

# Analytical Study of NABARD for the Socio - Economic & Rural Development of Uttarakhand: A Case Study

## Abstract

NABARD is stand for **National bank for agricultural and rural development**. Presently NABARD is playing a very crucial role for upgrading the social awareness regarding the socio-economic and rural development in Uttarakhand. NABARD provides the number of facilities for the rural areas as an employment for the poor farmers, technology in their agricultural activities, and innovative ideas which are the greater need of the rural poor society and their economic development in Uttarakhand. It will be interesting to observe the ways in which this will translate into action at the ground level, and how the understanding of NABARD is set to undergo a change in agricultural for the rural people of Uttarakhand. The main role of NABARD is to promote the education, Eradication of extreme hunger and poverty in rural areas. NABARD is making a financial platform between financial institutions (Co-operative banks, RRBs and other banks) and business growth & agricultural activities (rural roads, rural bridges, health, and education, soil conservation, drinking water schemes, flood protection, forest management, irrigation department, dairy, fishery, marketing infrastructure and agro base processing infrastructure). So this apex institution is working and taking initiative on the different projects in rural areas of Uttarakhand for the socio-economic and rural development.

**Keywords:** NABARD, NIDA, RIDF, CBS and Poverty Reduction Etc.

## Introduction

NABARD is a Development Bank with a mandate for providing and regulating credit and other facilities for the promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas, and for matters connected therewith or incidental there to. NABARD provide the financial assistance for the rural development through the financial institution as a district co-operative banks and regional rural banks (RRBs) and also provide the technical assistance and guidance to those financial institutions which are involved for the socio-economic and rural development for the rural people of Uttarakhand. NABARD provides the production credit in the rural areas as a short term loans to the co-operative banks and regional rural banks for the distribution of this loan among the rural areas for the socio-economic and rural development in Uttarakhand. NABARD are working for the investment credit for the capital formation in agricultural allied sectors and rural infrastructure development funds (RIDF) are covering the different rural areas in Uttarakhand as a rural roads, rural bridges, health, and education, soil conservation, drinking water schemes, flood protection, forest management and irrigation department etc. NABARD is taking initiative for the socio-economic and rural development as a producers organisation development funds (PODF) which are becoming very effective for the various major activities like dairy, fishery, marketing infrastructure and agro base processing infrastructure in the different rural areas of Uttarakhand. NABARD has focused on the core banking solution (CBS) project which are providing the innovative higher technical platform for the co-operative banks and with other banks for business and growth in rural areas.

## Review of Literature

A study by S. Galab examined the functioning of Rural Employment Programmes in Anantapur district, a drought-prone and

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backward one in Andhra Pradesh. According to the guidelines the community works should be executed by the local village agencies such as village panchayats, parental/school committees and village development council that would ensure the full benefits of wages to the local workers and the quality of assets. This study revealed exploitation of labour by the professional contractors and the problems faced by the first generation contractors. S.N. sangita made a comparative analysis of Government and Non-Governmental Organizations that implemented Self-Employment Programme for Rural Youth in four districts of Karnataka. A distinct variation was observed in the philosophy, strategies, and methods adopted by both the organizations. On the part of the NGOs, adoption of grassroots level planning, operation in a smaller area, active participation of the people, and committed supervision of the staff contributed to the effective implementation of the programme; on the other hand, top-down approach, uniform policy with inappropriate administrative structures and indifferent officials in Government Organizations were mainly responsible for its ineffective functioning. Incompetence, indifference, individual benefits, and profit maximization were the major impediments to NGOs. A study by Swapan Garain on the Rural Communes which had its roots in the Graduate Volunteer Scheme (GVS) of the University of Bombay confirmed that the village level workers' training programme employing a methodology of combining cognitive and attitudinal objectives had established its credential for promoting voluntary action in the process of social transformation. Mahesh chander undertook a study on farmers' participation in rural development programmes to understand the modus operandi of three NGOs in Central Himalayan Region of Uttar Pradesh. The Participatory Rural Appraisal (PRA) method was widely used in assessing participation and performance.

