acres and noticed that only 10 per cent families had spent credit on consumption while three families mis-used credit.

Lavania et al. (1968) conducted the study in Ghazipur district (Uttar Pradesh), to review the actual utilization of cooperative loans and reported that only 67 per cent of borrowings were utilised for the current farm expenses, while the utilization for consumption, capital expenditure in agriculture, and social obligations comprised of 20, 5, and 6 per cent, respectively.

Jakhade (1968) found that 63.8 per cent of the total borrowings of the small cultivators were required for household expenditure. Chawla (1971) conducted the study in Ferozpur district and inferred that small farmers used a greater part of the funds on consumption purposes.

Jodha (1971) studied the nature and extent of diversion of long term agriculture loan in Gujarath and found that near by 54 per cent of the advances made were for oil engines, 35 per cent for construction of wells, and the rest of it for other purposes like construction of room, electricity, repairs of well etc.

The utilization pattern of credit taken by farmers in irrigated and unirrigated areas was studied by Grewal (1972) in Bhivani block of Hissar district. The results indicated that on an average, besides 51.68 per cent utilization of loan used for fixed investment on farm mainly for purchase of livestock, tube wells and persian wheel and 13.72 per cent for seed and fertilizers, 23.65 per cent was used for household consumption mainly for marriages and other social ceremonies and the rest of 0.95 per cent of old debts.

Surveying the sample of cultivators, members and non members of cooperative from three villages of Hathras blocks of Aligarh district, Dixit (1973) concluded that on an average 31 per cent of the total loans were used for the purposes other than stipulated of which consumption, social obligation and litigation accounted for 12, 15 and 3 per cent, respectively.

Singh and Mehrotra (1973) studied the sample of marginal, small, medium, large and landless farmers, from twenty villages in Ballia of Eastern Uttar Pradesh. The findings indicated that to meet family requirements in terms of food, medicine, marriages, litigations and other such social ceremonies, the marginal and small farmers utilized 40.4 per cent and 65.6 per cent of loan, respectively.

By studying 150 rural families around Coimbatore city, Ramathilagam (1976) confirmed that the family and occupational needs were the prime factors, motivating the families to use credit. Further, loans were used for celebration of ceremonies and for raising income status and health purpose.

Jain (1980) by conducting study in 4 villages of Pawai blocks, concluded that 4.55 per cent farmers mis-used the loans while 18.18 per cent used it for the stipulated purpose.

2.2 Attitudes of respondents towards credit financing:

Johnson (1975) analysing debt in relation to various cash flows ascertained that, the credit use declined with operator's age and years on the farm. Further, it was apparent that younger farm operators rely more heavily on short term loan.

Ramathialagam (1976) stated that the surveyed sample of 150 families around Coimbatore city considered loans helpful for meeting the urgent needs in time without any difficulty.

Bhargava and Srinivasan (1980) conducted the study in Udaipur city and found that majority of home makers had negative attitudes towards credit.

A significant place of credit in the finance management in 120 sample size of rural households of Baroda was reported by George and Mehta (1984).

2.3 Problems faced in credit transaction:

The problem of rural indebtedness is both chronic and gigantic. Various studies have shown that the majority of our farmers have been in perpetual debt and that a large part of it has been incurred for consumption purposes. The farmers are unable to repay it, and as a result, they come under the tight grip of the money lenders.

Report of the Committee on Cooperation in India (1957) observed that on an average, more than 80 per cent of the farmers have difficulty in getting adequate and prompt finance. The remaining 20 per cent of the farmers go without finance.

Jain (1971) by conducting the study in 4 villages of Pawai block, concluded that 60 per cent of the borrowers reported loan disbursement in time while 14.15 per cent were found to be the cases of very late disbursement of loans.

Pawar (1976) carried out study in Nanded district, and observed that small farmers had in adequate and irregular supply of credit, resulting into inability to take advantage of new technology.

Kasle (1980) referring Patel, informed that due to the greater repaying capacity, the big and large farmers repaid their borrowings in less time.

Jain (1980) revealed that in Pawai block of Panna district, short term loans could not be repaid and the overdues amounted to nearly 60 per cent of the loans left after the adjustment of subsidy. Further, it was found that among the medium and large holdings, overdues were more as compared to repayments which in time with general observations in financing.

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____ MATERIALS AND METHODS ____

CHAPTER - III

MATERIALS AND METHODS

The investigation entitled "Family Credit Practices in Selected Rural Areas in Parbhani district" was undertaken with the objectives to find out the kind, sources and purposes for availing credit, problems in availing credit, the attitudes towards credit, and woman's role in family credit finance. The various procedures adopted in present study comprised of :

- (1) Selection of the villages
- (2) Selection and method of sampling
- (3) Formulation and pretesting of schedule
- (4) Method of collecting data
- (5) Statistical analysis

3.1 Selection of the villages:

The present study was conducted in three villages of Parbhani district namely Wadgaon, Bharaswada and Indewadi, having 2,400, 2,200 and 1,200 population respectively, in the Marathwada region of Maharashtra State. These villages were selected purposively on approach road; had transport facilities and were recorded for their enthusiastic and cooperative responses during the previous extension work.

3.2 Selection and method of sampling:

The complete list of the farmers with their land holding was obtained from the talathi of the selected villages. The land holders were categorised into 4 groups*, based on their land holding besides a group of landless, as follows.

* The categories are made on the basis of information given by Tahsildar.

- (1) Large farmers (4.00 to 8.00 hectares)
- (2) Medium farmers (2.00 to 4.00 hectares)
- (3) Small farmers (1.00 to 2.00 hectares)
- (4) Marginal farmers (Upto 1.00 hectare)
- (5) Landless (No land)

The sample was selected from each village. Since the population denoted larger number of marginal, small and medium farmers, 10 per cent of the families from each of the above category was selected, whereas large farmers and landless were less in population and therefore each of them in 20 per cent comprised of the selected sample to have the sound statistical base. Thus a total of 180 households who were utilising credit facilities were selected by using random number table. The households selected in each category were 30, 35, 50, 30 and 35 as marginal, small, medium, large and landless respectively.

3.3 Formulation and pre-testing of schedule:

The interview schedule, with objective type of questionnaire was framed on credit practices to elicit general and specific information as per the set objectives.

Before finalizing, the interview schedule was pre-tested for its adequacy, clarity and reliability by interviewing ten farm households, exclusive of final sample. The required changes were made to remove ambiguity of questions in the finally designed schedule, and as such edited schedule was made ready for collection of data.

3.4 Methods of collecting data:

The data was collected by the investigator with the help of finally prepared schedule using personal interview method after establishing the rapport.

3.5 Statistical analysis:

The collected data was compiled, tabulated and analysed. In addition to the calculations of percentages and frequencies, Chi-square test was applied to assess the effect of education, land, family size, and income on credit of the rural family. The formula applied for Chi-square test was:

$$\chi^2 = \sum \frac{(O-E)^2}{E}$$

Where O = Observed frequency

E = Expected frequency

d.f. = Degree of freedom

$$(r-1) (c-1)$$

Formula for expected frequency is

$$E_{ij} = \frac{(\text{Marginal total of } i\text{th row} \times \text{marginal total of } i\text{th column})}{\text{Grand total}}$$

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_____ RESULTS AND DISCUSSION _____

CHAPTER -IV

RESULTS AND DISCUSSIONS

The investigation entitled "Family Credit Practices in Selected Rural Areas" was conducted to study the family credit practices in selected rural areas. The interviewed sample selected from three villages, comprised of 180 households of different land holdings besides landless ones.

The data collected was compiled, tabulated, analysed statistically and presented under the following heads:

1. General information of the respondents
2. Kind, sources, and purposes of availing credit by the rural families
3. Conditions that lead rural families avail the credit
4. Decision maker for availing credit
5. Attitudes of the respondents towards credit financing
6. Effect of education, land, family size, and income on family credit
7. Problems faced in credit transaction
8. Role of women in the family's credit finance

4.1 General information of the respondents:

Following table 1, shows general information of the respondents with regards to family, occupation, income, age and education.

Table 1: General information of the respondents.

Items of information	Categories of respondents					Total
	Marginal	Small	Medium	Large	Landless	
1.	2. (Farmers)	3. (Farmers)	4. (Farmers)	5. (Farmers)	6.	7.
(A) TYPE OF FAMILY:						
1) Nuclear	28 (93.33)	29 (82.86)	38 (76)	27 (90)	34 (97.14)	156 (86.67)
2) Joint	2 (6.67)	6 (17.14)	12 (24)	3 (10)	1 (2.86)	24 (13.33)
(B) DECISION MAKER IN THE FAMILY:						
1) Husband	28 (93.33)	29 (82.86)	38 (76)	27 (90)	33 (94.28)	155 (86.11)
2) Wife	-	-	-	-	1 (2.86)	1 (.56)
3) ^{male} Elder/member of the family	2 (6.67)	6 (17.14)	12 (24)	3 (10)	1 (2.86)	24 (13.33)
(C) OCCUPATION:						
1) Government employment	-	-	3 (6)	-	-	3 (1.67)
2) Business	1 (3.33)	-	1 (2)	-	8 (22.86)	10 (5.56)
3) Farmer	29 (96.67)	35 (100)	46 (92)	30 (100)	-	140 (77.77)
4) Labourer	-	-	-	-	27 (77.14)	27 (15)
(D) ANNUAL INCOME in (Rs)						
1) Upto 5000	21 (70)	29 (82.86)	21 (42)	7 (23.34)	13 (37.14)	91 (50.55)
2) 5001-7000	6 (20)	2 (5.71)	13 (26)	3 (10)	13 (37.14)	37 (20.56)
3) 7001-9000	2 (6.67)	-	7 (14)	3 (10)	9 (25.72)	21 (11.67)

contd...

