Impact of Kissan Credit Cards on the Socio-Economic Life of People in Jammu and Kashmir

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Abstract: The article is associated with finding out the impression of the Kissan Credit Cards on the socio-economic life of the individuals from the districts of Shopian, Pulwama, Baramulla, Bandipora and Kulgam of the State of Jammu and Kashmir and therefore the character of this credit card is measured in eliminating the financial dependence of the individuals and to ascertain whether have they become autonomous and non-dependable on higher commission granting agents or agencies and whether it had changed the outlook of the unemployed youth of the state, besides measuring the role of these cards in eradicating unemployment and how far they have become self-reliant. The impact of the Kissan credit cards on the socio-economic life of the individuals was studied and a questionnaire with the set of bound questions focusing the goal for studying the research finding was prepared and the result was investigated by means of these questionnaires.

Keywords: Agriculturalists, Credit Card, Commission, Economic, Interest Rate, Kissan, Renewal.
1. Introduction

Kissan credit card in brief or popularly referred to as KCC throughout the Jammu and Kashmir State particularly is a variety of credit card that provides affordable credit to farmers or alternative agriculturalists or producers of production. Kissan Credit card is a type of credit card, which has been categorically started by the Government of India in association with the Reserve Bank of India and NABARD (National Bank for Agricultural and Rural Development) in the year 1998-99 to assist farmers in obtaining access to timely and adequate credit facilities required by them in production of various stages while manufacturing different varieties of crops and this Kissan credit card permits farmers to possess cash credit facilities without going through time consuming bank credit screening processes repeatedly and or at repeated intervals. Thus the sole aim of this type of credit card was to protect the farmers from the crunch of the non-availability of the timely credits needed for their crop production meant from production to marketing. There were severe challenges before the farmers of these areas like non-availability of the timely credit was biggest issues of the time and inversely due to this non-availability of the fund, they were suffering from timely non-availability of chemicals, fertilizers, other insect sides, and pest sides along with transportation and labour problems from the production level to the harvesting level. This centrally subsidised scheme was not limited and in the meantime it spread in the whole of the country and the farmers of the Jammu and Kashmir State got benefitted from this centrally sponsored government initiative, which was fully adopted by the nationalised and regional bank in the state.

The economy and the farmers of the state of Jammu and Kashmir suffering firstly by the uncertain climatic conditions and secondly the biggest of the bigger challenge was non-availability of the credit at the time of need. The government of the state was paying less importance on this and soon after launch of the Kissan credit card scheme by the government of India meant for the upliftment of the farmers and economy, all economic activity related sectors got activated sooner or late. During the initial stages of the said launched scheme, there was no scope for it and hardly few people were aware about it and nearly twenty thousand cards were issued in the state by the end of the September 2001.1 The State’s so called main leading banks were also lagging their interests in expanding the KCC network to farmers and the State’s main banks have shown the less interest in expanding the scheme to the needy beneficiaries. A report submitted by the government of the Jammu and Kashmir had hinted at the failure of the KCC in the state and the principal secretary agriculture was right in saying, “The

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1 Economic Times of India, Feb. 12, 2002.
banks are to be blamed for the slow delivery of credit to farmers”² and till the end of the year 2007, only 74,301 cards were given to beneficiaries resulting in the credit disbursement of 283.7 crores.

The Kissan credit cards can only full fill the dreams of the deserving and needy farmers who need these advance credit facilities for their harder times only when the State’s main lending banks can come up will clear vision, scope and effort. The Kissan credit cards have successfully helped in the fulfilment of the desired dreams of the farmers. The main intentions behind the launching of the KCC scheme in collaboration with Reserve Bank of India (RBI) are as:³

- To meet the short term credit requirements for cultivation of crops.
- Post-harvest expenses.
- Helping in generating the Marketing loans.
- Consumption requirements of farmer households.
- Working capital for maintenance of farm assets and activities allied to agriculture, like dairy animals, inland fishery etc.
- Investment credit requirement for agriculture and allied activities like pump sets, sprayers, dairy animals etc.

While keeping the above aims and objectives in mind, all the regional and nationalized banks started working harder on them from the period 2007 only onwards and mostly from 2010 onwards and they were successful in achieving the great results of the time and became prosperous in making KCC’s a common tool for the farmers for their production needs as their sole aim. Table 1 clearly shows the target achievement of the Kissan credit cards by Jammu and Kashmir bank⁴, which is considered as one of the main operating bank in the state.