### Objective of Study

In India so many financial institution are working for the rural development. Some are in very good Condition in terms of responsibility and assistant towards the social awareness, poverty reduction, agricultural activities, land development and livelihood for the rural development. The present study has the following objectives...

1. To ascertain the role of NABARD for the well-being of rural people and how financial institutions are effective in financing for the rural development.
2. To ascertain the satisfaction of respondents through the financing of NABARD for the socio-economic and rural development.

### Hypothesis

The following hypotheses which are linked to the objectives of the study are proposed.....

#### H<sub>0</sub>

There is no significance difference between the NABARD for the well-being of rural people and financial institution are effective in financing for the rural development.

#### H<sub>0</sub>

There is no significance difference between the satisfaction of the respondents and financing through the NABARD for the socio-economic and rural development.

### Research Methodology

For micro level study we have taken the sample size of 100 respondent of rural areas regarding the number of facilities as an employment for the poor farmers, technology in their agricultural activities, and innovates their ideas which are the greater need of the rural poor society and their economic development in Uttarakhand whichever the result comes will be applicable in urban and rural areas of India as a whole. Descriptive research design has been used for beneficiaries of rural areas and their perceptions towards the poverty reduction; promote the education, Eradication of extreme hunger, rural development, agricultural and land development in Uttarakhand availed by them has Determined and described. The present study is based on both primary and secondary data. Primary data has been collected through well designed questionnaires and open Ended interviews with the beneficiaries of rural areas. Secondary data has been collected from annual reports, magazines, Newspaper, internet, review, and records of RBI, statistical department of India. Sample area of the research will cover the whole area of Uttarakhand. Analysis of data will be made by using various required statistical tools, Tables, ANOVA test etc. have been used to analyse, present, and interpret the problem for drawing the result of the study. Public survey regarding their Opinion about the functioning of various corporate sectors in India is also being done as a part of study.

### Business Operations of NABARD

Following are the different business operation which is putting the effective control for the rural development in the rural areas. Production Credit in 2012-13 NABARD sanctioned 66,418 crore short term loans to Cooperative Banks and Regional Rural Banks (RRBs), and against them the maximum outstanding loan was 65,176 crore. So the NABARD is financially boosting the rural areas by providing the loan for the lower and upper class business. Investment Credit for capital formation in agriculture & allied sectors, non-farm sector activities and services sector to commercial banks, RRBs and co-operative banks reached a level of 17,674.29 crore as on 31 March 2013 registering an increase of 14.6 per cent, over the previous year. The Rural Infrastructure Development Fund (RIDF) of rupees 16,292.26 crore was disbursed during 2012-13. A cumulative amount of 1,62,083 crore has been sanctioned for 5.08 lakh projects as on 31 March 2013 covering irrigation areas, rural roads and bridges, health and education sector, soil conservation, drinking water schemes, flood protection, forest management etc. Following are the different new business initiatives which are putting the effective and innovative control for the rural development in the rural areas of Uttarakhand. NABARD Infrastructure Development Assistance

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(NIDA) has been set up, a technique of credit and funding support for the rural infrastructure projects. The sanctions under NIDA during the year 2012-13 was 2,818.46 crore and disbursement was 859.70 crore. Direct refinance assistance to CCBs for short term multipurpose credit was set up for conceived and additional line of finance for CCBs in the light of recommendations of the "Task Force on Revival of Short Term Rural Cooperative Credit Structure, which enables the latter to raise financial resources other than from STCBs. During 2012-13, refinance assistance aggregating 3,385 crore was sanctioned to 42 CCBs and three STCBs and disbursement stood at 2,363.45 crore. NABARD has initiated some Project as a Core Banking Solution (CBS) and Co-operatives banks both are on the way of higher technology platform and trying to take over the other banks for business and rapidly growth in today era. The programme made rapid strides with 5,543 branches of 163 banks across 10 States joining the platform in the first phase and 42 banks joining in the second phase, a total of 7,088 branches of 205 STCBs and CCBs across 16 States and three UTs came into the umbrella of the programme as on 31 March 2013.