1.	2.	3.	4.	5.	6.	7.
4) 9001-11000	1 (3.33)	3 (8.58)	4 (8)	4 (13.33)	-	12 (6.66)
5) 11001 & above	-	1 (2.85)	5 (10)	13 (43.33)	-	19 (10.56)
(E) EDUCATION:						
1) Illiterate	19 (63.34)	18 (51.42)	17 (34)	4 (13.33)	30 (85.71)	88 (48.88)
2) Primary	6 (20)	10 (28.58)	18 (36)	9 (30)	3 (8.58)	46 (25.56)
3) Middle	4 (13.33)	5 (14.29)	9 (18)	10 (33.33)	2 (5.71)	30 (16.67)
4) High school	-	2 (5.71)	6 (12)	5 (16.67)	-	13 (7.22)
5) College	1 (3.33)	-	-	2 (6.67)	-	3 (1.67)
(F) AGE (in years)						
1) 21 - 31	11 (36.67)	9 (25.71)	12 (24)	10 (33.33)	6 (17.14)	48 (26.66)
2) 32 - 42	13 (43.33)	17 (48.58)	21 (42)	13 (43.33)	18 (51.43)	82 (45.56)
3) 43 - 53	4 (13.33)	4 (11.43)	7 (14)	5 (16.67)	9 (25.71)	29 (16.11)
4) 54 - 64	2 (6.67)	5 (14.28)	10 (20)	2 (6.67)	2 (5.72)	21 (11.67)

(Figures in parenthesis indicate percentage)

Table 1(a) indicate that majority i.e. 86.67 per cent of the respondents belonged to nuclear family and 13.33 per cent to joint family with no one having extended family. The trend of higher percentage of nuclear family and lower percentage of joint family was observed in all the categories.

Table 1(b) reveals the decision maker in the family. In majority (86.11%) of the families, husband was the decision maker, whereas in 13.33 per cent families decisions ^{were} taken by the elder person. Woman decision maker was reported only in one family.

Table 1(c) shows occupation where majority (77.77%) of the respondents were farmers, and 15 per cent were labourers. Among the landless nearly $\frac{1}{4}$ (22.86%) had taken up business, and only 1.67 per cent were government employees.

Table 1(d) indicates that 50.55 per cent of the respondents had the annual income upto Rs 5000/-. Among these, one third (29) respondents belonged to the category of small farmers. The total families having annual income in the range of Rs 5001-7000 were (20.56%), where medium farmers and landless families were equal in number, each comprising of one third of the total of this income group. In the annual income range of Rs 7001-9000/-, there were 21 families (11.67%), with more landless families, followed by medium, large and marginal farmers. No landless labourers were found in both the income ranges of Rs 9001-10000 and Rs 11001 and above, while more number of families belonged to the large and medium farmers.

Table 1(e) depicts the education of the respondents. The total percentage of illiterate respondents was 48.88 per cent which accounted to more among the landless, marginal, small and medium farmers. The respondents having primary, middle, high school and college education were 25.56, 16.67, 7.22 and 1.67 per cent, respectively.

Age of the respondents is recorded in table 1(f). It is observed that in all, 45.56 per cent of the respondents were in the age group of 32-42 years which denoted highest number in all the categories of sample, whereas 26.66, 16.11 and 11.67 per cent were in the age group of 21-32, 43-53 and 54-64 years, respectively.

4.2 Kind, sources and purposes off availing credit by the rural people.

4.2.1 Kinds of credit:

Information regarding kinds of credit availed by the respondents is shown in table 2.

Table 2: Kinds of credit:





Forms of credit	Categories of respondents					Total
	Marginal	Small	Medium	Large	Land-less	
A) CASH						
1) Lumpsum	21 (70)	17 (48.57)	41 (82)	24 (80)	17 (48.57)	120 (66.67)
2) Installment	-	8 (22.86)	9 (18)	3 (10)	1 (2.86)	21 (11.67)
B) OTHER FORMS						
1) Dairy animals	1 (3.33)	1 (2.86)	-	3 (10)	11 (31.43)	16 (8.89)
2) Bullock cart	8 (26.67)	9 (25.71)	-	-	6 (17.14)	23 (12.77)
	30 (100.)	35 (100.0)	50 (100.0)	30 (100.0)	35 (100.0)	180 (100.0)

(Figures in the parenthesis indicate percentages)

It is observed from the above table that among the total marginal farmers, cash credit in lumpsum was taken by 21(70%) and in the form of bullock cart and dairy animals by 8(26.67%) and 1(3.33%) respondents. Among the small farmers, the availment of lumpsum cash credit was recorded among 17(48.57%) respondents and 8(22.86%) and 9(25.71%) respondents reported credit on installment and bullock carts. As seen, medium farmers borrowed only cash credit with maximum number i.e. 41(82%) in lumpsum and only 9(18%) in the form of installment. Among the large farmers, 80 per cent respondents took in lumpsum cash credit and 10 per cent each in the form of installment and dairy animals. It is evident from table 2 that the landless labourers had availed all types of credits denoting 17(48.57%), 11(31.43%) and 6(17.14%) respondents for lumpsum cash credit, credit for dairy animals, and bullock carts respectively. Only one landless labourer was noted for installment cash credit.

It is observed that, lumpsum cash credit was taken by majority of the households from all the categories totalling to 66.67 per cent. Credit in the form of dairy animals was utilised by more number of landless 11(31.43%) and very few marginal and small farmers. No installment credit was used by marginal farmers. This may be due to their small land holding and less need of the big loans.

$$100\% = 360^\circ$$

-  CASH IN LUMP SUM
-  CASH IN INSTALLMENT
-  DAIRY ANIMALS
-  BULLOCK CART

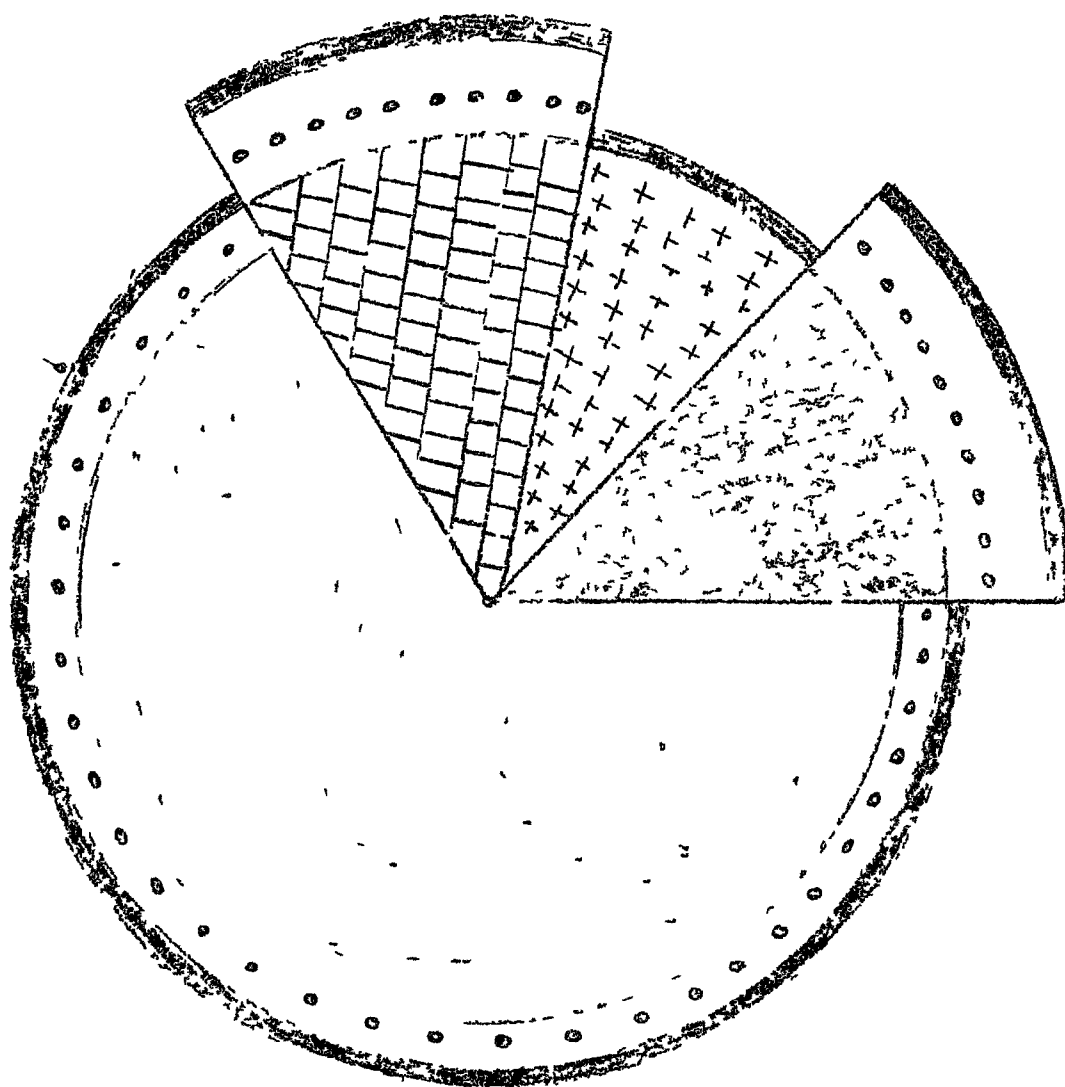


FIG 1 KINDS OF CREDIT

4.2.2 Sources of credit:

Various sources availed for credit by the selected subjects are shown below in table 3.

