ABSTRACT

The development of agriculture continues to remain critical for India’s employment, poverty reduction and overall economic growth. Therefore, the provision of credit finance among the stakeholders particularly to agri entrepreneurs is assumed as one of the pressing tool for boosting the agriculture. Hence Government has initiated many schemes and programmes, but the effectiveness and efficiency of these schemes and programmes depends on proper need identification by policy makers and adoption by target population. In Jammu and Kashmir these schemes include Zafran mission financing scheme and seed capital scheme in horticulture, apiculture, floriculture, animal husbandry etc, under the drastic employment crises. However there have been a sea change in macroeconomic policy of state during the period of pull and push strategies between self employment (with a comprehensive package of incentives like subsidy and availability of finance) and public sector employment (by declining public sector incentives and benefits like pension and salary) which have its impact on socio-economic conditions of state unemployed youth. Further under these schemes a large amount of credit is disbursed to conventional and entrepreneurial agricultural beneficiaries in accordance with the eligibility criteria framed by the concerned authorities. In this direction, present study is an attempt to evaluate the effectiveness of ‘Agri Financing’ and endeavor to assess the present procedure of financing through demographics. Further in, support of literature, the study attempts to evaluate the role of psychographic factors as successes of these schemes with maximum benefits and minimum adverse consequences include assessment of various dimensions of risk propensity, locus of control and entrepreneurial potential. Moreover, an attempt has been made to examine the role of various demographic characteristics on all the variables under reference.

In view of discussion the study was conducted in Jammu & Kashmir by collecting information through interviews regarding the statement of the problem which were later transformed into dimensions and statements through content analysis in harmony with literature. The dimensions and statements were further subjected to instrument purification through reliability and validity. Furthermore, the study adopted probability sampling and parametric tests for data collection and analysis to draw valid inferences and conclusions. Apart from the conventional tools and techniques,
this study uses Effect Size, Post Hoc test and Structural Equation Modelling (SEM) for testing the differences across demographic variables and causal relationships among the constructs. At the outset, Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) were conducted on all the latent variables to ensure that all such variables are representative of the underlying phenomenon. Subsequently relation between multi-dimensional Psychographic propensity and multi-dimensional Agri Financing Effectiveness construct were assessed through path analysis. Lastly mediation and moderation analysis was performed to study the impact of decision locus and demographic intervention on Agri Financing Effectiveness.

The originality of the study was justified in evaluating effectiveness through ‘improving process approach’ of qualitative dimensions. The study is first of its kind in using the mentioned variables in agri financing scenario of India in general and Jammu & Kashmir state in particular. The study has two fold contributions in policy formulation as it provides a methodology for evaluating risk propensity and entrepreneurial potential related to agricultural in general and agricultural credit financing in particular. Secondly, it provides a methodology for evaluating the effectiveness of credit schemes. Hence evaluates individual from psychological perspective and scheme/policy from effectiveness perspective. Further this study has its contribution in providing opportunity for banking sector to modify their products in accordance to risk in agriculture. This research shall aid academia and policy-makers to understand the complexity in the rural financing.

The findings of the study point out that agri entrepreneurs are risk averse with lower risk propensity in career and finance domains which further gets worsen with risky nature of agri business. However, this situation gets overlooked due to higher subsidized monitory benefit which makes a myopic view about risk issue and is reasonably an evident factor for business start up failures. Further, Internal Locus of Control was found to have a reinforcing effect on the effectiveness of Agri Financing where as External Locus of Control reduces the effectiveness of Agri Financing. Moreover, Locus of control is likely to affect payment behavior as beneficiaries with External Locus of Control attempt to change their life style standard with the availability of money irrespective of money nature and purpose. Furthermore, Locus of Control role is of pivotal nature in the sense that Locus of Control mediates the
The findings from the study revealed lower level of entrepreneurial potential across all the three dimensions of Entrepreneurial potential highlighting the training needs for agri entrepreneurs and lower training effectiveness. The findings of the study also suggest that entrepreneurial potential is having a significant and strong positive impact on the effectiveness of Agri financing. While descriptive statics revealed lower level of entrepreneurial potential among agri entrepreneurs hence inferring that effectiveness of agri financing is training oriented which itself is a dependent entity. Therefore results in lower probability of startup success in agri entrepreneurship through entrepreneurial financing. Hence it is inferred that lower entrepreneurial potential among youth is the main reason for unemployment in the state.

The findings from the study further identified low Perceived Usefulness (PU); Perceived Flexibility (PF) and moderate Perceived Accessibility (PA); Perceived Reliability (PR). Hence leads to the premise of low level employability perception of beneficiaries about Agri Financing Interventions and least match between individual requirements to that provided through Agri Financing. Further the finding unfold the fact of availing Agri Financing with lower Perceived Usefulness by push rather than pull which further deteriorate Perceived Flexibility and Perceived Reliability highlighting a policy public mismatch with probabilistic negative consequences. The study also revealed a strong support to the concept of collapse of middle income. Lastly, the study purposes the suggestions regarding the possible success in Agri Financing and highlights the need of investing in Tourism, Horticulture and Handicrafts to overcome the state from the crisis of unemployment, poverty and under development.

**Keywords:** Agri Financing, Psychographic Propensity, Agri Financing Effectiveness, Domain Specific Risk Propensity, Locus of Control, Entrepreneurial Potential, Structural Equational Modeling