

A Study of Chittorgarh Central Cooperative Bank Ltd. in the Overall Growth of the Agricultural Sector in Chittorgarh District

Dr. Shalendra Singh Rao¹, Rinku Agal²

¹Assistant Professor, Department of Banking & Business Economics, Mohanlal Sukhadia University, Udaipur

²Research Scholar, Department of Banking & Business Economics, Mohanlal Sukhadia University, Udaipur

ABSTRACT

Goal of the study: The key objective of the study was to identify beneficiaries' perceptions of the Bank's contribution to society as a whole.

Research Methodology: The study was conducted in Chittorgarh district, using a sample of 182 individuals who were beneficiaries of the bank under study. Purposive sampling was employed to select particular data. Likert statements were drafted to determine individuals' awareness of the stated topic.

Practical Implications: The primary goal of cooperative banks is to provide affordable financial services, including savings and credit facilities, to their members, thereby promoting financial inclusion and local economic development. Most cooperative banks focus on supporting local economic development initiatives. The paper holds spectacular significance as it is specific and provides clear view of the same in order to have discrete knowledge to the same.

Research Limitations: Keeping research constraints in mind, only 182 beneficiaries have been interrogated in the present paper, which is the biggest limitation. Also, the study has been restricted to the Chittorgarh district; this could have been extended further for the sake of better acceptability of results.

Keywords: Chittorgarh Central Cooperative Bank Ltd, Agricultural Sector, Chittorgarh district.

1.1 INTRODUCTION:

The agricultural sector is crucial to the economic prosperity of any nation. Timely and sufficient credit for farmers is crucial for agricultural advancement. The cooperative banking structure occupies a distinctive role in India's rural credit delivery system, serving around 60 percent of the people residing in rural regions. The rural and agricultural sectors have been mostly overlooked since the government's freedom and globalization policies. Despite substantial efforts by commercial and rural banks, cooperative banks continue to have a considerable position in the country's rural credit landscape. Rural populations require numerous services for daily living, which village cooperative societies can provide. Currently, customers demand the latest services, for which cooperative banks lag behind other banks. Cooperatives can actively contribute to emerging countries such as India in the context of globalization.

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role in India's rural credit delivery system, serving around 60 percent of the people residing in rural regions. The rural and agricultural sector has been mostly overlooked since the government's freedom and globalization policies. Despite substantial efforts by commercial and rural banks, cooperative banks continue to have a considerable position in the rural credit landscape of the country. Rural populations require numerous services for daily living, which can be provided by village cooperative societies. Currently, customers demand the latest services, for which cooperative banks lag behind other banks. Cooperatives can actively contribute to emerging countries such as India in the context of globalization.

1.2 REVIEW OF LITERATURE

(Abdulmajeed *et al.*, 2023)¹ The research analyzes the effects of monetary policy on agricultural loans from 1981 to 2021. Principal findings reveal that the liquidity ratio, monetary policy rate, loan-to-deposit ratio, and cash reserve ratio do not significantly impact lending to agriculture. However, treasury bill ratios have a favourable influence. Recommendations encompass decreasing the cash reserve ratio to enhance loanable funds, mitigating cash hoarding, and improving bank regulation via loan-to-deposit ratios. Furthermore, augmenting banks' lending capacity by adjustments in monetary policy rates and reducing treasury bill holdings is recommended to enhance loan accessibility.

(Abubakar *et al.*, 2023)² The study investigates the impact of commercial bank financing on agricultural output in Nigeria from 1981 to 2020, focusing on its contribution to GDP. Using the Autoregressive Distribution Lag (ARDL) method, it finds a long-term positive relationship between commercial bank credit to agriculture and agricultural output, while real interest and inflation rates have a negative but insignificant effect. The study recommends improving agricultural financing sources and policies to enhance credit allocation to the sector and increase output.

(Biradawa *et al.*, 2023)³ The research analysed the influence of commercial banks' loans on Nigeria's economic development from 1981 to 2020, employing quarterly data and the Autoregressive Distributed Lag (ARDL) methodology. Principal findings reveal a substantial correlation between bank credit and economic development despite several statistically insignificant credit-related factors. The impact of commercial banks' loans on the economy was ambivalent and predominantly negligible. The research indicates that financial support for certified agriculturists and industrialists has to be contingent upon demonstrated performance to improve efficacy.