Table 3: Sources of credit.

Sources of credit	Categories of respondents					Total
	Marginal	Small	Medium	Large	Land-less	
1) Cooperative society	7 (22.58)	9 (25.00)	21 (40.38)	14 (46.67)	2 (5.71)	53 (28.80)
2) Gramin bank	-	3 (8.34)	4 (7.69)	-	-	7 (3.81)
3) Land Development bank	7 (22.58)	9 (25.00)	16 (30.77)	6 (20)	2 (5.71)	40 (21.74)
4) Private money lenders	-	-	1 (1.92)	-	-	1 (0.54)
5) Nationalised banks	17 (54.84)	15 (41.66)	10 (19.24)	10 (33.33)	31 (88.58)	83 (45.11)
Total	n 31 (100.0)	36 (100.0)	52 (100.0)	30 (100.0)	35 (100.0)	184 (100.0)

(Figures in the parenthesis indicate percentages)

As evident from table 3, the sources of credit were mainly cooperative society, land development bank and nationalised banks, while, private money lenders were the least. Among the marginal farmers, the majority 17(54.84%) obtained loan from nationalised banks, while respondents approaching cooperative society and land development bank were equal in number 7(22.58%). Among the small

farmers, advantage of nationalised banks was taken by 15(41.66%) respondents followed by equal number i.e. 9(25.00%), for cooperative society and land development bank. From the group of medium farmers, more respondents (40.38%) approached cooperative society followed by land development bank (30.77%) and nationalised bank (19.24%). The approach to private money lenders was observed only by one medium farmer in all the total sample. As seen, 46.67 per cent and 33.33 per cent farmers took loan from cooperative society and nationalised banks respectively, while those utilizing land development bank were 20 per cent. The nationalised banks was the main source for the landless labourers (88.58%), and only 5.71 per cent each took benefit of the facility of cooperative society and land development bank.

It is concluded that majority of respondents (45%) took loan from the nationalised banks, where landless labourers, marginal and small farmers were more in number. Small and medium farmers in very few number took loan from gramin bank. Private money lender ^{was} almost no more source of credit which may be due to awareness of the people and presence of better agencies for credit. More number of large farmers (46.67%) and medium farmers (40.38%) used cooperative society. In addition, 30.77 per cent medium farmers utilised the credit facility of land development bank.

SCALE 2 CM = 10%

SOURCES

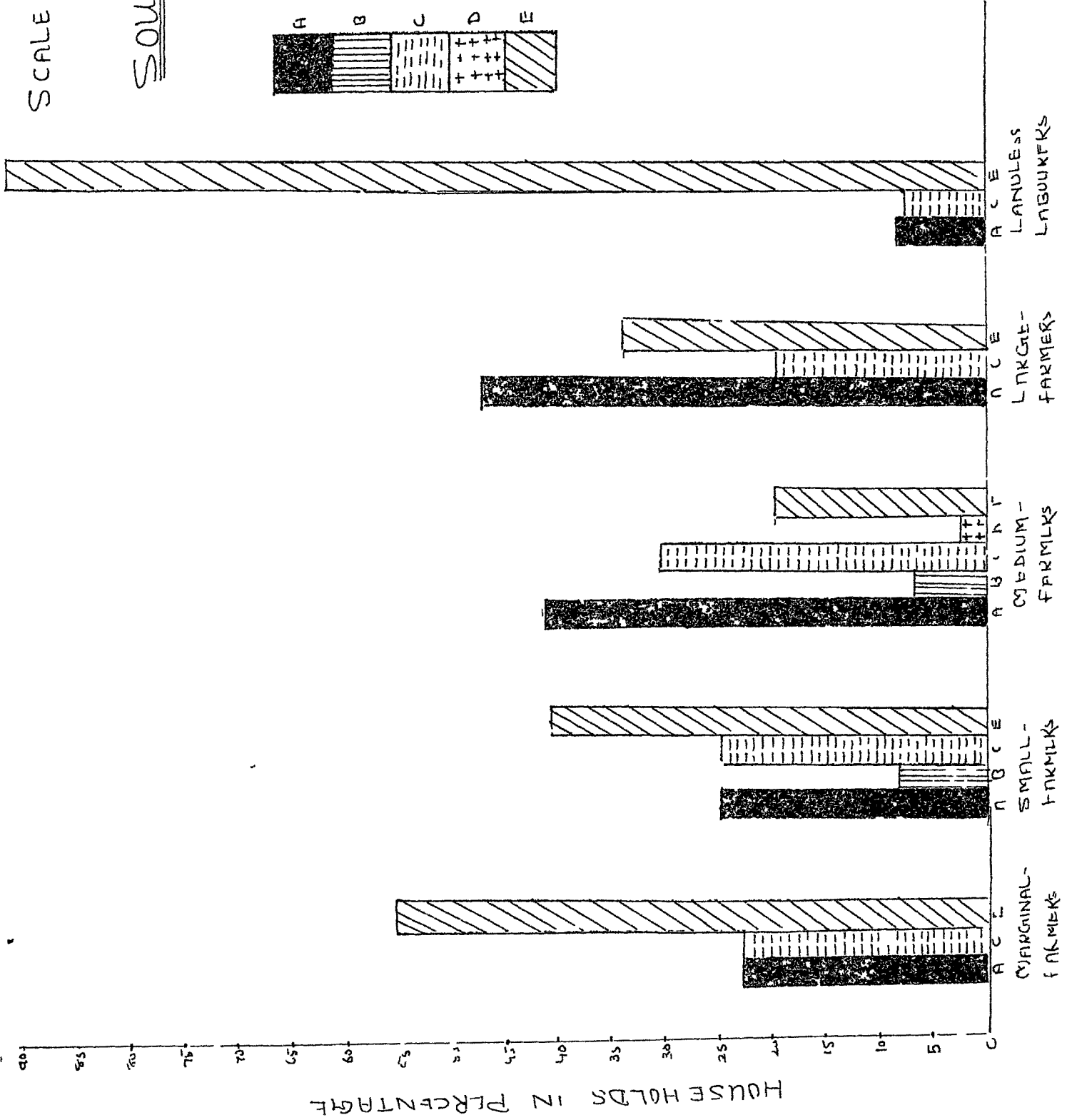
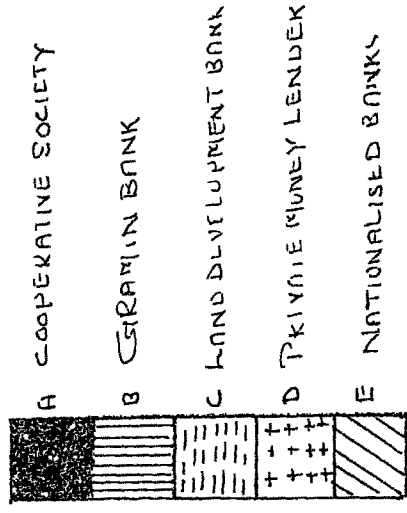


FIG 2 SOURCES OF CREDIT

4.2.3 Purpose of availing credit:

The purposes mentioned for availing are recorded in table 4 below:

Table 4: Purposes for availing credits.

Purposes	Categories of respondents					Total
	Marginal	Small	Medium	Large	Land-less	
1) For better living	25 (45.45)	30 (46.15)	29 (36.70)	27 (47.37)	24 (40.68)	135 (42.86)
2) For starting self employment	4 (7.27)	-	-	-	16 (27.11)	20 (6.35)
3) For digging well	2 (3.64)	10 (15.38)	25 (31.65)	10 (17.55)	-	47 (14.92)
4) For purchasing seeds	15 (27.27)	11 (16.92)	25 (31.15)	8 (14.03)	-	59 (18.73)
5) For bullock cart	8 (14.55)	9 (13.85)	-	-	6 (10.17)	23 (7.30)
6) For buying sewing machine	-	-	-	-	2 (3.39)	2 (0.63)
7) For purchasing animals	1 (1.82)	1 (1.54)	-	3 (5.26)	11 (18.65)	16 (5.08)
8) Crop	-	4 (6.16)	-	9 (15.79)	-	13 (4.13)
Total	55 (100.0)	65 (100.0)	79 (100.0)	57 (100.0)	59 (100.0)	315 (100.0)

(Figures in parenthesis indicate percentages)

It is ascertained from table 4, that majority 135(42.86%) of the respondents availed loan for better living for which higher values were noted in all the categories. In addition, among the marginal farmers, purchasing of seeds and bullock carts, starting self employment were the main purposes for which loan was taken, while small farmers availed for purchasing seeds, digging well and for bullock carts purpose. Among the medium farmers, similar percentages (31.65%) used loan only for digging well and purchasing seeds, whereas the large farmers also borrowed loan for other purposes such as purchasing animals (5.26%) and crop (15.79%). Borrowing loan for starting self employment and purchase of animals was observed among more number of landless labourers i.e. 27.11 per cent and 18.65 per cent respectively.