## Development Initiatives of NABARD

Nabard has taken some imitative regarding the different types of projects which are applicable in deciding the socio-economic development of human being. The cumulative number of watershed projects sanctioned under Watershed Development Fund (WDF) stood at 586 in 16 States covering an area of 5.40 lakh ha with total commitment (loan and grant component) of 306.36 crore as on 31 March 2013. Farm Innovation and Promotion Fund (FIPF) and Farmers' Technology Transfer Fund (FTTF), These funds were created out of the operating profits of NABARD to support innovative ventures and to support technology transfer in farm sector and its corpus stood at 50.00 crore and 61.21 crore respectively as on 31 March 2013. Grant assistance of 9.90 crore and 39.79 crore, respectively, were disbursed for various interventions under the programme during 2012-13. SHG-Bank Linkage Programme, as on 31 March 2013, there were more than 73.18 lakh savings linked Self Help Groups (SHG) and more than 44.51 lakh credit-linked SHGs covering over 10.3 crore poor households under the micro-finance programme. NABARD carried forward its guiding role in the microfinance programme during 2012-13 by taking a host of new initiatives and consolidating some of the already operational interventions.

## Analysis of the Study

Following analysis is done on the basis of data for the 100 beneficiaries of rural people of Uttarakhand regarding the awareness of NABARD towards the poverty reduction; promote the education, Eradication of extreme hunger, rural development, agricultural and land development in Uttarakhand.

**Table No. 1**

Gender of Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	80	80.0	80.0	80.0
	Female	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

Source: Field survey

Most of the respondents are belong to the male categories (80%) and only (20%) female categories has been taken for identifying the role of NABARD for the socio-economic and rural development and how much it is effective for the well-being of the rural people in Uttarakhand.

**Table No. 2**

Age of Respondents					
Particular		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30	5	5.0	5.0	5.0
	30-40	21	21.0	21.0	26.0
	40-50	57	57.0	57.0	83.0
	50 & Above	17	17.0	17.0	100.0
	Total	100	100.0	100.0	

Source: Field survey

Most of the respondents are between the ages of 40-50 (57%); this is indicating the awareness of NABARD for the rural areas for the socio-economic and rural development in Uttarakhand.

**Table No. 3**

Categories of Respondents					
Particular		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Banking officials	34	34.0	34.0	34.0
	Professionals	47	47.0	47.0	81.0
	Educated Farmers	14	14.0	14.0	95.0
	Others	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

Source: Field survey

Most of the respondents are taken about this study are banking officials 34%, professionals 47%, educated farmers 14% and others 5%. This is clearly indicating the performance of NABARD working can be major in a very suitable way by the professionals because they are habitual in knowing the development process by the any institutions for the welfare of social being.

**Table No. 4**

Education of Respondents					
Particular		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Intermediate	9	9.0	9.0	9.0
	Graduation	18	18.0	18.0	27.0
	Post graduation	73	73.0	73.0	100.0
	Total	100	100.0	100.0	

Source: Field survey

It is much cleared from the above table that most of the respondents have done the post graduation (73%). It means more educated respondents are known about the developing activities of NABARD for the rural areas in Uttarakhand and they are very keen to know how it is effective for the well-being of the rural people in different areas of Uttarakhand.

Table No. 5

Have you heard about the NABARD					
Particular		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	90	90.0	90.0	90.0
	No	10	10.0	10.0	100.0
	Total	100	100.0	100.0	

Source: Field survey

Most of the respondents have said yes (90%) about the NABARD that they have heard about the developing activities of this apex body which are specially working in the rural areas of Uttarakhand and making some rural development project with the help of central government of India.

