

# Andhra Pragathi Grameena Bank And Rural Development An Empirical Study



## Commerce

**KEYWORDS :** Rural Development, Beneficiaries, Asset Creation, farmers, Occupation.

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### ABSTRACT

World Bank (1975) defined rural development as a strategy designed to improve the economic and social well-being of a specific group of people, that is, the rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in the rural areas. In the context of democratic and developing economies rural development means sustained growth of income of the rural people along with the distribution of income and economic assets in favour of the poorer sections of the society in such way as to progressively remove poverty and unemployment in rural areas. The present paper seeks to examine the impact of Andhra Pragathi Grameena Bank finance on Rural Development.

### Methodology and Sampling

The 75 branches of Andhra Pragathi Grameena Bank in Kurnool District are divided in two groups, those serving the farmers in the canal area and those serving in the non-canal area. A random sampling of 10 percent of the total branches namely 8 branches in all was taken, representing 4 branches from each area.

300 farmers who borrowed loans from the bank during 2011-12 are selected randomly with probability proportional to the size sampling method (PPS sampling method) from the 8 sample branches and pre tested schedules were canvassed among them and the relevant data was collected.

### Collection of Data

The study is based on both primary and secondary data. The primary data is collected from the sample beneficiaries through a structured questionnaire. The secondary data is collected from Annual Reports of Andhra Pragathi Grameena

Bank, Kurnool district.z

### Tools of Analysis

The data collected has been analysed using appropriate statistical tool such as t-values.

### Introduction

A major objective of the Regional Rural Banks is to provide finance to the rural poor in order to enable them to utilize the same in acquiring productive assets. Poverty of the rural poor could be indicated by their poor resources or paucity of capital. The absence of adequate income earning assets like land, livestock, tools, equipment etc., is serious constraint on the progress of the weaker sections of the rural poor. The impact of Andhra Pragathi Grameena Bank finance on Rural Development through creating additional assets during the post-loan periods is shown in the following tables.

**Table -1**  
**Asset Creation on the Basis of Caste Category**

S. No	Caste category	Sample Size	Canal Area				Non-canal Area				
			Average Net value		Incremental value Rs.	Percentage of incremental value	Sample size	Average Net value		Incremental value Rs.	Percentage of incremental value
			Pre-loan period Rs.	Post-loan period Rs.				Pre-loan period Rs.	Post-loan period Rs.		
1	Scheduled castes	18	54360	58950	4590	8.44	12	51670	56250	4580	8.86
2	Scheduled tribes	5	49670	54070	4400	8.86	4	47560	51970	4410	9.28
3	Backward castes	53	67840	74600	6760	9.96	58	63380	69810	6430	10.14
4	Forward castes	74	107010	120350	13340	12.47	76	87060	96020	8960	10.29
<b>Total</b>		<b>150</b>	<b>278880</b>	<b>307970</b>	<b>29090</b>	<b>10.43</b>	<b>150</b>	<b>249670</b>	<b>274050</b>	<b>24380</b>	<b>9.76</b>

### Source : Field data

Table 1 shows that in the canal area the incremental value of assets of the scheduled castes was Rs.4590, that of the scheduled tribes it was Rs.4400, that of the backward castes it was Rs.6760 and that of the forward castes it was Rs.13340. The incremental percentage of value of the assets of the scheduled castes was 8.44, that of the scheduled tribes 8.86, that of the backward castes 9.96 and that of the forward castes 12.47.

In the non-canal area, the incremental value of assets of the scheduled castes was Rs.4580, that of the scheduled tribes Rs.4410, that of the backward castes Rs.6430 and that of the forward castes Rs.8960. The percentage of increment value of the scheduled castes was 8.86, that of the scheduled tribes 9.56, that of the backward castes 10.14 and that of the forward castes 10.29.

The incremental values of assets and the percentages of their values both were high in the canal area when compared to those in non-canal area among the caste categories.

**Table -2**  
**T-test for Asset Creation on the Basis of Caste Category**

Category	Mean	N	SD	SE	t-Value
Canal Area Pre loan	69720	4	26025.69628	13012.84814	3.476116472*
Canal Area Post-loan	76992.5	4	30202.48155	15101.24077	
Non-canal Area pre-loan	62417.5	4	17742.91666	8871.458331	5.756043877*
Non-canal Area post-loan	68512.25	4	19852.53363	9926.266817	

\* 5 percent level of significance

Source:table 1

Table 2 shows that there is a significant difference between pre-loan and post loan periods among the caste categories at 5 per cent level significance in the canal and non-canal areas.

**Table-3**  
**Asset Creation on the Basis of Size of Farmers**

S.No	Size of farmers	Sample Size	Canal Area				Non-canal Area					
			Average Net value		Incremental value Rs.	Percentage of incremental value	Sample size	Average Net value		Incremental value Rs.	Percentage of incremental value	
			Pre-loan period Rs.	Post-loan period Rs.				Pre-loan period Rs.	Post-loan period Rs.			
1	Marginal farmers	33	34630	37350	2720	7.85	34	31840	34270	2430	7.64	
2	Small farmers	72	53740	58040	4300	8.01	73	48380	52230	3850	7.95	
3	Medium farmers	20	68830	75060	6230	9.05	18	60730	66210	5480	9.02	
4	Large farmers	25	121680	137520	15840	13.02	25	108720	121340	12620	11.61	
Total		150	278880	307970	29090	10.43	150	249670	274050	24380	9.76	

Source: Field data

Table 3 reveals that in the canal area, the incremental value of assets was Rs. 2720 in the case of marginal farmers, Rs. 4300 in the case of small farmers, Rs. 6230 in the case of medium farmers and Rs. 15840 in the case of large farmers. The percentage of incremental value of assets was 7.85 in the case of marginal formers, 8.01 in the case of small farmers, 9.05 in the case of medium farmers and 13.01 in the case of large farmers.