It is concluded that irrespective of the categories of sample, credit was availed mainly for better living. Except a few in the landless category, no one took loan for the purchase of household machinery such as sewing machine, while loan for self employment was taken only by marginal and landless labourers.

4.3.1 Conditions that lead rural families to avail the credit:

Various conditions which lead the respondents to obtain the credit are stated in table 5.

Table 5: Conditions leading to avail the credit.

Conditions	Categories of respondents					Total
	Marginal	Small	Medium	Large	Land-less	
1) Large family	1 (1.03)	3 (3.66)	10 (11.63)	3 (4.48)	1 (1.56)	18 (4.54)
2) Unexpected expenditure	18 (18.56)	17 (20.73)	16 (18.60)	18 (26.86)	15 (23.44)	84 (21.21)
3) Urgent needs	20 (20.62)	19 (23.17)	21 (24.42)	19 (28.36)	10 (15.62)	89 (22.47)
4) Poor economic status	28 (28.86)	14 (17.08)	15 (17.44)	-	22 (34.38)	79 (19.96)
5) Irregular income	30 (39.93)	29 (35.36)	24 (27.91)	27 (40.30)	16 (25.00)	126 (31.82)
Total	97 (100.0)	82 (100.0)	86 (100.0)	67 (100.0)	64 (100.0)	396 (100.0)

(Figures in parenthesis indicate percentages)

Table 5, reveals that irregular income was the main condition causing to borrow loan as expressed by the majority of the respondents 126(31.82%) in all categories except landless labourers. Besides this, poor economic status (28.86%), urgent needs (20.62%), and unexpected expenditure (18.56%) were the conditions reported by the marginal farmers. Small and medium farmers reasoned that urgent needs (23.17%), unexpected expenditure (20.73%) and poor economic status (17.08%) made them to borrow credit. In case of medium farmers, 11.63 per cent stated that large size of the families also lead to take credit.

Urgent needs and unexpected expenditure conditions lead large farmers to avail credit. Whereas poor economic status, irregular income, unexpected expenditure, urgent needs and large families were the major conditions denoted by 34.38 per cent, 25 per cent and 23.44 per cent, 15.62 per cent, and 1.56 per cent of landless labourers respectively.

It is concluded that besides the irregular income, poor economic status, urgent needs, unexpected expenditure were also important reasons which forced the rural families to avail the credit.

4.4 Decision maker for availing credit:

Following table 6, denotes the decision makers of the family credit.

Table 6: Decision maker for availing credit.

Decision makers	Categories of respondents					Total
	Marginal	Small	Medium	Large	Land-less	
1) Husband	⁴ (13.33)	⁷ (20.00)	⁷ (14)	¹⁵ (50)	¹ (2.86)	³⁴ (18.89)
2) Wife	-	-	-	-	¹ (2.86)	¹ (0.55)
3) Both husband & wife together	¹⁷ (56.67)	²² (62.86)	²⁰ (40)	¹⁰ (33.33)	³⁰ (85.71)	⁹⁹ (55.00)
4) Only elder male	-	² (5.71)	⁸ (16)	³ (10.00)	-	¹³ (7.23)
5) All male person	⁸ (26.67)	⁴ (11.43)	¹⁴ (28)	² (6.67)	³ (8.57)	³¹ (17.22)
6) Mother	¹ (3.33)	-	¹ (2)	-	-	² (1.11)
	³⁰ (100.0)	³⁵ (100.0)	⁵⁰ (100.0)	³⁰ (100.0)	³⁵ (100.0)	¹⁸⁰ (180.0)

(Figures in parenthesis indicate percentages)

Table 6, shows that among the marginal farmers, decisions regarding taking credit was jointly taken by 56.67 per cent of husbands and wives and in 26.67 per cent families, it was a joint decision of all the male members. In 13.33 per cent families, the matter was decided only by the husband. In small farmers, availing credit was a joint decision among 62.86 per cent, while in 20 per cent families, it was decided by husband alone, in 11.43 per cent by all male members, while 5.71 per cent families, it was a concern of only elderly male. In the medium farmers group, the order was joint decision of husband and wife followed by male members of the family and only elder male, husband alone as denoted through 40, 28, 16, 14 per cent respectively. Mother as a decision maker was also observed in one of the each marginal and medium farmer's group. Husband alone as a decision maker was found in 50 per cent families of large farmer's group, next being the joint decision of the couple (33.33%). The domination of the joint decision of couple was observed in the group of landless labourers (85.71%), and very meagre percentage was recorded for decisions by all the male members (8.57%).

It is concluded that in all the categories, decisions regarding credit were mostly taken by husband and wife together except in large farmers group, where more number of husbands decided the matter themselves.

4.5 Attitudes of respondents towards credit financing:

The given attitudes of the respondents towards credit practices have been categorised to denote their favourable and unfavourable attitudes and are depicted in the table 7.

Table 7: Attitudes of the respondents as expressed through their opinions.

Opinions express attitudes	Categories of respondents					Total
	Marginal	Small	Medium	Large	Land-less	
A) FAVOURABLE ATTITUDES:						
1) It meet emergency needs	20 (26.67)	25 (37.88)	29 (42.03)	20 (31.25)	19 (38)	113 (34.88)
2) It satisfy needs of consumer	25 (33.33)	20 (30.30)	20 (28.98)	22 (34.37)	17 (34)	104 (32.10)
3) It helps in increasing earning	24 (32)	15 (22.73)	18 (26.99)	18 (28.13)	12 (24)	87 (26.85)
4) It helps to improve field	6 (8)	6 (9.09)	2 (2.90)	4 (6.25)	2 (4)	20 (6.17)
Total	75 (100.0)	66 (100.0)	69 (100.0)	64 (100.0)	50 (100.0)	324 (100.0)

contd...

1.	2.	3.	4.	5.	6.	7.
B) UNFAVOURABLE ATTITUDES:						
1) It is financial burden	3 (17.65)	5 (18.52)	10 (16.67)	6 (16.22)	5 (19.23)	29 (17.36)
2) It leadsto unnecessary expenditure	2 (11.76)	6 (22.23)	15 (25)	8 (21.62)	6 (23.08)	37 (22.16)
3) Procedure to avail credit is strict and laborious	2 (11.76)	-	6 (10)	-	3 (11.54)	11 (6.59)
4) It curtails present needs	2 (11.76)	4 (14.81)	6 (10)	5 (13.51)	4 (15.38)	21 (12.57)
5) Availing credit leads to tension	3 (17.65)	4 (14.81)	10 (16.67)	6 (16.22)	3 (11.54)	26 (15.57)
6) One can not enjoy till credit is repaid	2 (11.76)	3 (11.11)	5 (8.33)	5 (13.51)	2 (7.69)	17 (10.18)
7) Credit does not lead to profit	3 (17.65)	5 (18.52)	8 (13.33)	7 (18.92)	3 (11.54)	26 (15.57)
Total	17 (100.0)	27 (100.0)	60 (100.0)	37 (100.0)	26 (100.0)	167 (100.0)

(Figures in parenthesis indicate percentages)

Table 7(a) indicates the favourable attitudes expressed by the respondents towards credit financing. As noted in marginal farmer's group, 33.33 per cent farmers favoured credit because it satisfied the needs of consumer, 32 per cent found it helpful in increasing their earnings, 26.76 per cent upheld credit as it met their emergency needs, and 8 per cent preferred credit for the improvement of the field. In the group of small, medium and landless labourers the percentage of the respondents expressing their favourable attitudes for the reason that credit met emergency needs, satisfied consumer needs and helped in increasing earning was in descending order. In case of large farmers, more number (34.37%) of respondents expressed that credit fulfilled the needs of the consumers followed by the numbers as 20 and 18 stating it met emergency needs and helped in increasing.

It is concluded that credit was favoured by majority of the respondents as it helped to meet their emergency needs.

Table 7(b) denotes the unfavourable attitudes towards credit financing as observed from the opinions of respondents. Among the marginal farmers, similar numbers 3(17.65%) of respondents viewed credit as financial burden, leading to tension and not resulting into profit, while 11.76 per cent respondents asserted credit to cause unnecessary expenditure, curtailing present needs and preventing enjoyment till the repayment. Negative attitudes that credit leads to unnecessary expenditure was expressed by more number of respondents in the categories of small, medium, and large farmers and landless labourers followed by the opinions that it added to financial burden.

In all the categories, 11-16 per cent respondents found credit to result tension. The unfavourable attitudes were denoted in terms of the expressions such as procedure to avail credit was strict and laborious by few respondents in all categories.

Attitudes not favouring credit were observed mainly for the reasons such as credit lead to unnecessary expenditure and financial burden in all the categories.

4.5.2 Choice for credit agency:

The following table 8, depicts respondents preference for credit agencies.

Table 8: Respondent's choice for credit agency.