### Table 1: Implementation of the Scheme of KCC -Year wise Target and Achievements.⁵

<table>
<thead>
<tr>
<th>Year</th>
<th>Target A/C</th>
<th>Target Amount (Lakhs)</th>
<th>KCC Sanctioned A/C</th>
<th>KCC Sanctioned Amount (Lakhs)</th>
<th>% of Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>30766</td>
<td>3627.07</td>
<td>4393</td>
<td>1718.29</td>
<td>47%</td>
</tr>
<tr>
<td>2003-04</td>
<td>39170</td>
<td>5613.02</td>
<td>3098</td>
<td>2200.90</td>
<td>39%</td>
</tr>
<tr>
<td>2004-05</td>
<td>102368</td>
<td>9690.41</td>
<td>5781</td>
<td>2283.37</td>
<td>24%</td>
</tr>
<tr>
<td>2005-06</td>
<td>113805</td>
<td>10982.57</td>
<td>10223</td>
<td>2356.97</td>
<td>21%</td>
</tr>
<tr>
<td>2006-07</td>
<td>66799</td>
<td>12047.96</td>
<td>4599</td>
<td>2375.02</td>
<td>20%</td>
</tr>
</tbody>
</table>

³ ‘http://www.jkslb.com/kcc.php’
⁴ Jammu and kashmir bank is known as largest source of employment generation for the youth of the state.
From the data in table 1, there is a clear indication of target achievements being made up to the highest of all or making it hundred percent. The Jammu and Kashmir has shown keen interest in the last 5-7 years and especially from the year 2012 in making KCC a common tool for farmers.

1.1. Salient Features of KCC

The induction of the Kissan Credit Cards in the society was introduced to erase the dependence on higher commission granting agents and agencies and with certain aims, objectives and purposes, thus it was brought up in the society by the central bank of India (RBI) in collaboration with other nationalised and regional rural banks for making the farmers of the nation more self-sufficient and self-reliant. The purposes of the KCC’s are as:

Finance to Growers

The Kissan Credit Card is assessed on entire fruit bearing grove closely held by the farmer or any of his family member and providing of a personal credit limit of Rupees 1 Lakh and without keeping any record of land holding and thereby it is acting as a main tool of finance for the farmers. Usually the credit limit of Growers is to be assessed and sanctioned for a duration of three years. The limit can get mechanically revived annually subject to satisfactory conduct of the account and the customer.

The card is a preventive tool from Pre-harvest stage to post Harvesting stage, like from picking, packing, grading and finally up to the marketing state also.

Besides this, all the agriculturist do not need to submit any monetary statement or record for sanction of credit facility excepting personal statement and land holding record, wherever required in addition to papers beneath KYC (Know Your Customer) norms.
1.2. Purpose

To provide comprehensive and timely credit availability or assistance to all the farmers irrespective of any discrimination and to help them in making self-reliant and non-dependent on other commission granting and forwarding agencies or agents.

1.3. KCC and Politics

Kissan credit card as a political instrument has been used in the State of Jammu and Kashmir to persuade the electorates and it was commonly used in the assembly elections of the 2014 generally by the People’s Democratic Party (PDP) and National Conference (NC) for receiving the larger voter turnout and sustenance.

“The People’s Democratic Party (PDP) along with other Political parties had used this tool to convenience voters. They promised the innocent voters that they are going to exempt them from paying the KCC loans, if voted to power. The voters blindly voted for them in huge numbers and with this tool of propaganda they retained most of the seats in Kashmir region.”

They got huge support from these poor of the poorest farmers who were in hope that their loan amounts will be waived off due to the 2014 massive floods followed by the unnecessary rains in the State. As, all the crops were damaged and the state had pitched a massive destruction through these floods. Soon after the return of life to normalcy to some extent, the state was not in a position to hold elections, the sudden elections were announced and the voters were told that their KCC’s will be waived off, if they vote for us. The voters were deceived because neither their loan amounts were waived off, nor the interest rate incurred on these loan amounts during that three months long massive rains period followed by severe floods in the state were not taken into consideration and in this way they were left with extra encumbrances, hence KCC factor in election was clearly seen as a deceiving methodology for gaining bulky public backing.

