

## ROLE OF NABARD IN PROMOTING SUSTAINABLE AGRICULTURAL PRACTICES AND RURAL ENTREPRENEURSHIP IN CHANDRAPUR DISTRICT.

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### Abstract -

The study explores the role of NABARD Bank in the rural development of Chandrapur District, examining its effectiveness in enhancing economic stability and quality of life through various credit facilities, subsidies, and support for sustainable agricultural practices and rural entrepreneurship. The study highlights NABARD's significant contributions to fostering economic growth and improving livelihoods in rural areas, despite challenges such as limited awareness and access to resources. By analyzing the impact of NABARD's initiatives, this research underscores the importance of such financial institutions in driving socio-economic progress and offers insights into potential areas for strengthening and optimizing their efforts to benefit rural populations.

**Keywords:** NABARD, Rural Development, Finance, Rural Entrepreneurship.

### 1. Introduction -

The Indian banking industry saw rapid expansion after independence, with the establishment of several new institutions. There was no separate need for an establishment by the public to manage the agricultural credit of the country, according to the All-India Rural Survey Committee, which was established in 1951 and lasted until 1954. The committee questioned the Agricultural Finance Committee, which was headed by Gadgil. The V.L. Mehta Committee, which was established in 1960, likewise opposed the creation of a distinct institution and instead sought to expand the role of RBI in this regard. Additionally, in 1950, the Indian government established the planning commission in the wake of independence. The commission first functioned under the premise of a five-year plan, during which time many challenges were put out and addressed. The primary focus of the first five-year plan, which ran from 1951 to 1956, was on agriculture since it was many people's primary means of subsistence. Legislators suggested setting up an agricultural financing cooperative in the third five-year plan (1961–1966). This led to the 1963 formation of the Agricultural Refinance Corporation. Additionally, the Mirdha Committee once again proposed the notion of establishing a distinct agricultural bank (Barman, 2019).

On the other hand, Indira Gandhi nationalized fourteen banks in 1969 as part of the fourth five-year plan. Doing so put an end to the shady dealings that some banks had been engaging in with the lower classes. Six other banks were also nationalised as a result of a chain of events. So, the basic premise was to set up programmes via these banks to encourage individuals to borrow money from them while also providing low-interest loans to the poor and needy. The RBI established the CRAFICARD Committee to Review Arrangements for Institutional "Credit for Agriculture and Rural Development (CRAFICARD)" on March 30,

1979. The committee's mission was to examine the national, state, and local levels of credit-structure and loan-giving processes. After looking at a number of strange things with the current setup, the committee reached a verdict. There were inconsistencies in the distribution of short-term loans, and the country's farmers lacked the education necessary to make effective use of the banking system (Dutta, 2019).

### 1.1. Need of NABARD -

The bank was formed to inculcate into itself both developmental and financial role in this sector:

- i. The need for a unified entity to oversee the financing of agricultural loans.
- ii. To prevent RBI from dividing its focus and diminishing its efficacy
- iii. Development in Rural Areas, which include educating the populace about the complicated workings of financial institutions and loan programs.
- iv. Oversee agricultural loans with the goal of assisting farmers and prospective investors in improving rural areas.
- v. To meet the immediate and future need for credit.

### 1.2. Role of NABARD in Rural Development -

The “National Bank for Agriculture and Rural Development (NABARD)” is the premier organization in the nation that fosters the development of small and rural companies. When it comes to associated economies, NABARD is all for integrated development. These organizations’ current and future funding requirements are being met by NABARD, the “National Bank for Agricultural and Rural Development”. The scope of NABARD's activity is broad. In addition to funding financial institutions, it offers innovations in plan formulation, execution monitoring, result assessment, and the evolution of suitable supporting structures for all kinds of agricultural operations (Sahni, 2020).

