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IMPACT OF AGRICULTURAL CREDIT ON FARM PRODUCTION AMONG TRIBAL FARM HOUSEHOLDS

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ABSTRACT:

India is anticipated to be the 3rd largest economy in the world by 2020. The growth of Indian economy was 8.4 percent in 2009-2010 and 6.9 percent in 2010 -2011. India had managed fine with recession in 2008-09 and a bad monsoon, India managed to grow close to 7 %.(EconomicSurvey, 2011). But, as per the records of past 15 years, economic growth had led to disparity between rural and urban areas, across states and among rich and poor as well the bottom 20% of population was lagging behind in terms of per capita income during rising food inflation (Swaminathan, 2010). The available evidences suggested that corresponding to the fast growth rate, employment growth was far lower and increase in real wages had been slower. The differences in the employment and real wages between the bottom and top portion of the labour force has increased significantly over the last decade (Pal and Ghosh, 2007, Ghosh and Chandrashekhar 2003,). These naturally led to rising income and non-income inequalities and were associated with the inequalities in access to opportunities meaning thereby the exclusion of some sections of society from the benefits of fast growth (Prasad, 2011). Financial exclusion was one of the factors led to social inequality. The findings of the study shows that the average value of farm output of borrowers was ₹ 176461.8. It was higher than the non-borrowers (₹159843.6). The estimated frontier production function coefficients of area under cultivation, labour and farm equipments used were statistically significant and not equal to zero for borrowers. For non-borrowers, the estimated frontier production function co-efficients of area under cultivation and labour were statistically significant. The mean technical efficiency was 0.98 for borrowers. The mean technical efficiency of non borrowers was 0.51. It showed better allocation of inputs for the borrowers than the non-borrowers.

KEYWORDS: economy, social inequality, India.

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