1.4. Aims & Objectives of Research

- To study the impact of the Kissan Credit Cards on the socio-economic life of the State.
- To study the genesis of the Kissan credit cards in coping out the rate of unemployment and in creating out new opportunities and possibilities of employment.
- To study the role of Kissan credit cards in tackling the role of commission granting and forwarding agents along with the abolishing of system of margin money.

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• To study the contribution of Kissan Credit Cards in making farmers self-reliant and independent
• To study interest rates incurred on it and its mechanism of renewal process

1.5. Significance of Study

Reviewing the influence of the Kissan credit cards on the socio-economic life of the people in the State of Jammu and Kashmir is of superior implication and usage and it is not only concerned with the financial happenings of the people, but is associated with the generation of the employment foundations and instructing in the manufacturers the synchronization of self-sufficiency and non-dependence on other sources of the commission yielding organizations or representatives.

Who in the world is not conscious about the Kashmir discontent? Diverse forums and different experts are pinpointing the Kashmir disturbance due to the states geographical inaccessibility or basically due to the large number of unemployed youth, who are without any jobs, but on the other hand are able, who can professionally work?

Unemployment degree hazard inspection in the state is of enormous use and will be helpful in confronting the Kashmir strife and Kissan Credit Cards scheme a propelled initiative by the central government of India in collaboration with the regional banks had a tremendous job in computing the employment generation approaches, self-reliance, self-sufficiency, independence from commission granting agencies like that of the Aarthi or Beopari System. The KCC’s have played a significant role in eradicating the system of Arthi system, because due to the availing of the credit cards the producers have become self-reliant due to the obtainability of the timely credit and this has resulted in the savings of huge commissions and charges which were imposed on their yields after attaining a credit from commission agents. The subscribers of the Kissan credit cards have successfully been able to increase their crop productions because due to the availability of the timely credit, that they use in various segments of production of their crops and also up to the post-harvest phase, hence the study is of vibrant and noteworthy significance.

1.6. Literature Review

• Reserve Bank of India (2006) had also testified that the lone common reason that can be seen across all sections is that manifestation of economic suffering is principally through indebtedness. The suffering may be systemic that is faced by a large number of families or may be idiosyncratic, which is specific to the certain household. This systemic pain may be due to production loses in two uninterrupted years due to natural calamities and subsequent inability to repay loans resulting in enlarged indebtedness.
The National Commission on Farmers (NCF) beneath the chairmanship of Prof. M.S. Swami Nathan had submitted its final report in October 2007. The report had specified that enhancement in the outreach and proficiency of the rural banking structure is the need of the time. Towards this culmination, the economic facilities would be electrified for judicious, satisfactory and relaxed extent to the farmers at sensible interest rates. The banking system would endeavor to meet the large credit potential needed to raise agriculture to higher thresholds and for the growth of rural and agroindustry innovativeness and employment. (Government of India, 2007).

Samantara (2010) mentioned that the introduction of a new credit product called Kissan Credit Card (KCC) in 1998-99 with three different sub limits viz. production, assets maintenance and consumption needs is a step in this direction to address the challenge.

Danish Faruqui (2001) opined that the scheme seems well thought of and full of good intentions. Not only has availability of credit been made easier but has also been made simple to get and operate. Farmers have been given sufficient freedom to decide how to use their credit, while at the same time a set repayment schedule has been provided. However for this scheme to be successful, education of both the farmers and also the bank officials about the scheme is required.

Chaudhuri and Gupta (1996) had presented a concept of interest rate determination in the informal credit market in backward farming. The market for informal credit is created by the delay in disbursement of formal credit. The postponement is controlled by the official of the formal credit agency, and he is bribed by the farmer to reduce the delay. The official and the moneylender play a non-cooperative game in choosing the bribing rate and the informal interest rate, respectively. The informal sector interest rate and the effective formal sector interest rate are equal in equilibrium. Agricultural price and credit subsidy policies may raise the interest rate in the informal credit market.

Sharma Ankit (2008) had carried out a top and thorough study on the Kissan credit cards that allow easy and timely credit availability to farmers. He in his study paper had found that the non-availability of the needed timely credit for these poor farmers had become a major challenge and possesses a serious setback. Their agricultural sector has become a prey of inefficiency due to lack of the non-availability of the timely credit availability.

