CHAPTER II

NATURE, SCOPE, PRINCIPAL OBJECTIVES AND RESEARCH METHODOLOGY OF THE STUDY
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NATURE, SCOPE, PRINCIPAL OBJECTIVES

AND

RESEARCH METHODOLOGY OF THE STUDY

Second chapter deals with "Nature, Scope, Objectives, and Research Methodology, Limitations of the study and the scope of the further research.

2.1 Nature of the Study.

Indian economy is agricultural economy; near about 69% rural population depends on this sector for their livelihood and near about 60% is engaged directly in the agricultural and related activities. But in recent decade’s agricultural production and productivity has been declined to great extent which is a matter of serious concern. Because of this, the problem of food insecurity has raised over the world. It’s a big challenge before the developing economies like ours. In India agricultural sector is the key sector of economy which provides the employment to the people. Indian population mostly depends on this sector. In spite of its key position in employment generation, exports, agriculture has big challenges to face such as dry land, lower irrigation, traditional methods of cultivation, fragmentation of land, deforestation, etc. In addition, ever increasing indebtedness of farmers and its socio economic implications i.e. social conflicts farmer’s suicides and poverty have added to the fuel. It is a big blow to rural economy which as resulted into of thousands farmers suicides in recent years. This is the major problem into which researcher want to probe.

So the indebtedness has spread over all farmers communities in India. In the year 2003, 88.3 million farmer’s households were in indebted. Situation
Assessment survey of farmers (SAS) has shown that 43.42 million farmers were indebted, it comes around 48.6%. In other words more than half 45.91 million or 51.4% farmers were not indebted.

National Sample Survey 2003, there were average Rs.12585, loan on per households. In short indebtedness is the chronic and critical challenge before the government and the policy makers, and All India Credit Policy, which is the prime cause of agricultural crisis before the Indian farming sector and the government.

After considering the importance of agricultural sectors government provides the budgetary provision, but due to the negative and apathetic response of banking institutions, during 2008-09 only 34% credits has been disbursed by these institutions.

In the current year (2008-09) the target was fixed to such credit Rs.3 lacs 25 thousand corer, but the nationalized, private and co-operative banks have not achieved this target, after end of August only Rs.01 lacs 10 thousand corers credits amount has been disbursed to the agricultural sectors. (Only 34%)

Credit is the most important input to carry on agricultural activities. So there are two sources which are catering the credit and financial needs i.e. An institutional and non-institutional credit source, an institutional source includes banking sector. The interest rate of such source is always low compared with non-institutional. Governments, banking sector, cooperative sector, etc. are the main factors of credit supply which charge low interest rate. This source may help to agriculture development. But in India the role of such institutional source had been failed to supply the sufficient credit as per the needs of the rural peoples and the farming needs.
To find the root causes of farmer suicides those were indebted, the study socio-economic impact of victim’s families those committed suicides by prime member should be done.

The network of financial institutions, financial needs of farmers, and share of institutional sources should be studied to fulfill such needs.

To find out the influence of money lenders and other private credit sources, drawbacks of such systems its socio-economic impact on farmer’s community should be studied.

Government should help to accelerate the growth of farming business and allied business, to find out the scope or potential scope of allied business in the rural sector.

2.2 **Scope of the Study:**

The scope of the study has been divided in to three dimensions i.e. Geographical, Temporal, and Operational

1) **Geographical:**

The present study was confined to Marathwada and Vidharbha region of Maharashtra state. From Marathwada region Parbhani, Beed, and Aurangabad districts were selected while from the Vidharbha region Amrawati, Yaatmal and Washim districts were deliberately selected for the study as there were most of the cases of suicides reported due to indebtedness.

2) **Temporal:**

The study has covered the period of 10 years i.e. from 1997-98 to 2007-08.
3) Operational:

The present study has focused on the working of agricultural credit institutions, Government policies regarding agricultural credit, agriculture credit assistance given by various agencies and impact of farmer's indebtedness on agricultural sector, and socio-economic life of farming community in Maharashtra state.
2.3 Objectives of the Study.

In this research study framed the following objectives accordance with to find out the causes of the indebtedness, and the critical studies of these causes.

The principal objectives of the study as under
1) To review the progress of agricultural credit in India.