Table No. 6

NABARD financial bodies					
Particular		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Regional rural banks	16	16.0	16.0	16.0
	Co-operative banks	22	22.0	22.0	38.0
	Commercial banks	7	7.0	7.0	45.0
	All of the above	55	55.0	55.0	100.0
Total		100	100.0	100.0	

Source: Field survey

Most of the respondents realised that NABARD's financial bodies are RRBs, co-operative banks and commercial banks (55%) that means these banks are generating lot of finance for the rural development budget under the supervision of Government initiative for the people of rural areas.

Table No. 7

NABARD is working for the socio-economic and rural development					
Particular		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	85	85.0	85.0	85.0
	Strongly agree	7	7.0	7.0	92.0
	Disagree	8	8.0	8.0	100.0
	Total	100	100.0	100.0	

Source: Field survey

It is being identified from the above table and most of the respondents are agree (85%) that NABARD is working for the socio-economic and rural development through the financial institutions for the rural areas in Uttarakhand.

Table No. 8

Is financial institutions effective for the rural development					
Particular		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	69	69.0	69.0	69.0
	No	31	31.0	31.0	100.0
	Total	100	100.0	100.0	

Source: Field survey

Most of the respondents said yes (69%) about the rural development in Uttarakhand that means financial institutions are very much effective and covering major activities like dairy, fishery, marketing infrastructure, and agro processing infrastructure through the financial activities in the rural areas.

Table No. 9

Respondents are getting satisfaction by the working of NABARD					
Particular		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	84	84.0	84.0	84.0
	Strongly agree	2	2.0	2.0	86.0
	Disagree	14	14.0	14.0	100.0
	Total	100	100.0	100.0	

Source: Field survey

It is being identified from the above table and most of the respondents are agree (84%) who are getting satisfaction by the working of NABARD for the socio-economic development in rural areas of Uttarakhand by the different types of developing activities as a rural roads, rural bridges, health, and education, soil conservation, drinking water schemes, flood protection, forest management and irrigation department etc.

Table No. 10

Is NABARD giving pace for the socio-economic development					
Particular		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	81	81.0	81.0	81.0
	No	19	19.0	19.0	100.0
	Total	100	100.0	100.0	

Source: Field survey

Most of the respondents felt and said yes (81%) that NABARD is giving the pace for the socio-economic and rural development in the rural areas of Uttarakhand. NABARD provide the number of financial facilities for the different types of developing projects through the financial institutions for the promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity in Uttarakhand.

Table No. 11

Statistics				
Particular	NABARD is working for the socio-economic and rural development	Is financial institutions effective for the rural development	Respondents are getting satisfaction by the working of NABARD	Is NABARD giving pace for the socio-economic development
Valid	100	100	100	100
Missing	0	0	0	0
Mean	1.2300	1.3100	1.3000	1.1900
Std. Deviation	.58353	.46482	.70353	.39428

Following statistics are made for the efforts of NABARD towards the welfare of the rural society in rural areas of Uttarakhand on behalf of Gender of respondents, Age of respondents, Categories of respondents, NABARD financial bodies, Respondents are getting satisfaction by the working of NABARD and NABARD giving pace for the socio-economic development. From the above table it is being identified that by the average and standard deviation it is cleared, NABARD is not only giving the pace for the socio-economic and rural development but also provide the financial assistant for these kinds of developing activities in the rural areas of Uttarakhand.

#### ANOVA Test

It is very clear said through the respondents view regarding the awareness of NABARD for the

socio-economic and rural development to analyse the working of NABARD through the financial institutions towards the well being of the society. This concept also develops the framework to understand the awareness of rural development towards the poverty reduction, community, environment, and developing projects through the financial institutions for the promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas of Uttarakhand.

So the **Null Hypothesis (H<sub>0</sub>)** has been taken that there is no significance difference between the NABARD for the well-being of rural people and financial institution are effective in financing for the rural development.