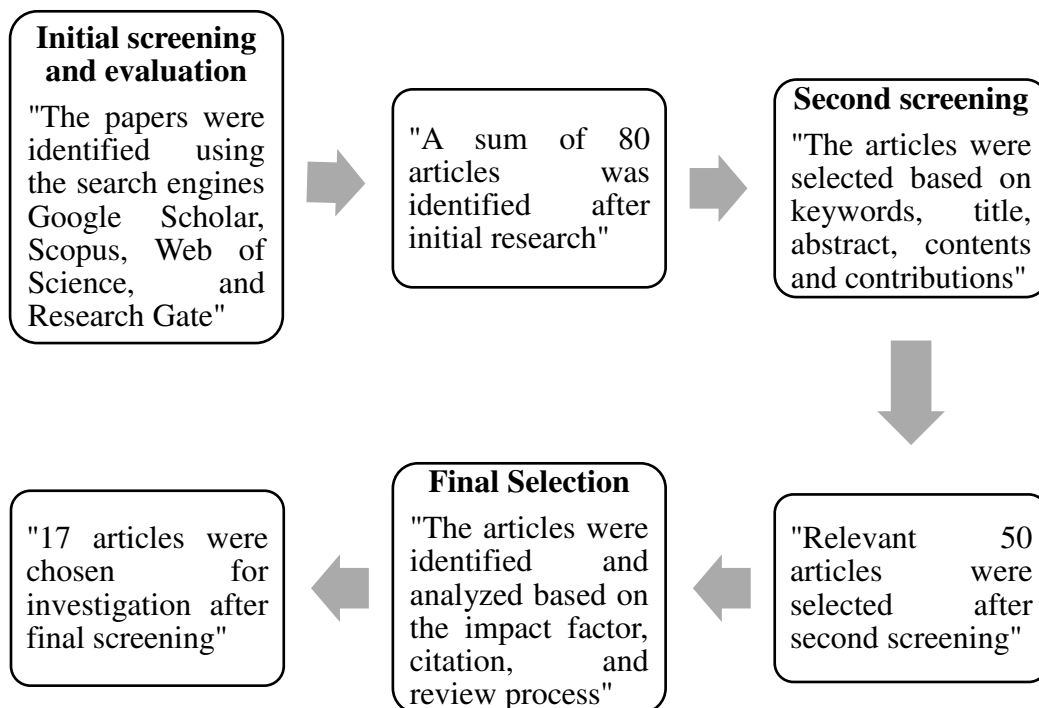
Its various responsibilities are being met with ease and efficiency, and it has been entrusted with specific tasks to aid NABARD in its work: a) Acts as the principal source of finance for lending institutions that support rural development programs via investment and production loans. b) Among other things, monitors the loan delivery system, develops rehabilitation programs, restructures lending institutions, and educates personnel to improve its absorption skills. c) Coordinates the funding of rural development initiatives by maintaining contact with the Indian central government, state governments, the “Reserve Bank of India (RBI)”, and other national policy-making institutions. d) It records and assesses the initiatives it has refinanced. e) The Bank supports the rural economy by providing funding to financial institutions via refinancing. f) Additionally, it keeps a watch on the collaborating institutions. Commercial banks, State Cooperative Banks, Regional Rural Banks, State Cooperative Agriculture and Rural Development Banks, and other financial institutions authorized by the RBI are eligible for NABARD refinancing. Investing in a cooperative society may be beneficial for individuals, partnerships, corporations, SOEs, and state-owned organizations.

### 1.3 Objectives of the Study -

1. To study the effectiveness of NABARD's credit facilities and subsidies in enhancing the quality of life and economic stability of rural populations.
2. To examine the role of NABARD in promoting sustainable agricultural practices and rural entrepreneurship in Chandrapur District.
3. To evaluate the challenges and opportunities faced by NABARD in implementing rural development projects.

### Research Methodology -

What we mean when we say “research methodology” is a systematic and orderly way to accomplish research. Appropriate data collecting, processing, and interpretation procedures must be followed in order to provide a satisfactory response to the study question. “Researchers have the option of using either a quantitative or qualitative approach, depending on the nature and goals of the study. The study employed a qualitative research approach. The research approach investigates and understands events, meanings, and experiences via the use of interpretative methodologies and non-numerical data”. Common uses include scenario analysis and in-depth reviews of certain individuals or locations. 80 papers were found as a result of the initial investigation. After a second round of screening, 50 articles were determined to be relevant. After the last round of screening, 17 objects were selected for additional study (see figure 1 for details).



**i. To study the effectiveness of NABARD's credit facilities and subsidies in enhancing the quality of life and economic stability of rural populations**

Different writers have looked at rural finance in India from different angles, drawing different conclusions on its pros and cons. With the help of the Reserve Bank of India's (RBI) strategies and programs like Regional Rural Banks (RRBs) and SHG-Bank Linkage models facilitated by NABARD, rural lending is highlighted by **Akoijam (2012)** as an important instrument for reducing poverty and increasing productivity. Looking at it from this angle highlighted how rural finance had helped millions of people in rural India build sustainable lives. While **Das (2012)** acknowledges the promise of SHG-based microfinance programs to empower women, the author also draws attention to the intricacies within these programs, pointing out issues including sustainability constraints and worries about quality in places like Assam. Challenges like government-driven group formation and inadequate support for NGOs hinder attempts to connect SHGs with banks and advance economic and social empowerment. The long-term efficacy of these programs in combating rural poverty and empowering women is heavily dependent on factors such as the durability and quality of these programs, which are of paramount importance in India's rural development, particularly for disadvantaged populations.