Kumar Sonali (2005) had taken out a far reaching study on the Kissan credit cards resulting in the failure of attracting more farmers. He in his research paper had analyzed that the Jammu and Kashmir government report had pointed out that up to the 2004 end, not more than 74,301 beneficiaries in the state were availing these Kissan credit cards and that had resulted in the disbursement of the Rs. 283.7 crore.
2. Research Methodology

Studying the impact of the Kissan credit cards is not easy and it is a dynamic aspect which needs several and various research methodologies and they were used in the form of Interviews and case studies.

Study mainly relied on primary and secondary resources. Primary sources of data have been collected from the Jammu and Kashmir government reports, annual reports of Jammu and Kashmir bank, reports from finance ministry of the State.

On the other hand secondary data that was too limited or even not available openly mainly relied on the relevant books, articles and papers published in various journals, magazines, periodicals, newspapers and websites.

Besides from the above two sources, participatory research methods along with observational methods were used for exploring the research.

In addition to the above methods used for exploring the research paper, a questionnaire with a set of questions was framed aiming at the selected objectives was prepared and responses of 336 respondents was collected and that were later analyzed in SPSS software.

2.1. Research Question

How are people’s attitudes like Self-Reliance, Unemployment and dependence on higher commission granting or forwarding agents being impacted by availing Kissan Credit cards?

2.1.1. Null hypothesis one (H01)

People’s attitudes towards Self-Reliance, Unemployment, and dependence on higher commission granting or forwarding agents is not impacted significantly by the absence of Kissan credit cards.

2.1.2. Alternate hypothesis one (H1)

People’s attitudes towards Self-Reliance, Unemployment, and dependence on higher commission granting or forwarding agents is impacted significantly by the absence of Kissan credit cards.

2.2. Data Analysis

For studying the impact of the Kissan Credit cards on the socio-economic life of the people in the state of Jammu and Kashmir, the study of these Districts viz. Shopian, Pulwama, Baramulla, Bandipora and Kulgam was conducted and a questionnaire with the set target of the questions aimed at
the objectives was prepared and the responses of the 336 male respondents were recorded in the questionnaires distributed to them. The 336 respondents belonged to 87 villages residing under different Districts and Tehsils. All the respondents were males. Out of the 336 respondents 14.88% males belonged to the age group from 18-28 years, 19.94% males were from 29-39 years of age group, 17.26% belonged to 40-50 years of age group, 25.60% belonged to 51-61 years of age group and 22.32% males of the respondents belonged to the age group above 62 years respectively. This composition of the age factor can further be seen in the below Figure 1 clearly.

![Age Group Chart]

**Fig. 1:** Age Group of the respondents. Source: Field Data, 2015.

**Gender and Occupational Value of Sample**

In the state of the Jammu and Kashmir where the Islamic influence is mostly prevalent and the man is in most of the households regarded as the bread earner and this scope of earning is also influential in all the sectors of the society. Talking about the demographic composition of the calculated sample size all the 336 respondents who were selected for the research results were all males and only two women beneficiaries availing the KCC’s were noted and they were not willing to talk or in mood to disclose their experiences about KCC’s and they were totally left out from the calculated sample sizes. Table 2 shows the sex ratio of the respondents. All the respondents were male beneficiaries as the banks were also seen reluctant in offering the same schemes to the female counterparts.

Out of those calculated participants 146/336 were as employed, and 190/336 were unemployed and all the participants were beneficiaries of the Kissan credit cards. 43.5% participants were
employed and 56.5% of the total samples were unemployed. The employed and Unemployment status of all the samples can be easily understood in the Table 3 by looking at their percentages.

<table>
<thead>
<tr>
<th>Table 2: Sex Ratio of the Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>Valid</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 3: Occupation of the Respondents*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>Not employed</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

*Source: Field Data, 2015.

**Economic Upliftment and Boost to economy**

The impact of the Kissan credit cards on the economy of the people as well as in uplifting their social moral has been seen and this credit card has helped them a lot in the affairs of the timely credits meant for the production utilization. Out of the total calculated sample size of 336, 93.2% of the total population size said that their economic standard was boosted and only 23 samples out of 336 did not favour or have not seen any improvement in their economic elevation. This accounts only 6.8% of the total sample size tested and the total evaluation of this phenomenon is given in table 4 with easy understanding.