Descriptive								
NABARD is working for the socio-economic and rural development								
Particular	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Yes	69	1.1739	.48375	.05824	1.0577	1.2901	1.00	3.00
No	31	1.3548	.75491	.13559	1.0779	1.6317	1.00	3.00
Total	100	1.2300	.58353	.05835	1.1142	1.3458	1.00	3.00

#### Result of the Study

The table value of F at 5% level of significance for V<sub>1</sub>=1 and V<sub>2</sub>=98 is 3.920 while the calculated value of F is 2.079. The calculated value of F is less than the table value (2.079 < 3.920). Hence our null hypothesis (H<sub>0</sub>) is true i.e., there is no significance difference between the NABARD for the well-being of rural people and financial institution is effective in financing for the rural development.

So the other **Null hypothesis H<sub>0</sub>** has been taken, There is no significance difference between the satisfaction of the respondents and financing through the NABARD for the socio-economic and rural development.

ANOVA					
NABARD is working for the socio economic and rural development					
Particular	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.700	1	.700	2.079	.153
Within Groups	33.010	98	.337		
Total	33.710	99			

Descriptive								
Respondents are getting satisfaction by the working of NABARD								
Particular	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Yes	81	1.2346	.63780	.07087	1.0935	1.3756	1.00	3.00
No	19	1.5789	.90159	.20684	1.1444	2.0135	1.00	3.00
Total	100	1.3000	.70353	.07035	1.1604	1.4396	1.00	3.00

ANOVA					
Respondents are getting satisfaction by the working of NABARD					
Particular	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.825	1	1.825	3.792	.054
Within Groups	47.175	98	.481		
Total	49.000	99			

### Result of the Study

The table value of F at 5% level of significance for  $V_1=1$  and  $V_2=98$  is 3.920 while the calculated value of F is 3.792. The calculated value of F is less than the table value ( $3.792 < 3.920$ ). Hence our null hypothesis ( $H_0$ ) is true i.e., There is no significance difference between the satisfaction of the respondents and financing through the NABARD for the socio-economic and rural development.

### Conclusion

There is no doubt regarding the financial assistance and guidance of NABARD that it is providing the dynamic pace for the socio-economic and rural development in rural areas of Uttarakhand on behalf of the financial institutions as a district co-operative banks, regional rural banks and other financial institution. After having the views of respondents of Uttarakhand most of them are agree that NABARD working are very much appreciable for the rural areas and their socio-economic and rural development. From the above discussion it has been cleared that NABARD is working as an apex financial bodies in rural areas of Uttarakhand through the different developing projects which are giving the pace for the socio-economic and rural development. NABARD provide the number of financial facilities for the different types of developing projects through the financial institutions for the promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity in Uttarakhand.

### Main findings

1. From the above statement and study it is being found out that NABARD project is a socio-economic developing project which is beneficial for primary economic sector in Uttarakhand and whole India.
2. All the projects of NABARD is working for globalize the Indian primary market under the supervision of the Prime Minister Mr. Narendra Modi in a well organize manner for sustain development of Indian economy.
3. NABARD under the startup India project, is working as key factors in India and providing the employment opportunity, poverty reduction technique, digitization the technology, education and health improvement, railway development and banking & insurance development in all the area of Uttarakhand and India etc.
4. NABARD is enhancing the world economy through the different types of project which is totally concerned with the rural sector and enforcing the socio-economic development in today's globalize market.

5. Most of the respondents felt and said yes (81%) that NABARD is giving the pace for the socio-economic and rural development in the rural areas of Uttarakhand.

### Suggestion and Recommendation

1. As far as the financing process of NABARD government of India should take more initiative regarding the developing projects especially in the rural areas of whole India. Government should provide the digitization and innovative technique in the working of NABARD so that the people in rural areas aware the innovation and escape themselves from the fraud and forgery.
2. NABARD should provide the financial help to the people who are involve in agriculture sector in both rural and urban areas and make the financial process more flexible that anyone can get the finance easily.
3. NABARD should pay attention on those financial intuitions that are wrongly utilised their rights and responsibility for disbursing the microfinance to the member of SHGs for their socio-economic development.

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