In the non-canal area the incremental value of assets was Rs. 2430 in the case of marginal farmers, Rs. 3850 in the case of small farmers, Rs. 5480 in the case of medium formers and Rs. 12620 in the case of large farmers. The percentage of incremental value of assets was 7.64 in the case of marginal formers, 7.95 in the case of small farmers, 9.02 in the case of medium farmers and 11.61 in the case of large farmers.

The incremental value and the total percentage on incremental value of assets were both high in the canal area when compared with those of the non-canal area among the farmers of different sizes.

**Table 5**  
**Asset Creation on the Basis of Occupation**

S. No	Category of occupation	Sample Size	Canal Area				Non-canal Area					
			Average Net value		Incremental value Rs.	Percent age of in cremetal value	Sample size	Average Net value		Incre mental value Rs.	Percentage of incremental value	
			Pre- loan period Rs.	Post- loan period Rs.				Pre- loan period Rs.	Post- loan period Rs.			
1	Cultivation	88	48730	53100	4370	8.96	54	43630	47610	3980	9.12	
2	Cultivation and wage earning	30	52680	57750	5070	9.63	30	47840	52500	4660	9.75	
3	Cultiva tion and allied activities	17	54940	60520	5580	10.15	47	51680	56730	5050	9.78	
4	Cultivation and employment	5	58180	64590	6410	11.02	5	52630	58060	5430	10.32	
5	Cultivation and business	10	64350	72010	7660	11.90	14	53890	59150	5260	9.76	
Total		150	278880	307970	29090	10.43	150	249670	274050	24380	9.76	

Source : Field data

**Table-4 T-test for Asset Creation on the Basis of Size of Farmers-**

Category	Mean	N	SD	SE	t-value
Canal Area Pre-loan	69720	4	37359.97056	18679.98528	2.46975328*
Canal Area Post-loan	76992.5	4	43197.36826	21598.68413	
Non-canal Area Pre-loan	62417.5	4	33059.56279	16529.78139	2.693939646*
Non-canal Area Post-loan	68512.5	4	37566.45168	18783.22584	

\* 5 per cent level of significance

Source: Table 3

Table 4 shows that there is a significant difference between pre-loan and post-loan periods among the size of farmers at 5 per cent level of significance in the canal area and non-canal areas.

Table 5 shows that in the canal area, the incremental value of assets of the sample beneficiaries occupation wise was Rs. 4370 in the case of those who pursued cultivation, Rs. 5070 in the case of those who pursued cultivation as well as wage earning, Rs. 5580 in the case of those who followed cultivation and allied activities, Rs 6410 who were engaged in cultivation and employment and Rs. 7660 in the case of those who pursued cultivation and business. The percentage of incremental value of assets was 8.96 in the case of those of cultivation, 9.63 in the case of those who followed cultivation and wage earning, 10.15 in the case of those who were engaged in cultivation and allied activities, 11.02 in the case of those who pursued cultivation and employment and 11.90 in the case of those who pursued cultivation and business.

In the non-canal area, the incremental value of assets was Rs. 3980 in the case of those of cultivation, Rs. 4660 in the case of those who followed cultivation and wage earning, Rs. 5050 in the case of those who pursued cultivation and allied activities, 5430 in the case of those whose occupation was cultivation and employment and Rs. 5260 in the case of those who had cultivation and business as their occupation. The percentage of incremental value of assets was 9.12 for those in cultivation 9.75 for those in cultivation and wage earning, 9.78 for those engaged in cultivation and allied activities, 10.32 for those cultivation and employment and 9.76 for those who had cultivation and business as their occupation.

The incremental value and the percentage of incremental value of assets were high in the canal area when compared to those of the non canal area among the occupational groups.

**Table-6**  
**T-test for Asset Creation on the Basis of Occupation**

Category	Mean	N	SD	SE	t-value
Canal Area Pre-loan	55776	5	5899.638124	2638.398378	10.239942**
Canal Area Post-loan	61594	5	7168.453808	3205.830002	
Non-canal Area Pre-loan	49934	5	4186.051839	1872.059294	18.87909828**
Non-canal Area Post-loan	54810	5	4750.278939	2124.389324	

**\*\* 1 per cent level of significance**

**Source: Table 5**

Table 6 shows that there is a significant difference between pre-loan and post-loan periods among the occupational categories at 1 percent level of significance

**Conclusion**

The rural development as overall development of rural areas with a view to maintaining sustainable improvement in the quality of life of rural people, especially the rural poor. Majority of small and marginal farmers, tenants, landless agricultural labourers, rural artisans, SC/ST people and other socially disadvantaged sections of the society constitutes such specific group of rural poor It also brings about an improvement in social, educational, health, attitude, cultural and other aspects of rural life.

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