Credit agencies	Categories of respondents					Total
	Marginal	Small	Medium	Large	Land-less	
1) Cooperative society	14 (46.67)	16 (45.71)	31 (62)	12 (40)	5 (14.28)	78 (43.33)
2) Land Development bank	2 (6.66)	6 (17.15)	10 (20)	7 (23.33)	3 (8.57)	28 (15.55)
3) Gramin bank	-	3 (8.57)	-	-	-	3 (1.67)
4) Nationalised banks	14 (46.67)	10 (28.57)	9 (18)	11 (36.67)	27 (77.15)	71 (39.45)
Total	30 (100.0)	35 (100.0)	50 (100.0)	30 (100.0)	35 (100.0)	180 (100.0)

(Figures in parenthesis indicate percentages)

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As evident from table 8, among the marginal farmers equal per cent (46.67%) of the respondents preferred cooperative society and nationalised banks and only 6.66 per cent chose land development bank. Descending order in the choice of agencies such as cooperative society, nationalised banks, land development bank and the gramīn bank were denoted by the figures 45.71, 28.57, 17.15 and 8.57 per cent by small farmers respectively.

Cooperative society was the first choice for more number (62%) of the medium farmers, the next choice being land development bank and nationalised banks. Among the large farmers, almost similar number expressed the choice for cooperative society and nationalised banks and 23.33 per cent also selected land development bank. Nationalised banks were the choice of majority (77.15%) of the landless labourers, while cooperative and land development bank were favoured by 14.28 and 8.57 per cent respondents respectively.

It is concluded that majority (43.33%) of the respondents from almost all the categories preferred cooperative societies, while gramīn bank was the least.

The efforts were made to find out the reasons for preferring agencies. It was noted that the loans from cooperative society and nationalised banks were preferred because they were available easily and timely, and also it took less time to get loan. Besides this, the large amount given by these agencies and the short duration of the loan were the other reason for choosing these agencies.

4.6 Effect of education, land, family size and income on credit:

The association of credit with education, land, family size and income were assist by applying X^2 test, the results of which are shown in the following tables.

Table 9: Effect of education on credit.

Education	Amount of credit (in Rs.)											Total N=180
	0-500 1000	501- 1000	1001- 2000	2001- 3000	3001- 4000	4001- 5000	5001- 6000	6001- 11000	11001- 16000	16001- 21000	21001- 26000	
1) Illiterate (N=88)	8 (9.09)	13 (14.77)	23 (26.14)	13 (14.77)	6 (6.82)	12 (13.64)	2 (2.27)	4 (4.54)	1 (1.14)	3 (3.41)	3 (3.41)	88 (48.89)
2) Primary (N=46)	6 (13.05)	9 (19.57)	9 (19.57)	4 (8.69)	4 (8.69)	4 (8.69)	-	1 (2.17)	1 (2.17)	-	8 (17.40)	46 (25.55)
3) Middle (N=30)	2 (6.67)	5 (16.67)	8 (26.67)	1 (3.33)	3 (10)	3 (10)	1 (3.33)	2 (6.67)	4 (13.33)	-	1 (3.33)	30 (16.67)
4) High school (N=13)	-	2 (15.39)	3 (23.07)	-	-	1 (7.69)	1 (7.69)	2 (15.39)	2 (15.39)	1 (7.69)	1 (7.69)	13 (7.22)
5) College (N=3)	-	-	1 (33.33)	1 (33.33)	-	1 (33.33)	-	-	-	-	-	3 (1.67)

(Figures in parenthesis indicate percentages)

Calculated $\chi^2_8 = 9.61$ Table value $\chi^2_{8,0.05} = 15.507$

Table 10: Effect of land holding on credit:

Categories of respondents	Amount of credit (in Rs.)											Total N=180
	0-500 1000	501- 1000	1001- 2000	2001- 3000	3001- 4000	4001- 5000	5001- 6000	6001- 11000	11001- 16000	16001- 21000	21001- 26000	
1) Marginal (N=30)	2 (6.67)	3 (10)	8 (26.66)	2 (6.67)	2 (6.67)	10 (33.33)	-	2 (6.67)	-	-	1 (3.33)	30 (16.67)
2) Small (N=35)	5 (14.28)	6 (17.15)	4 (11.43)	5 (14.28)	5 (14.28)	3 (8.57)	3 (8.57)	1 (2.86)	1 (2.86)	1 (2.86)	1 (2.86)	35 (19.44)
3) Medium (N=50)	5 (10)	10 (20)	8 (16)	2 (4)	3 (6)	-	-	6 (12)	5 (10)	2 (4)	9 (18)	50 (27.78)
4) Large (N=30)	2 (6.67)	7 (23.34)	6 (20)	2 (6.67)	1 (3.33)	5 (16.66)	2 (6.67)	1 (3.33)	2 (6.67)	1 (3.33)	1 (3.33)	30 (16.67)
5) Landless (N=35)	2 (5.71)	2 (5.71)	18 (51.43)	8 (22.86)	2 (5.71)	3 (8.58)	-	-	-	-	-	35 (19.44)

(Figures in parenthesis indicate percentages)

Calculated $\chi^2_{12} = 36.76$

Table value $\chi^2_{42,0.05} = 21.026$

Table 11: Effect of family size on credit.

Family members	Amount of credit (in Rs.)												Total N=180
	0-500	501-1000	1001-2000	2001-3000	3001-4000	4001-5000	5001-6000	6001-11000	11001-16000	16001-21000	21001-26000		
1) Upto 2 (N=20)	2 (10)	4 (20)	5 (25)	2 (10)	-	4 (20)	-	1 (5)	-	-	2 (10)	20 (11.12)	
2) 3 to 5 (N=152)	13 (8.55)	23 (15.14)	38 (25)	17 (11.18)	12 (7.89)	17 (11.18)	4 (2.63)	8 (5.27)	6 (3.95)	3 (1.97)	11 (7.24)	152 (84.44)	
3) 6 to 8 (N=8)	1 (12.5)	1 (12.5)	1 (12.5)	-	1 (12.5)	-	1 (12.5)	1 (12.5)	1 (12.5)	1 (12.5)	-	8 (4.44)	

(Figures in parenthesis indicate percentages)

Calculated $\chi^2 = 6.801$
7

Table value $\chi^2 = 14.067$
7, 0.05

Table 12: Effect of income on credit.

Income (In Rs.)	Amount of credit (In Rs.)											Total N=180
	0-500 1000	501- 1000	1001- 2000	2001- 3000	3001- 4000	4001- 5000	5001- 6000	6001- 11000	11001- 16000	16001- 21000	21001- 26000	
1) 1000-2000 (N=15)	1 (6.66)	4 (26.67)	6 (40)	-	-	4 (26.67)	-	-	-	-	-	15 (8.33)
2) 2001-3000 (N=32)	2 (6.25)	5 (15.64)	4 (12.5)	8 (25)	4 (12.5)	4 (12.5)	2 (6.25)	1 (3.12)	1 (3.12)	-	1 (3.12)	32 (17.78)
3) 3001-4000 (N=30)	3 (10)	2 (6.67)	7 (23.32)	4 (13.33)	5 (16.67)	5 (16.67)	-	2 (6.67)	-	-	2 (6.67)	30 (16.67)
4) 4001-5000 (N=18)	2 (11.12)	1 (5.55)	5 (27.79)	1 (5.55)	1 (5.55)	1 (5.55)	2 (11.12)	1 (5.55)	1 (5.55)	2 (11.12)	1 (5.55)	18 (10)
5) 5001-6000 (N=25)	1 (4)	4 (16)	11 (44)	1 (4)	1 (4)	3 (12)	-	1 (4)	1 (4)	-	2 (8)	25 (13.89)
6) 6001-11000 (N=41)	6 (14.63)	7 (17.07)	9 (21.95)	4 (9.76)	1 (2.44)	2 (4.88)	-	5 (12.19)	2 (4.88)	1 (2.44)	4 (9.76)	41 (22.78)
7) 11001-16000 (N=13)	1 (7.69)	2 (15.38)	2 (15.38)	1 (7.69)	1 (7.69)	2 (15.38)	1 (7.69)	-	2 (15.38)	-	1 (7.69)	13 (7.22)
8) 16001-21000 (N=3)	-	2 (66.67)	-	-	-	-	-	-	-	-	1 (33.33)	3 (1.67)
9) 21001-26000 (N=2)	-	1 (50)	-	-	-	-	-	-	-	1 (50)	-	2 (1.11)
10) 26000 & above (N=1)	-	-	-	-	-	-	-	-	1 (100)	-	-	1 (0.55)

(Figures in parenthesis indicate percentages)

Calculated $\chi^2_4 = 14.94$ Table value $\chi^2_{4,0.05} = 9.45$

4.6.1 Effect of education on credit:

Table 9, denotes the association between education and credit.

Statistical analysis revealed non significant result, hence there was no association between the education and credit.

4.6.2 Effect of land holding on credit:

Table 10, recorded the association between land holding and credit.

X^2 value showed significant differences. Hence there was association between land holding and credit.

4.6.3 Effect of family size on credit:

Table 11, illustrates the relationship of family size and credit.

Statistical analysis obtained non significant results, indicating no association between family size and credit.

