

Employment Generation in Agriculture Sector; an Empirical Study

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Abstract:

This paper studies the impact of bank finance on Farmers on Employment Generation by size and occupation in delta area and non delta area in Nellore district of Andhra Pradesh. We observed that in the delta area the sample branches provided finance to the farmers more than to those in the non delta area. The male beneficiaries are more in number in both the delta and non delta area than female beneficiaries. The percentage of incremental assets value is high in the delta area when compared to non delta area.

Need for the Study

Several studies have been undertaken to evaluate the role of institutional finance for agriculture at the national level by individual researchers, financial institutions and Government. But area specific studies are comparatively limited in number. Such studies are of great importance on account of the vast, inter-regional variations of bank credit in developing countries like India. Even bank specific studies do not seem to have gone into the different operations of the branches located in Remote areas. The present study of Andhra Pragathi Grameena Bank in Nellore District of Andhra Pradesh is intended to fill this gap. A detailed analysis is made of the impact of Andhra Pragathi Grameena Bank finance on farm employment generation.

Objective of the Study

1. To analyze the impact of Bank finance on Employment Generation of the sample beneficiaries

Methodology and Sampling

The 63 branches of Andhra Pragathi Grameena Bank, Nellore, are divided into two groups, those serving the farmers in the delta area and those serving in the non-delta area. There are 30 branches in the delta area and 33 branches in the non-delta area. A random sampling of 10 per cent of the total branches namely 6 branches in all was taken, representing 3 branches from each group.

200 farmers who borrowed loans from the bank during 2019-20 are selected randomly with probability proportional to the size sampling method (PPS sampling method) from the 6 sample branches and pre-tested schedules were canvassed among them and the relevant data was collected.

Employment Generation

Employment generation is an important objective of Andhra Pragathi Grameena Bank under its special sponsored programmes. The aim is to create more of self-employment than wage employment. Bank finance for agricultural activities led to an increase in cropping intensity in irrigated areas, particularly under labour intensive high-yielding varieties of crops. This resulted in employment generation among the sample beneficiaries in the post-loan period.

Table 1.
Employment Generation on the Basis of Category Farmers

S. No.	Size of Farmers	Delta area				Non-delta area			
		Average mandays		Incremental mandays	Percentage of incremental mandays	Average mandays		Incremental mandays	Percentage of incremental mandays
		Pre-loan period	Post-loan period			Pre-loan period	Post-loan period		
1.	Marginal farmers	238	273	35	14.70	235	264	29	12.34
2.	Small farmers	226	253	27	11.94	223	249	26	11.65
3.	Medium farmers	107	116	9	8.41	106	112	6	5.66
4.	Large farmers	65	69	4	6.15	63	66	3	4.76
	Total	636	711	75	11.79	627	691	64	10.20

Source: Field data.

Table; 1 reveals in the delta area that the incremental mandays were 35 days for the marginal farmers, 27 days for the small farmers, 9 days for the medium farmers and 4 days for the large farmers. The percentage of incremental man days was 14.70 for the marginal farmers, 11.94 for the small farmers, 8.41 for the medium farmers and 6.15 for the large farmers. In the non-delta area the incremental man days were 29 days for the marginal farmers, 26 days for the small farmers, 6 days for the medium farmers, and

3 days for the large farmers. The percentage of incremental mandays was 12.34 for the marginal farmers, 11.65 for the small farmers, 5.66 for the medium farmers, and 4.76 for the large farmers.

The incremental mandays and the percentage of incremental mandays were high in the delta area when compared to those of the non-delta area among farmers of different sizes.

Table 2.
t-test for Employment Generation on the Basis of Size of Farmers

Category	Mean	N	SD	SE	t-value
Delta Pre-loan	159.00	4	86.16	43.08	2.558*
Delta Post-loan	177.75	4	100.62	50.31	
Non-delta Pre-loan	156.75	4	85.39	42.70	2.390*
Non-delta post-loan	172.75	4	98.70	49.35	

* 5 per cent level of significance.

Source: Table 1..

Table 2. 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 both the areas.

