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## RESEARCH ARTICLE

### ACCESSIBILITY OF CREDIT FACILITIES TO WOMEN FARMER

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#### ABSTRACT

The present study examines the accessibility of women farmer to source of credit facility. A total of 100 farm women were selected from four villages namely Harpur, Mahmadda, Gorai and Madhurapur from the Samastipur district of Bihar. Structured interview scheduled, personal observations and analysis of records were used to collect information for the study. The findings revealed that women in the study area were engaged in farming activities such as crop production, storage of grains and rearing of livestock. Traditional technology is still in the practice among women farmers in the study area. Majority of the women sampled were marginal farmers with low level of income and education. The study found that majority of women farmers take credit from their personal savings (35%) or local moneylenders (20%). Lack of credit constrained them from investing in agricultural production.

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#### INTRODUCTION

Credit is a sum of money in favour of the person to whom control over it is transferred, and who undertakes to pay it back (Ellis, 1992). Beckman and Foster (1969) define credit as the power or ability to obtain goods or services in exchange for a promise to pay later. The accessibility of a good financial service is considered as one of the engines of economic development. Ensuring that farmers have adequate access to financial resources is a key to accelerate agricultural and rural development (Binswanger and Khandker, 1995, World Bank, 2000). The provision of credit has increasingly been regarded as an important tool for raising the income of rural populations, mainly by mobilizing resources for more productive use (Hossain, 1988). Agriculture is the dominant sector of Indian economy, which determines the country's growth and sustainability. It is the broadest economic sector and plays a prominent role in overall socio-economic fabric of countries' economy. About 65 percent of the population still relies on agriculture for employment and their livelihood. Women are the backbone of Indian farming and played a prominent role as farmer, agricultural worker and labourer. According to Food and Agriculture Organization (2011), woman farmers account for more than quarter of the world's population. Women comprise on an average 43 percent of the agricultural work force in developing countries, ranging from

20 percent in Latin America to 50 percent in Eastern Asia and Sub-Saharan Africa. The percentage share of females as cultivators, agricultural labourers, workers in households industry and the other workers stood at 24.92, 18.56, 2.95, and 47.20 percent respectively. In rural India, the percentage of women who depend on agriculture for their livelihood is as high as 84 percent. While rural women's contribution to agricultural and allied activities is well documented, still they have little or no access to productive inputs to enhance their economic participation in these sectors. The women's access to credit is hampered due to the fact that they have very less access to land/property right. They are uneducated, unskilled and traditionally bounded hence; their productive capacities are not measured quantifiably. The primary objective of this study is to analyze the access of women farmer to source of credit engaged in agriculture.

#### MATERIALS AND METHODS

The study was conducted in the Samastipur district of Bihar. Out of 20 blocks two blocks were selected for this study. A total of four villages from the two blocks namely Harpur and Mahmadda from Pusa block and Gorai and Madhurapur from Kalyanpur block were selected for this study. Twenty five women farmer from each villages i.e., a total of 100 respondents were selected for this study. The data were collected with the help of a pre-tested interview scheduled. The selected respondents were interviewed personally with the

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help of a well structured and pre-tested interview schedule in order to get relevant information and to draw the conclusion.

## RESULTS AND DISCUSSIONS

Socio-economic characteristics of the respondents: Table 1, revealed that majority of the women who participate in home farm and allied activities were belonged to middle age group (68%), were married (86%), belongs to backward class (53%), illiterate (52%) living in joint family (63%). It was found that women's participation in agricultural activities tend to decline with increase in literacy. The findings were supported by Nain and Kumar (2007), Tiwari (2007). Table 1 also depicted that women farmers were categorized on the basis of land holding size among landless, marginal, small and medium farmers. Majority of women were marginal farmer (33%). Income is the basis for social and economic development. Majority of the respondents in this study belong to low income group (38%) and medium income group (30%). The animal possessed by women farmers was maximum in the range of 1-2 animals (67%).

**Table 1. Socio-economic indicators**

Independent Variables	Frequency
<b>Age</b>	
Young (20-30) yrs	19
Middle Age (30-50) yrs	68
Old (>50) yrs	13
<b>Marital Status</b>	
Married	86
Unmarried	0
Divorce/Widow	14
<b>Caste</b>	
Forward	9
Backward	53
SC/ST	27
<b>Education</b>	
Illiterate	52
Read & Write	14
Primary	23
Middle	7
High school	2
Graduate & above	2
<b>Family type</b>	
Joint	63
Nuclear	37
<b>Total family members</b>	
0-5	36
>5	64
<b>Size of land holding</b>	
Landless	33
Marginal	45
Small	11
Medium	11
<b>Family Income</b>	
Low (<25000)	38
Medium (25001-50000)	30
Medium high (50001-75000)	18
High (>75001)	14
<b>Domestic animals</b>	
No animal	24
1-2 animals	67
3-4 animals	9

### Source of credit

Credit provision is one of the principal components of rural development, which helps to attain rapid and sustainable growth of agriculture. Credit can help women farmer to change their desires. Credit can also affect expenditure on the

use of mechanical equipment, working capital as well as improved seeds. The provision of credit can encourage the women farmer to use modern technologies and procure inputs for farm use, thus bringining them to a higher level of productivity and increasing their income (Llanto, 1987). Most of the respondents interviewed in this study complained of difficulties in securing credit from financial institutions.

**Table 2. Source of Credit for woman farmers.**

Credit Source	Frequency	Percentage	Ranking
Cooperatives	16	16.00	III
Personal Saving	35	35.00	I
Friends/Relatives	11	11.00	V
Financial Institutions (Regional Rural Banks, Commercial Banks etc)	4	4.00	VI
Money lender	20	20.00	II
SHGs	14	14.00	IV

As it appears from the Table 2, majority of the woman farmers and labourers i.e., 35 percent use their personal saving, 20 percent took money from money lender in their villages, 16 percent from cooperatives, 14 percent from self help groups, 11 percent from their friends and relatives. Only 4 percent took loan from financial institutions. The findings were in line with Fabiyi *et al.* (2007) and Owolabi *et al.* (2011).

### Conclusion

Credit plays an important role in agricultural development and it is believed that expansion of credit programmes will have beneficial effects on agricultural production and income of women farmers. It is also a key to poverty alleviation, livelihood diversification and increasing the economic status of women farmers. The present study showed that women face several obstacles in getting credit. Most of women managed form their personal savings or take loan from the local moneylenders. Women's access to credit is constrained by limited mobility, illiteracy, lack of knowledge, and most importantly the lack of assets for collateral, since women rarely have legal ownership of land.

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