4.6.4 Effect of income on credit:

Table 1 2, shows the influence of income on credit.

Statistical analysis reported significant results, affirming association between income and credit.

4.7 Problems faced in credit transactions:

4.7.1 Respondent's problems in availing credit:

Table 13, shows the problems of respondents in availing credit.

Table 13: Respondent's problems in availing credit.

Problems	Categories of respondents					Total
	Marginal	Small	Medium	Large	land-less	
1) Agency being away	1 (11.12)	2 (11.11)	2 (11.11)	1 (5.00)	-	6 (6.00)
2) Timing of agencies are inconvenient	2 (22.22)	3 (16.67)	5 (15.15)	3 (15.00)	3 (15.00)	16 (16.00)
3) Complicated procedure	2 (22.22)	2 (11.11)	7 (21.22)	5 (25.00)	4 (20.00)	20 (20.00)
4) Requires many visit	2 (22.22)	4 (22.22)	9 (27.27)	4 (20.00)	7 (35.00)	26 (26.00)
5) Takes long time	-	3 (16.67)	3 (9.09)	3 (15.00)	3 (15.00)	12 (12.00)
6) Bribing	2 (22.22)	4 (22.22)	4 (12.12)	4 (20.00)	3 (15.00)	17 (17.00)
7) High interest	-	-	3 (9.09)	-	-	3 (3.00)
Total	9 (100.0)	18 (100.0)	33 (100.0)	20 (100.0)	20 (100.0)	100 (100.0)

(Figures in parenthesis indicates percentages)

Table 13, shows the problems faced by the respondents in availing credit. As reflected from the table among the marginal farmers, similar number (22.22%) of the respondents vocalised inconvenient timings and complicated procedures, requiring many visits and bribing, while one family i.e. (11.12%) expressed the problem of long distance of the agency. Regarding small farmers, equal numbers i.e. 4(22.22%) of the respondents said that it required many visits and bribing, whereas inconvenient timing of the agencies and long time in getting loan were similar in percentage (16.67%). The percentage denoting long distance of the agency and complicated procedures were 11.11 per cent each. Among the medium farmers, 27.27 per cent of the respondent expressed the problems of frequent visits, while 21.22, 15.15, 12.12 and 6.06 per cent respondents informed the problems as complicated procedures, inconvenient timing of the agencies, bribing and long distance of the agencies, respectively. Whereas equal percentage of respondents (9.09%) felt the problems of long time, and high interest rate. Among the large farmers, 25 per cent respondents stated the problem of complicated procedure. Also, 4(20%) and 3(15%) respondents observed the problem of frequent visits, bribing, inconvenient timing of agencies and long time to get the credit. In case of landless labourers, 35 per cent respondents said that it required many visits, while equal percentages of respondents showed the problems as inconvenient timing of agency, complicated procedures, long time to get the credit and bribing.

It is concluded that frequent visits, complicated procedures and bribing were the major problems of subjects irrespective of land holding.

4.7.2 Respondent's problems in repaying loans:

Table 14: Respondent's problems in repaying loan.

Problems	Categories of respondents					Total
	Marginal	Small	Medium	Large	Land-less	
1) Short duration	6 (21.43)	6 (18.75)	3 (12.00)	11 (34.37)	3 (20.00)	29 (21.97)
2) Unexpected expenditure	8 (28.57)	10 (31.25)	10 (40.00)	11 (34.37)	8 (53.33)	47 (35.61)
3) Unforeseen circumstances	8 (28.57)	11 (34.37)	11 (44.00)	8 (25.00)	4 (26.67)	42 (31.82)
4) Crop failure	6 (21.43)	5 (15.63)	1 (4.00)	2 (6.26)	-	14 (10.60)
Total	28 (100.0)	32 (100.0)	25 (100.0)	32 (100.0)	15 (100.0)	132 (100.0)

(Figures in parenthesis indicate percentages)

Table 14, illustrates the problems of respondents in repayment of loan. It is observed that in marginal farmers, repayment problem due to unexpected expenditure and unforeseen circumstances were noticed among the equal percentages 8(28.57%) of the respondents, while similar percentage 21.43 per cent of

SCALE 2 CM = 10%

PROBLEMS

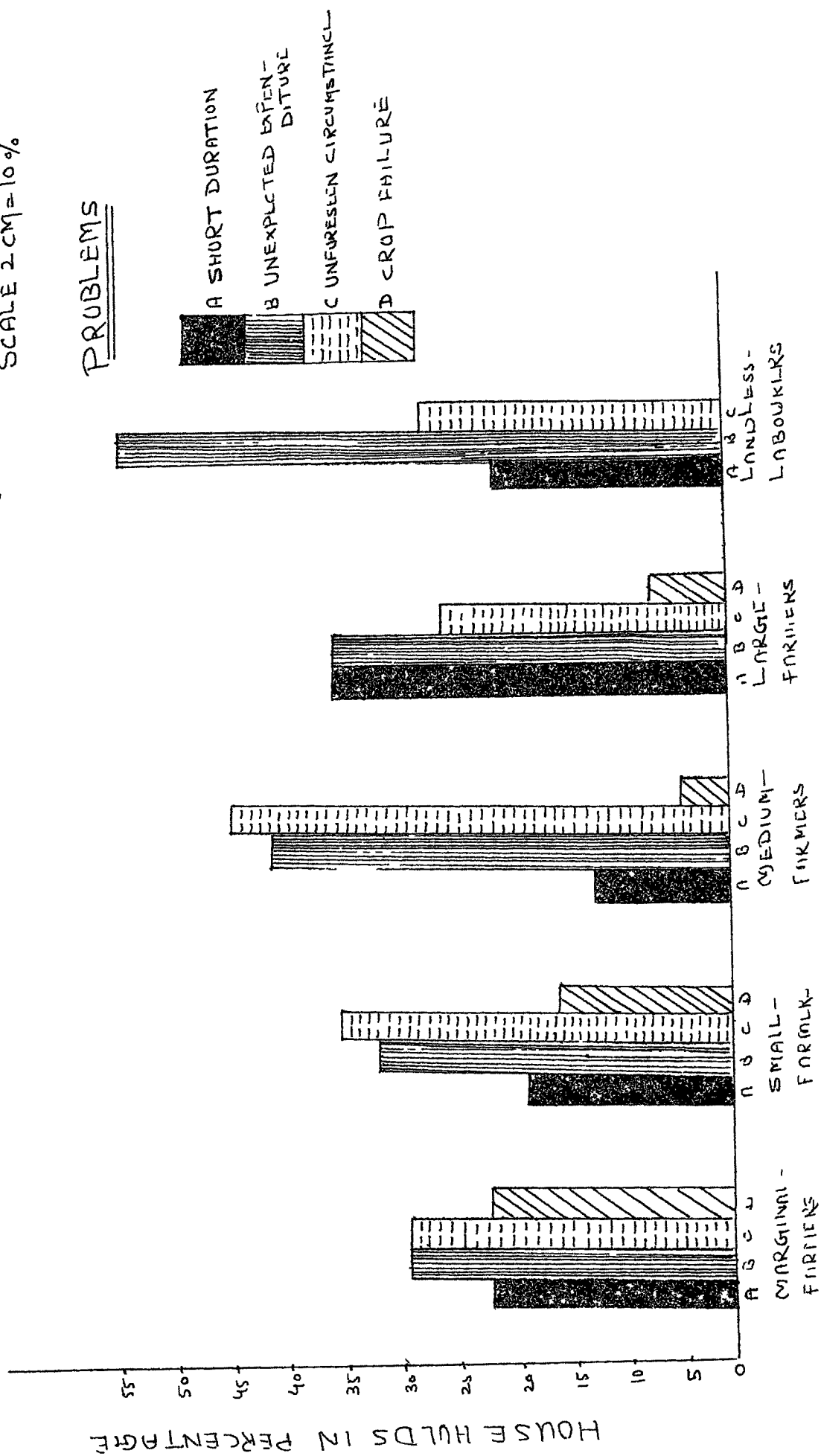


FIG 3 RESPONDENTS PROBLEMS IN REPAYING CREDIT

respondents were obtained for the problem such as short duration and crop failure. Among the small farmers unexpected expenditure and unforeseen circumstances, caused repayment problem to 31.25 and 34.37 per cent respondents while 18.75 and 15.63 per cent informed the constraints of short duration and crop failure respectively. In case of medium farmers 40-44 per cent respondents faced repayment problem, due to unexpected expenditure and unforeseen circumstances, while 12 and 4 per cent attributed it to short duration and crop failure. Similar percentages i.e. 34.37 per cent of the respondents expressed the difficulty of short duration and unexpected expenditure among the large farmers, whereas 25 and 6.26 per cent mentioned unforeseen circumstances and crop failure. Among the landless labourers 53.33, 26.67 and 20 per cent respondents had the problem of repayment because of unexpected expenditure, unforeseen circumstances and short duration respectively.

On the whole, it was inferred that unexpected expenditure and unforeseen circumstances were the main constraints in repayment of credit, and were more among the small and large farmers.

4.8 Role of women in family's credit finance:

4.8.1 Ways of women in making their male spouse to avail and settle the credit:

The various ways adopted by women to induce their male spouse to avail credit are described in table 15.

Table 15: Housewife's practices in inducing the family male spouse to avail and settle the credit.