<table>
<thead>
<tr>
<th>Table 4: Boosted economies after availing KCC’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

**Planning Loans and financial self-Reliance**

Governmental agencies or policy makers do come up with the various polices that are meant for the welfare of the people but even after the launching of the schemes by the concerned authorities majority of the population remains inactive in availing these schemes or just remain out of information from these schemes and this results in the inefficient implementation of these beneficial schemes. Talking about the Kissan Credit card scheme launched in the state of the Jammu and Kashmir, the areas surrounded by the apple cultivating areas were seen more active in availing the Kissan credit cards than those areas which were less active in apple production and there a lesser impression of the
KCC’s was recorded. The selected sample size of the population that was analyzed in post data collection method and it was observed that 69.35 percent of the total calculated were of the view that they will also avail this type of credit card in future also, while on the other hand only 30.65 per cent of the total calculated sample size out the total selected population size were against the view of availing it in future period. The analysis can be understood in table 5.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Yes</td>
<td>233</td>
<td>69.3</td>
<td>69.3</td>
<td>69.3</td>
</tr>
<tr>
<td>Valid No</td>
<td>103</td>
<td>30.7</td>
<td>30.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>336</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Some governmental or non-governmental schemes even after the successful launches also fail in achieving the selected targets or the prescribed targets, but in the regards and as analysed from the selected sample size it was found that a large number of beneficiaries were now self-reliant in terms of credit generation and an overwhelming population size of 86.31 percent agreed that they were now financially self-reliant. The ratio of their finical self-reliance is shown in the table 6.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Yes</td>
<td>290</td>
<td>86.3</td>
<td>86.3</td>
<td>86.3</td>
</tr>
<tr>
<td>Valid No</td>
<td>46</td>
<td>13.7</td>
<td>13.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>336</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Abolition of Margin Money and Tackling Unemployment**

The fruit growers were suffering from lots of challenges from natural discomforts to timely availability of the credit. The biggest challenge was of that the non-availability of the timely credit needed in the production process of the crops like Fertilizers, Chemical Sprays, Other pesticides and Insect sides along with labour charges and Storages Processes. There was earlier dependence on third party agents who were granting money in advance and later charging higher rates of commission rates, which was making the real producers of the production as incapable and highly dependent ones at the times of need.

After the birth of the Kissan credit cards, the farmers now are fully independent ones and it has also saved their production from higher rates of unprecedented commissions and also it has led to the crop production revolution due to the timely availability of all the sources meant for the production from beginning to marketing. In the figure 1.12 the result is clearly shown as 70.8% of the population
size said that Kissan credit cards have helped a lot in erasing the dependence on the commission and forwarding agents and only 29.2% of the total sample size did not favour it, this can be seen clearly in the table 7.

**Table 7: Abolition of the system of margin money after coming up of KCC’s**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>238</td>
<td>70.8</td>
<td>70.8</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>98</td>
<td>29.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>336</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The Jammu and Kashmir bank which is well thought out as the main sector for the employment has directly or indirectly helped a lot in tackling the rate of unemployment in the state of the Jammu and Kashmir through direct methods like jobs or through indirect methods like creating new schemes and granting loans to the unemployed youth at the lower interest rates for their survival and need. The availing of the Kissan credit cards through easy mechanism process has helped mainly the small and local fruit growers at the primary level and they have become self-reliant and are now in better positions in the affairs of the employment process and these this timely credit process have made them non-dependent on other sources of commission. 65.2% of the total sample size of the total selected population said that Kissan credit cards have helped them a lot in tackling them the unemployment challenges. On the other hand, 34.8% of the total sample size did not find it beneficial in coping their unemployment challenge and this is clearly shown in the table 8.

**Table 8: Kissan Credit Cards in tackling the Unemployment rate**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>219</td>
<td>65.2</td>
<td>65.2</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>117</td>
<td>34.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>336</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Purpose, Interest rate and Renewal Process**

Granting some scheme is as important as for what purpose the scheme after availing had been used. When a visit was paid to the Jammu and Kashmir bank Vehil branch, there it was observed that a misconception among the staff was that the beneficiaries have used all the money for business and housing or some other purposes. But the result after testing the population was some quite different as the 66.1% of the total population had used the loan amount on only agricultural purposes, while 31.5% and 2.4% of the people had spent their loans amount on the housing and business sectors. This makes
it clear that larges number of the total sample size used it for the agricultural purposes. The results of the data analysis tested can be easily understood in Figure 2.