(Chaiya *et al.*, 2023)⁴ The research investigates the impact of agricultural financing on productivity among smallholder farmers. It indicates that agricultural loan enhances crop yield, yet there is considerable misappropriation, with monies being allocated to non-agricultural expenditures such as healthcare and education. Principal determinants affecting agricultural credit utilisation encompass farmers' age, experience, farm size, income, labour, and land ownership. The report advocates for regulatory measures to mitigate abuse and improve the efficacy of agricultural finance in boosting output.

(Farooq *et al.*, 2023)⁵ Research demonstrates that domestic credit adversely affects agricultural expansion in both the short and long term, whereas wide money and cultivated areas exert a beneficial influence. The research indicates that governments and policymakers have to establish methods to consolidate agriculturalists, facilitating enhanced identification of their interests and boosting financial availability for small-scale farmers.

(Grujić Vučkovski *et al.*, 2023)⁶ The data from 2010 to 2020 indicated substantial growth in bank claims, with public businesses averaging an annual increase of 15.6% and private corporations having a 5.4% rise. Registered agricultural producers saw the most significant loan growth, averaging 21.8% annually. The

study evaluated the participation of commercial banks in agricultural loans, revealing that from 2017 to 2020, institutions such as Banca Intesa and ProCredit continuously augmented the proportion of agricultural loans in their overall loan portfolios.

(Joao *et al.*, 2023)⁷ The research identifies a positive unidirectional causal association between agricultural credit and agricultural growth in Angola from 2003 to 2022, with agricultural credit impacting agricultural GDP by 14.41%. This corroborates prior evidence regarding the advantages of credit-focused monetary policy for economic growth in Angola. The study highlights the significance of equitable agricultural finance frameworks, just interest rates, efficient risk management, and the assessment of environmental and social consequences. This initiative is a groundbreaking analysis of Angola's agricultural credit framework, with the objective of creating a sustainable credit model for growth and economic advancement.

(Kaur *et al.*, 2023)⁸ It examines the multi-agency framework for credit distribution and the development of institutional arrangements influenced by favourable government policies. Principal findings reveal considerable variations in agricultural lending throughout the years, intricately linked to policy interventions on agricultural GDP. The research assesses the roles of several formal institutions, including Scheduled Commercial Banks, Co-operative Institutions, Regional Rural Banks, and Micro-Finance Institutions, in providing agricultural loans. Furthermore, it highlights newer developments, like digitalisation.

(Li *et al.*, 2023)⁹ The study highlights the importance of agricultural loan guarantee policies for sustainable growth from farmers' perspectives. It found a significant gap in farmers' awareness and engagement with these loans, with greater knowledge leading to higher participation linked to income and household assets. Recommendations include improving policy understanding and tailoring loan products to meet farmers' needs better.

1.3 RESEARCH METHODOLOGY

1.3.1 Research Objective

The primary objective of the survey was to identify the perception of beneficiaries on the Bank's contribution to the society on the whole.

1.3.2 Research Design

The study adopts a descriptive research design due to its applicability for cross-sectional studies and for understanding relationships.

1.3.3 Sampling Technique

The sampling method employed in the thesis was the Purposive Non-Probability Sampling technique, as we selected participants based on their judgment and the characteristics they possess.

1.3.4 Data

The study was conducted in Chittorgarh district, using a sample of 182 beneficiaries. Hence, purposive sampling has been the methodology utilised for data sampling. Likert statements were drafted to identify the beneficiaries' perceptions of the services provided by the bank.