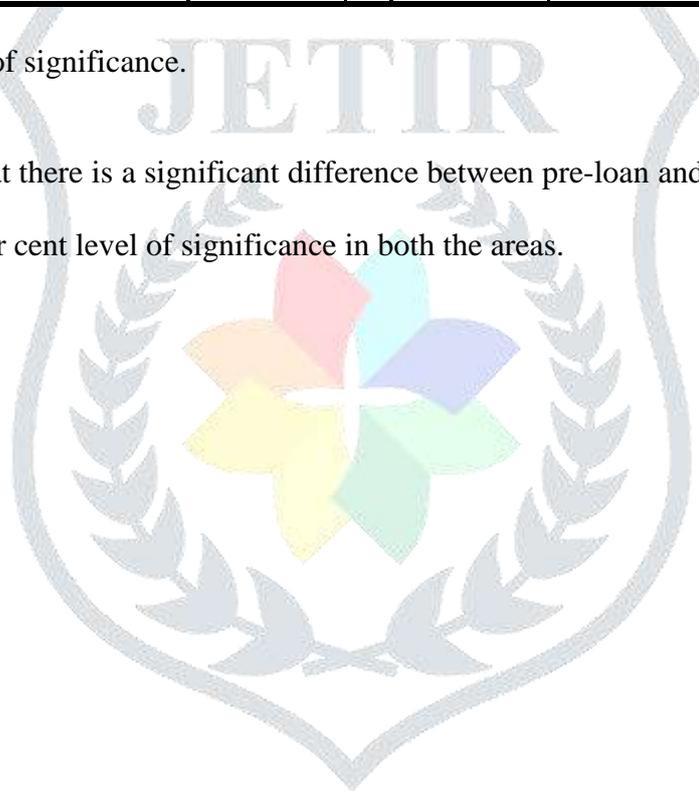


Table 3.
Employment Generation on the Basis of Occupation

S. No	Category of Occupation	Delta area				Non-delta area			
		Average mandays		Incremental mandays	Percentage of incremental mandays	Average mandays		Incremental mandays	Percentage of incremental mandays
		Pre-loan period	Post-loan period			Pre-loan period	Post-loan period		
1.	Cultivation	237	273	36	15.18	234	262	28	1196
2.	Cultivation and wage earning	227	253	26	11.45	222	248	26	11.71
3.	Cultivation and allied activities	111	120	9	8.10	104	109	5	4.80
4.	Cultivation and employment	26	28	2	7.69	30	32	2	6.66
5.	Cultivation and businesses	35	37	2	5.71	37	40	3	8.10
	Total	636	711	75	11.79	627	691	64	10.20

Source: Field data.

Tabl 3. indicates that the incremental mandays were 36 days for those in cultivation 26 days for those in cultivation and wage earning, 9 days for those in cultivation and allied activities, 2 days for those in cultivation and employment, and 2 days for those engaged in cultivation and business.

The percentage of incremental mandays was 15.18 for those engaged in cultivation, 11.45 for those engaged in cultivation and wage earning, 8.10 for those in cultivation and allied activities, 7.69 for those in cultivation and employment and 5.71 for those in cultivation and business. The incremental mandays were 28 days for those in cultivation, 26 days for those in cultivation and wage earning, 5 days for those in cultivation and allied activities, 2 days for those in cultivation and employment and 3 days for those in activation and business. The percentage of incremental mandays was 11.96 percent for those in cultivation, 11.71 for those in cultivation and wage earning, 4.80 for those in cultivation and allied activities, 6.66 for those in cultivation and employment and 8.10 for those engaged in cultivation and business.

The incremental mandays and the percentage of incremental mandays were high in the delta area when compared to the non-delta area among the categories of occupation.

Table 4.
t-test for Employment Generation on the Basis of Occupation

Category	Mean	N	SD	SE	t-value
Delta Pre-loan	127.20	5	101.27	45.29	2.193*
Delta Post-loan	142.20	5	116.18	51.96	
Non-delta Pre-loan	125.40	5	98.11	43.87	2.197*
Non-delta post-loan	138.20	5	110.86	49.58	

* 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 occupational categories at 5 per cent level of significance in both the areas

.Summary

One of the objectives of Andhra Pragathi Grameena Bank is to create more of self-employment rather than wage employment in rural areas. Viewed from this angle, the percentage of incremental mandays in both areas is low among those who are below 20 years in age and high among those whose age is between 20 and 50 years. Castewise, the percentage of incremental mandays is low among those of the Forward Caste and high among the Scheduled Castes in comparison with those of other castes in both areas. Education-wise, the percentage of incremental mandays is low among the college educated and high among the illiterate in both areas. The percentage of incremental mandays is low among large farmers and high among marginal farmers.

Occupation-wise in both areas, the percentage of incremental mandays is low among those engaged in both cultivation and business and high among those engaged in cultivation.

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