Adopted ways	Categories of respondents					Total
	Marginal	Small	Medium	Large	Land-less	
1) By persuading family male to get credit	6 (11.76)	6 (9.37)	2 (5.13)	1 (2.63)	7 (13.72)	22 (9.05)
2) Making arrangement in returning	10 (19.61)	10 (15.63)	6 (15.37)	6 (15.79)	11 (21.57)	43 (17.69)
3) Curtailing expenditure	12 (23.53)	13 (20.31)	9 (23.08)	8 (21.05)	17 (33.33)	59 (24.28)
4) Reminding others to curtail their expenditure	5 (9.81)	5 (7.81)	2 (5.13)	5 (13.16)	1 (1.96)	18 (7.42)
5) Utilising loan for the purpose of which it is taken	2 (3.92)	10 (15.63)	9 (23.08)	4 (10.53)	3 (5.88)	28 (11.52)
6) Insisting for timely payment	6 (11.76)	11 (17.19)	9 (23.08)	8 (21.05)	9 (17.66)	43 (17.69)
7) Try to save money for repayment	10 (19.61)	9 (14.06)	2 (5.13)	6 (15.79)	3 (5.88)	30 (12.35)
Total	51 (100.0)	64 (100.0)	39 (100.0)	38 (100.0)	51 (100.0)	243 (100.0)

(Figures in parenthesis indicate percentages)

As evident from the above table, among the marginal and small farmers, the number of women adopting the listed practices were very much similar and curtailing expenditure, making arrangement in returning, trying to save money were the major ways followed. Similarly closer numbers of women following the given practices were observed in the group of medium and large farmers. Among the landless labourers, the major practices adopted by women were curtailing expenditure (33.33%) and making arrangement for returning (21.57%).

It is discussed that among all the categories, more number of women from small farmers group played the role to induce their families in repayment of loan.

4.8.2 Reasons for non participation of women in family credit finance;

About 51.66 per cent of the women did not participate in their family's financial matters to avail and settle the credit for many reasons, which are enumerated in table 16.

Table 16: Reasons for non participation of women.

Reasons	Categories of respondents					Total
	Marginal	Small	Medium	Large	Land-less	
1) Financial matter is man's job	6 (9.68)	5 (7.93)	7 (20.59)	8 (21.06)	1 (11.11)	27 (13.11)
2) Being illiterate	10 (16.13)	10 (15.87)	4 (11.76)	3 (7.89)	1 (11.11)	28 (13.59)
3) She herself does not want to take part in	15 (24.19)	8 (12.70)	4 (11.76)	2 (5.26)	-	29 (14.08)
4) Woman does not know about finance	15 (24.19)	20 (31.75)	10 (29.41)	15 (39.48)	3 (33.33)	63 (30.58)
5) It is important issue and hence dealt by male	16 (25.81)	20 (31.75)	9 (26.48)	10 (26.31)	4 (44.45)	59 (28.64)
Total	62 (100.0)	63 (100.0)	34 (100.0)	38 (100.0)	9 (100.0)	206 (100.0)

(Figures in parenthesis indicate percentages)

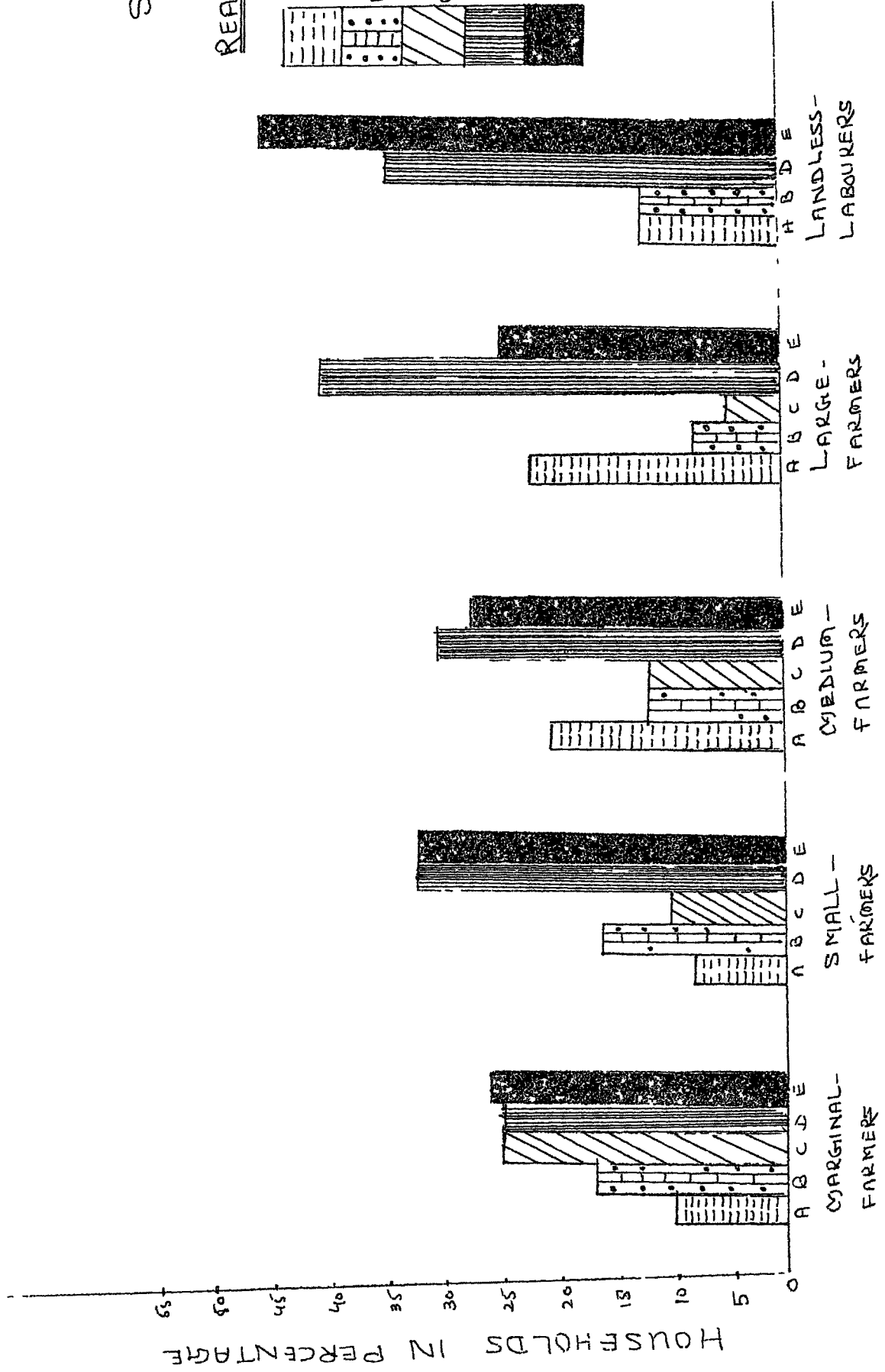
As seen from the table 16, among the marginal farmers nearly 25 per cent of the women articulated the reasons such as their own unwillingness, ignorance and the belief that credit being important issue need to be dealt by male members for keeping them away from participation. The idea that women did not know anything about finance and it was an important issue to be dealt by male prevented each 31.75 per cent women from small farmer's category in participation. Among marginal and small farmers, 15-17 per cent of women could not participate due to illiteracy. Among medium farmers, 26-29 per cent of the women opined that they did not participate because the important issue of credit needed handling by male members and they did not know about finance. Illiteracy and unwillingness were the reasons among each 11.6 per cent of women. Among large farmers, 39.48 per cent did not participate because of ignorance, while 25.31 per cent felt that it was man's job. Among landless labourers, the numbers of non participating women was only 9 and most of them reasoned it out that the women did not know about finance and it was the issue to be dealt by male.

It is concluded that number of women not participating were more in the group of marginal and small farmers, while least in the group of landless labourers.

SCALE 2 cm = 10%

REASONS

- A FINANCIAL MATTER IS MAN'S JOB
- B BEING ILLITERATE
- C SHE HERSELF DOESN'T WANT TO TAKE PART IN
- D WOMEN DON'T KNOW ABOUT FINANCE
- E IT IS IMPARTANT ISSUE TO BE DEALT BY MALE



REASON'S FOR NON PARTICIPATION OF WOMEN

FIG 4

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SUMMARY

CHAPTER - V

SUMMARY

The present investigation entitled "Family Credit Practices in Selected Rural Areas" was executed with the following objectives:

- 1) To know the kinds, sources and purposes of availing credit by the rural families.
- 2) To find out the conditions that lead rural families to avail the credit.
- 3) To know the attitudes of the rural respondents towards credit financing.
- 4) To assess the effect of education, land, family size and income on credit of the rural family.
- 5) To find out the problems faced by the rural people in credit transactions.
- 6) To assess the role of rural women in the family's credit finance.

The data was collected by personal interview, administering questionnaire schedule on randomly selected 180 rural households, from three villages of Parbhani district namely Wadgaon, Bharaswada and Indewadi.