2) To study the role of different institutions providing agricultural credit in Maharashtra.

3) To understand the causes of agriculture indebtedness and its impact on rural community.

4) To understand various socio-economic factors which are responsible for suicides of the farmers in Vidharbha and Marathwada.

5) To study the various supporting policies and schemes beings implemented for the growth of agricultural sector.

6) To understand the problems and challenges before Agriculture sector and make some possible suggestions.
2.4 Hypotheses had been tested with the primary data analysis.

Hypothesis has been tested are as under,

1) Farmers are resorting to suicides because of high increase of indebtedness and poverty.

   Out of 150, 73% farmer’s suicides were reported due to institutional indebtedness, and 79% farmers’ suicides found due to the loan from non institutional credit sources, so these all farmers suicides were due to indebtedness.

2) Farmers are supplied inadequate and irregular credit by the Banks with results into indebtedness.

   During 2008-09 the target was fixed to such credit Rs.3 lacs 25 thousand corer, but by the nationalized, private and co-operative banks has not achieved this target, after end of August only Rs.01 lacs 10 thousand corers credits amounts has been disbursed to the agricultural sectors. (Only 34%)

3) Farming has become unaffordable occupation due to absence of remunerative agriculture produce prices.

4) Farmers in Marathwada and Vidharbha region are resorting to suicides due to indebtedness.
2.5 **Research Methodology**

As a part of research methodological framework the pertinent issues of data collection and interpretation are dealt with in the succeeding pages. The research design of the study is made with a view to exhibit an integrated study of rural and agricultural development and find out the root causes of rural indebtedness with the help of primary data which related to this issue from Vidharbha and Marathwada region.

2.6 **Data collection:**

In order to this research study data has been collected from the field survey. This data was with he help of well constructed questioner, personal interviews, observation. There were two types of data were collected i.e. primary and secondary as following.

**Primary data:**

For the purpose of the study Primary data were collected with the help of a well constructed questionnaire. It had used video recording to collecting and understanding the situation of events. Interviews were conducted with the experts in the field and farmers respondents. There were two types of questionnaires were used, one for collecting the data related the indebtedness farmers called general farmers, and second was related to find out the causes of farmers suicides. The list of such suicides cases obtained from collector offices, and randomly deliberately 25 cases were selected as sample size from each district. There were most of the cases of suicides due to indebtedness which
were investigated by the government agencies for providing the governmental help to the victim families.

**Secondary data:**

For the purpose of the Secondary data were collected by tapping the sources such as Books, Journals, Reports, Magazines News papers and Government and Non-Government publications related to the topic of the study.

It had been studied reports of research centers, committee reports, and research papers of research fellows. Such secondary data collected and used from research reports.

In relation to secondary data collection the e-media also helped, like internet, web sites, e-mail etc, these are facilitate to finding the secondary data.

**Data Analysis:**

For the purpose of analyzing the data it has been complied and tabulated in a systematic manner. As per the need of the study graphs, charts, and maps has been used for presenting the data, for analyzing the data, statistical and mathematical tools has been used its includes, ratios, percentages and averages.

**Sampling:**

Considering the vast area of the study it was not possible to cover all the indebted households from the Vidharbha and Marathwada region, so taking into consideration time and labour constraints samples of 150 agricultural households has been selected from general indebted household. For the
collecting the from such selective farmers visited at the place farming activities at their fields, filled the questionnaires, and their responses, such responses and their feedback recorded with the help of video suiting. From selective districts there were 25 such farmers has been selected from each districts, to the study of root causes of indebtedness. For such study from Vidharbha Yaotmal, Amrawati, and Washim districts were selected which are mostly affected due to the suicides incidences. From the Marathwada region Aurangabad, Parbhani, and Beed districts were selected.

While, according to the research reported and opinion of experts that prime cause behind the farmers suicides were the indebtedness, so that considering this, it has been selected the 150 such victims households families to find out the causes of such suicides. From the Vidharbha there were 75 such households were selected, and 25 samples selected from each districts. From the Marathwada region 75 samples were selected, 25 samples were selected from each districts. For such study from Vidharbha Yaotmal, Amrawati, and Washim districts were selected which are mostly affected due to the suicides incidences. From the Marathwada region Aurangabad, Parbhani, and Beed districts were selected.