1.4 ANALYSIS OF DATA:

1.4.1 Likert statements

Table 1: Likert Statement and Opinion of the Respondents

	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The bank has promised to serve its customers and has done that	6	35	15	28	98
2	It has banked many unbanked and has done immense growth to society	11	31	14	36	90
3	It has helped customers make informed financial decisions	9	17	19	46	91
4	Overall, rural development has risen manifolds	5	15	25	42	95
5	The bank is not society-centric; it is another decorative method of making profits	95	32	22	32	1
6	I trust the bank’s methodology completely	12	34	96	26	14
7	Working with a lower capital and resource base is just working but not an effective one	13	36	91	33	9
8	The bank has given an easy Access to Credit	10	27	16	35	94
9	NABARD must focus on enhancing the standards of cooperative banks comprehensively	8	13	21	38	102
10	The bank provides a wide range of products and services	7	8	18	40	109

1.5 HYPOTHESIS TESTING

H₀₁: There is no significant difference in the perception of beneficiaries on the Bank’s contribution to society on the whole.

To test the hypothesis mentioned above, the mean score of the responses was calculated, and a statistical test was applied.

1.5.1 Classification of Mean Score

Table 2: Classification of Mean Score

	Range of Mean Score	Frequency	%
Strongly Disagree	0-1	-	-
Disagree	1-2	21	11.5
Neutral	2-3	24	13.2
Agree	3-4	46	25.3
Strongly Agree	4-5	91	50.0

	Range of Mean Score	Frequency	%
Total		182	100%

As depicted in the above table, none of the respondents falls under the Strongly Disagree category. However, 50% of respondents fall within the Strongly Agreement category, which states that there is no perception difference between the respondents with regard to the Bank’s contribution to society on the whole.

1.5.2 Normality test

The following table depicts the normality test results done on the mean score

Table 2: Normality test

	Statistics	p
Kolmogorov-Smirnov	0.21	<.001
Shapiro-Wilk	0.88	<.001

The results revealed that the data is not normally distributed; hence, nonparametric tests are applied for hypothesis testing.

1.6.3 Statistical test

**Table 4
Summary of Ranks**

		n	Mean Rank	Sum of Ranks
Mean Score - Test Value	Negative Ranks	35	32.17	1126
	Positive Ranks	142	103.01	14627
	Ties	5		
	Total	182		

The application of one sample Wilcoxon test reveals (test value 2.5) the summary of ranks wherein the count of positive ranks was more than that of negative ranks.

**Table 5
One Sample Wilcoxon-Test**

	W	z	p
Mean Score	1126	-9.9	<.001

As depicted in the above table, One Sample Wilcoxon-Test, the p-value was less than 0.05, which states that the sample was not taken from the population with a mean score of 2.5 (test value).

1.6.4 Decision:

Table 3
Descriptive Statistics

	Mean Score
Mean	3.64
Std. Deviation	1.04
Quartile 1	3.13
Quartile 2	4.1
Quartile 3	4.5

As depicted in the above table, descriptive statistics of the mean score were calculated, and they revealed that 50% of the respondents had a mean score of more than 4.1. The mean was 3.64, which exhibits the response's inclination towards the agreement side, and the standard deviation of 1.04 exhibits moderate variability. Thus, the researcher accepted the null hypothesis and concluded that there is no significant difference in the perception of beneficiaries on the Bank's contribution to society on the whole.

1.6 FINDINGS AND CONCLUSIONS:

Co-operative banks actively engage in local communities and development with enhanced dedication and social responsibility. The consensus on the Likert statement indicates that these banks serve as the most effective means of delivering banking services to the doorsteps of the general populace, including unbanked individuals in both urban and rural regions. Their presence in the social, economic, and democratic framework of the nation is crucial for fostering harmonious growth, which may serve as the most compelling rationale for their cultivation and fortification. These banks are poised to succeed due to their foundation in community engagement and public support. Agro-development is a significant challenge for the government in the context of economic advancement. Cooperatives collaborated with governments and other entities in the rural development process. Cooperatives effectively accomplished the objectives of poverty alleviation, job creation, food security, and social integration.

1.7 SUGGESTIONS:

To address the issue of diminishing vitality in cooperative banks, the government and NABARD must reevaluate this sector and implement measures to rejuvenate it through enhanced capacity-building initiatives focused on rural livelihoods at the grassroots level. This would thereby improve bank-borrower relationships, financial inclusion, and social security in rural India.

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