The collected data was tabulated and statistically analysed applying Chi-square test. The findings obtained were summarised and presented under the following heads:

- 1) General information of the respondents.
- 2) Kinds, sources and purposes of availing credit by rural families.
- 3) Conditions that lead the rural families to avail the credit.
- 4) Decision maker for availing credit.
- 5) Attitudes of the rural respondents towards credit financing.
- 6) Effect of education, land, family size and income on family credit.
- 7) Problems faced in credit transactions.
- 8) Role of women in the family's credit finance.

5.1 General information of the respondents:

- (1) Majority (86.66%) of the households belonged to nuclear families.
- (2) In majority (86.11%) of the households, husband was the head as decision maker in the family, with higher percentage (94.28%) among the landless labourers.

- (3) Maximum respondents (77.77%) were farmers.
- (4) Maximum respondents (50.55%) had annual income upto Rs 5000.
- (5) Large percentage (48.88%) of the respondents were illiterates.
- (6) About (45.55%) of the respondents were in the group of 32 to 42 years.

5.2 Kind, sources and purposes of availing credit:

5.2.1 Kind of credit:

- (1) Cash credit in lumpsum was availed by majority (66.67%) of the total households and was more among medium farmers.
- (2) Cash credit in installment was availed by higher per cent (18%) of medium farmers.
- (3) Majority (25.71%) of respondents froms small category took the loan in the form of bullock carts.
- (4) Higher per cent (31.43) of respondents from landless group availed credit in the form of diary animals.

5.2.2 Sources of credit:

- (1) Nationalised banks were the major source for loan in 45.11 per cent of the total households, which comprised of higher per cent of landless labourers (88.58%).

- (2) Loan from cooperative society was taken by majority (40.38%) of the medium farmers.
- (3) Land development bank loan was obtained only by 21.74 per cent of the total households, and was more among the medium farmers.

5.2.3 Purpose of availing credit:

- (1) Majority (42.86%) of the households irrespective of the category availed credit for better living.
- (2) Maximum number of the medium farmers took the loans for purchasing seeds as well as for digging well.
- (3) Higher percentage of small farmers borrowed credit in the form of bullock carts.
- (4) Maximum number of the household among landless labourers availed the credit for purchasing animals and starting self employment.
- (5) Loan for the crop was availed by majority of the large farmers.

5.3 Conditions that lead the rural farmers to avail the credit:

- (1) Irregular income was the main condition causing to borrow loan as expressed by the majority of the respondents 126(31.82%) from all the categories except landless labourers.

- (2) Urgent needs forced more numbers (24.42%) of the medium farmers to take credit.
- (3) Poor economic status induced majority of marginal and landless labourers (23.86%) and (34.38%) to turn to credit.

5.4 Decision maker for availing credit:

Except the group of large farmers, majority of the respondents reported joint decisions taken by husband and wife together in the matters of credit.

5.5 Attitudes of respondent's towards credit financing:

5.5.1 Favourable attitudes:

Credit was favoured by majority of the respondents as it helped to meet their emergency needs. These expressions were observed more in the group of small, medium and landless labourers.

5.5.2 Unfavourable attitudes:

In all the categories, unfavourable attitudes towards credit were noted mainly for the reasons such as it lead to unnecessary expenditure and financial burden.

5.5.3 Choice for credit agency:

Majority of (43.33%) of the respondents from almost all the categories preferred cooperative societies.

5.6 Effect of education, land, family size and income on family credit:

Land holding and annual income of the households influenced availing credit.

5.7 Problems faced in credit transactions:

5.7.1 Problems in availing credit:

Large number of the respondents irrespective of land holding expressed that frequent visit was the major problem.

5.7.2 Problem in repaying credit:

It was seen that unexpected expenditure and unforeseen circumstances were the main constraints in repayment of credit, and were more among the small and large farmers.

5.8 Role of women in family's credit finance:

5.8.1 Ways of women inducing their male spouse to avail and settle the credit.

Among all the categories, more number of women from small farmers group played the role to induce their families towards repayment of loan.

5.8.2 Reasons for non participation of women in family credit finance:

Maximum number of women did not participate in the group of marginal and small farmers due to illiteracy, unwillingness and the belief that the important issue of credit need to be dealt by men only, while least in the group of landless labourers.

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LITERATURE CITED

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APPENDIX

APPENDIX

Questionnaire to elicit the information regarding the family credit practices in selected areas:

- (1) Name of the village:
- (2) Decision maker in the family: Husband/Wife/Elder person
- (3) Type of family: Nuclear/Joint/Extended
- (4) Land holding:
 - (i) Upto 1.00 hectare
 - (ii) 1. 0 to 2.00 hectares
 - (iii) 2. 0 to 4.00 hectares
 - (iv) 4. 0 to 8.00 hectares
 - (v) Landless

(5) Address:

(6) General information about respondent and other members of the family:

- (7) Who decides whether the loan should be taken?
Husband/Wife/Both together/Only elders/All the males/All the elders including women
- (8) Type of loan taken by your family?
i) Cash a) Lumpsum ii) Dairy animals iii) Bullockcart iv) Any other (specify)
b) Installment
- (9) From where you take the loan?
i) Nationalised Bank ii) Land Development Bank iii) Cooperative Societies
iv) Gramin Bank v) Private money lenders vi) Friends vii) Relatives viii) Any others
- (10) Tick the reasons for which you take credit:
- i) For satisfying daily needs
 - ii) For buying consumer goods like equipment/furniture/vehicle
 - iii) For better living conditions
 - iv) For marriage purposes of -
Daughter/Son/Relatives/Sister/Brother/Any other
 - v) To educate -
Son/Daughter/Self/Any other
 - vi) To celebrate festival -
 - vii) For construction of house -
 - viii) For purchase of grains -
 - ix) For purchase of animals/farm/machinery
 - x) For starting self employment
 - xi) For purchase of seeds

- xii) For buying sewing machine -
- ix) For crop loan -
- xiv) Any other -
- (11) Whether you take the credit from one agency or more than one?
 - i) One agency ii) More than one
- (12) Do you utilize the loan for the stipulated purpose
 - If yes, tick the purposes
 - i) For education
 - ii) For purchase of house
 - iii) For purchase of grains
 - iv) For construction of house
 - v) For purchase of machinery
 - vi) For purchase of vehicle
 - vii) For purchase of land/farm
 - viii) For marriage purpose
 - ix) Any others

If no, what for you utilize loan?

- i) Use for consumption purpose
- ii) Use for repayment of previous/other loans
- iii) For unforeseen circumstances
- iv) Use for new business
- v) Any others

(14) Indicate the type of loan taken by you?

Sr. No.	Type of loan	Agency from whom you take the loan	Amount of loan in(Rs)	Rate of interest	Purpose
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- (15) What are the conditions which lead you to use credit?
- i) Large family requiring more amount for expenses
 - ii) Unexpected expenditure
 - iii) Urgent needs of the item
 - iv) Poor economic status
 - v) Irregularity of income
 - vi) To carry on business purpose
 - vii) Any others
- (16) Do you feel that credit is helpful?
- If yes, in what ways
- i) It meets emergency
 - ii) It satisfy the needs of the consumer
 - iii) When used for business, it helps in increasing earning
 - iv) It helps to improve professional/vocational/field
- If no, give the reasons
- i) It is financial burden
 - ii) Many times it leads to the unnecessary expenditure
 - iii) It requires security
 - iv) The procedure is strict and laborious
- YES/NO

- v) It involves risk
- vi) It develops the habit of going beyond the ones limit
- vii) It is not socially accepted
- viii) It curtails some of the present needs of the family
- ix) Tension is always there till the repayment
- x) One can not enjoy till repayment
- xi) Any others
- (17) Agency you prefer to take loan
 - a) Cooperative Societies b) Gramin Bank 3) Private Money lenders
 - d) Nationalised Banks e) Any others
- Give reasons -
 - i) Loans are easily available
 - ii) No formalities required
 - iii) Available in time
 - iv) Less time required in getting loan
 - v) No politics
 - vi) Any others

- | | Do you face any problem in availing loan?
If yes, tick mark them | YES/NO |
|-------|---|--------|
| (18) | | |
| i) | Agency being away | |
| ii) | Timing of agencies are inconvenient | |
| iii) | There are complicated procedures | |
| iv) | Many formalities/forms are to be filled in | |
| v) | Security required | |
| vi) | Loans are given only to known person | |
| vii) | It requires many visits | |
| viii) | It takes long time to get loan | |
| ix) | It needs witness | |
| x) | Many records need to be maintained | |
| xi) | Rate of interest is high | |
| xii) | Duration of repayment is very short | |
| xiii) | Any others | |
| (19) | Does the woman participate in family loan affairs? | YES/NO |
| | If no, give reasons | |
| i) | Financial matter is man's job | |
| ii) | She is illiterate | |

- iii) She herself does not want to take part in the financial matters
- iv) Woman does not know anything in financial issues
- v) It is important issue and hence to be dealt by male
- vi) Any others
- If yes, in what ways -
- i) By persuing the family males to get credit
- ii) Collecting the necessary information regarding the procedure/formalities, in advance
- iii) Identifying/preparing a security holder
- iv) At the time of repayment, making arrangements in returning
- v) Curtailing certain expenditure, for repayment of loan
- vi) Reminding others to curtail their expenditure for repayment purpose
- vii) Utilizing the loan only for the purpose for which it is taken
- viii) Insisting for timely repayment
- ix) Any others