The list of suicides cases were obtained from the collector offices from each districts, and according to the time and convenience it has been selected 25 victims’ households. Such from two sides there were selected and studied 300 samples for the study root causes of indebtedness.
**Sample size:**

<table>
<thead>
<tr>
<th>Districts</th>
<th>General farmers.</th>
<th>Farmers suicides cases</th>
<th>Total.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amrawati</td>
<td>25</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Yaotmal</td>
<td>25</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Washim</td>
<td>25</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Aurangabad</td>
<td>25</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Beed</td>
<td>25</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Parbhani</td>
<td>25</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150</strong></td>
<td><strong>150</strong></td>
<td><strong>300</strong></td>
</tr>
</tbody>
</table>
2.7 Report writing:

On the basis of the data/information collected the report on the study is drafted consisting of the following chapters. This may be called as chapter scheme of the study:

CHAPETR No.01

"Introduction, Profile of agricultural Sector of Maharashtra, Review the progress of Agricultural credit in India & Maharashtra."

This chapter dealt introduction the subjects. Land profile of India and Maharashtra State and needs for development of cultivable land, taken the agricultural credit review of India and Maharashtra. Finally it had taken the review of the precedent studies with the help of various literature, reports, and research articles which were related to this subject.

CHAPETR, No.02

"Nature, Scope, Objectives, and Research Methodology."

This chapter is concerned with "Nature, Scope, important objectives, research methodology, technical framework or research report, limitations of the study and the scope of the further research.

CHAPETR, No. 03

"Agriculture Credit Institutions, A) Co-operative Banks, B) Regional Rural Banks, and C) Commercial Banks."

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This chapter had been incorporated the role of above Agriculture Credit Institutions, Needs of Agricultural Credit, Sources-wise institutional credit flow to Agriculture and the role of “NABARDs”, in Rural Development

CHAPETR, No.04

“Agricultural Indebtedness and its Impacts”

This chapter is based on the primary and secondary data obtained from selected farmer respondents. This chapter also dealt with the study of Historical Review of Rural Indebtedness, causes of Agriculture Indebtedness and its Impact on the farmer’s community and the study of debt waiver schemes by the Central Government, etc. had been studied in this chapter.

CHAPETR, No.05

“Incidence of farmer's Suicides in Marathwada and Vidharbha region”.

This chapter is based on the primary and secondary data obtained from selected farmer respondents’ victims. In this chapter it has been attempted to Review Incidence of farmer’s suicides in India, in general and Maharashtra state in particular.

CHAPETR, No. 06.

“Problems and Challenges before the Agriculture Sector”

This chapter deals with the study and attempted to probe the problems and challenges before Indian agricultural sector.
"Findings and Suggestions of the study"

This chapter highlights important findings/observations and suggestions/recommendations may be considerable to development of Agricultural sector, and mitigate the issue of indebtedness at some extent.

2.8 Limitations of the Research Study:

Due to the time limit and vast size of area it were selected only three districts from Vidharbha and Marathwada region, while it is the fact that whole Maharashtra come under the encumbrances of indebtedness and the farmers suicides incidences emerging from all part of this state, these limited districts were selected, while it was necessary to study of all districts from Vidharbha and from Marathwada, because these two region are lagging behind in the development agricultural business.

It were necessary to study the other factors which are responsible for the development of farming sector, like irrigation, infrastructural development, water management, etc. but such factors has been not covered in this research study.

This research study was limited to indebtedness of general indebted households and families of suicides victims, while the all the farmers community facing the critical condition it was necessary to go through detail study.

Increasing the marginal and small farm holding which creating many difficulties in the agro business, so it was necessary to study the details causes of such fragmentation of farming sectors but such study remained answered.
2.9 Scope for further Research Study:

The present study is very significant and relevant as it is related to the occupation, credit supply and indebtedness of rural people being 70% population of India. The researcher has attempted to highlight on the causes of indebtedness and its implications on the lives of rural people. However due to some constraints it was not possible to cover all the aspects of rural credit, indebtedness and its socio economic implications. So it is suggested that the researchers should undertake studies on demand and supply aspects of rural credit, cost of rural debt etc.