The study highlighted that its dual role as a catalyst for economic development and a source of challenges. Rural credit, as emphasized across various studies, serves as a cornerstone for poverty alleviation and enhancing productivity in rural areas. Strategies implemented by institutions like the Reserve Bank of India (RBI), alongside initiatives such as Regional Rural Banks (RRBs) and SHG-Bank Linkage models facilitated by NABARD, have significantly contributed to providing sustainable livelihoods for millions of rural Indians. However, the effectiveness of these programs is tempered by inherent complexities. Issues such as quality concerns, sustainability challenges, and bureaucratic hurdles persist, particularly in states like Assam. Despite efforts to integrate Self Help Groups (SHGs) into formal financial systems to foster economic and social empowerment, obstacles such as government-driven policies and inadequate NGO support continue to hinder their impact. As a result, while rural credit remains pivotal in driving rural development and empowering marginalized communities, ensuring the sustainability and quality of these initiatives remains crucial for their long-term success in combating rural poverty and promoting gender equality.

**ii. To examine the role of NABARD in promoting sustainable agricultural practices and rural entrepreneurship in Chandrapur District**

Infrastructure development and Farmer Producer Organizations (FPOs) in rural Maharashtra have been studied extensively, revealing both advantages and challenges. **Dash et al. (2022)** highlighted the crucial role of infrastructure in economic and human development, identifying significant disparities across the state's districts and agricultural divisions. Districts like Sindhudurg and Pune excel in infrastructure, particularly in physical aspects such as irrigation and rural roads, whereas Marathwada and Vidarbha regions lag behind. The study underscores the need for targeted infrastructure development to bridge these gaps, emphasizing the importance of facilities like marketing infrastructure in underdeveloped districts. In contrast, **Beniwal et al. (2022)** focused on FPOs' potential to enhance farmers'

incomes through collective organization. The study in districts like Ahmednagar and Aurangabad showed FPOs playing a critical role in crop production and marketing, supported by initiatives from NABARD and the World Bank. However, challenges such as inadequate member contributions, economic constraints, and logistical hurdles like market access and storage facilities hinder the full potential of FPOs. Therefore, while infrastructure development promises to reduce disparities and boost rural economies, the effectiveness of initiatives like FPOs depends on overcoming financial and logistical barriers to maximize their impact on rural livelihoods.

In conclusion, the studies on infrastructure development and Farmer Producer Organizations (FPOs) in rural Maharashtra underscore the critical importance of targeted interventions to address regional disparities and enhance agricultural productivity. Infrastructure improvements, particularly in irrigation, rural roads, and marketing facilities, are pivotal in narrowing the development gaps observed across districts like Sindhudurg, Pune, and those in Marathwada and Vidarbha. These disparities highlighted the need for comprehensive infrastructure planning and investment to foster balanced regional growth.

### **iii. To evaluate the challenges and opportunities faced by NABARD in implementing rural development projects**

**Shilpa (2020)** discussed the challenges faced by small and marginal farmers in India, emphasizing the importance of producer organizations (POs) in improving their access to resources and market opportunities. The study highlights government initiatives supported by SFAC and NABARD to promote POs, yet identifies significant hurdles such as financial shortages, compliance issues, and governance deficiencies within these organizations. **Hibo & Mishra (2024)** focused on the water scarcity issues in the Northeast Region of India, particularly in mountainous areas heavily reliant on springs for agriculture. Their study evaluated NABARD's Spring shed-based watershed development program in Nagaland, illustrating positive impacts on social and economic conditions through improved water resource management. However, challenges persist due to climate change and changing land use patterns affecting water availability and agricultural productivity. Thus, while POs offer potential benefits for farmers, addressing governance and resource management issues remains critical for sustaining agricultural livelihoods amidst environmental challenges.

In conclusion, the studies highlighted both the potential and challenges of agricultural development initiatives in India. Producer organizations (POs) show promise in enhancing small and marginal farmers' access to markets and resources, supported by governmental interventions. However, issues such as financial constraints, governance shortcomings, and environmental pressures underscore the need for sustained support and effective management. Similarly, efforts to manage water resources in mountainous regions through watershed development programs demonstrate positive impacts on community livelihoods but face ongoing challenges from climate change and land use shifts. Moving forward, addressing these challenges through integrated approaches that prioritize sustainable practices and effective governance will be crucial in ensuring resilient agricultural systems and improved livelihoods for rural communities across India.

## Conclusion

The study on the role of NABARD Bank in the rural development of Chandrapur District highlights the significant impact of NABARD's initiatives in fostering economic growth and improving the quality of life in rural areas. The findings reveal that NABARD's credit facilities, subsidies, and support for sustainable agricultural practices and rural entrepreneurship have substantially contributed to enhancing economic stability and livelihood opportunities for the rural population. Despite facing challenges such as limited awareness and access to resources, NABARD's continued efforts and adaptive strategies have created a positive and lasting influence on rural development. This underscores the importance of strengthening such financial institutions to further drive socio-economic progress in rural regions.

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