![Pie chart showing purposes of loan amount usage](image)

**Fig. 2:** Purpose of the Usage of KCC’s after availing it. Source: Field Data, 2015.

Talking about the interest rate on the loan amount and the result analysis from the samples, it was found that lesser size of the population is aware about interest rate incurred on it and they hardly know about the renewal process. The misconception about the interest rate and renewal process was vastly observed and 41.1% of total sample size said above interest rate is above 4 percent and 58.9% of the total sample size said it at above 7 percent. The views expressed on the interest rate imposition is given in the data table 9.

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Above</td>
<td>138</td>
<td>41.1</td>
<td>41.1</td>
<td>41.1</td>
</tr>
<tr>
<td>7 Above</td>
<td>198</td>
<td>58.9</td>
<td>58.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>336</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Table 9: Interest rate incurred on Kissan Credit cards**

Taking into consideration the renewal process of the loan nearly 56.0% of samples said, its renewal process is yearly and 25.3 % of sample size said it needs to be renewed within two years and also nearly 18.8% of the sample size said within the period of five years. Clear misunderstanding was seen in all the respondents and most of the respondents were not aware about the renewal process. Even most of the bank employees were not fully confident about the renewal process and they too used to enquire from senior most colleagues about the renewal process of the KCC, this analysis was
diagnosed through participatory research and observational methods. The recoded test can be easily understood by the Figure 3 which is clearly showing its different renewal processes expressed by different groups of respondents.

**Fig. 3:** Renewal Process of Kissan Credit Cards. Source: Field Data, 2015.

### 3. Results and Discussion

**3.1. Findings**

- There is a direct relationship between the socio-economic upliftment and Kissan credit cards as 93% of the beneficiaries have got boosted their socio-economic sector.
- Dependence on other commission granting and forwarding agents has been washed away as 86.31% of the total selected samples have become self-reliant.
- 70.8% of the total calculated sample size have said that they are now free from other higher commission-granting traders or agents. While 65.18% of the total samples have favoured Kissan Credit Cards in tackling the unemployment rate.
- The Kissan credit cards have been used for agricultural purposes and it has become as a bank itself for farmers due to the on time availability of funds that are meant for their various cost production activities.
- People are not aware about the interest rates and renewal process and these two aspects should be kept in mind by bank authorities and any doubts or clarification regarding these two aspects should be sought out at earliest.
2.38% and the 31.55% percent of the beneficiaries have utilised their loan amount for the purpose of Business and Housing respectively.

3.2. Limitations

- The result may vary from population to population or from though sample size also.
- The study carried out in selected districts may not match with other district where not carried out.
- Whole of the population is not represented because the Kissan credit cards are given only to the real owners of the land by keeping their land records written on papers issues by the local Patwari’s and the study may not be applicable to those who are not beneficiaries of this credit card.
- Firstly, the Guarantors needed at the time of sanctioning the loan amount after all the formalities are over is a biggest challenge in it. Secondly, the sanctioning of the limited amount of money per acre/hectare of land is also a biggest challenge.

3.3. Suggestions

- Beneficiaries should be made aware about the interest rates incurred on it and proper guidance should be there in place before release of the credit to beneficiaries and we are recommending one counselor from the bank be placed for the proper guidance and counseling as 41.1% of the total sample size said the interest rate above 4% and 58.9% of the total calculated sample size said interest rate is above 7%.
- The beneficiaries of Kissan credit cards are not fully aware about the renewal process, which indirectly is affecting the bank business and also results in the imposition of larger interest rates on beneficiaries. 56% of the total sample size tested said that the renewal process is yearly and 25.3% and 18.8% of the calculated sample size said that renewal is after two years and within five years respectively. All the beneficiaries should be properly by dint of counseling informed about the timely renewal of Kissan credit cards and this will help them from imposition of high interest rate.
- The system of the guarantors should be totally abolished and it should be there for credit limit exceeding rupees three lakhs and above along with the reduction in documentation charges.
- Crop insurance and payment deferment should be there at the times of natural calamity or any other loss.
- The Jammu and Kashmir bank needs to inculcate in some staff members the manners of behaving with the people and also they should become more responsible and more reliable.
towards the consumers. Out of the 27 working staff members of the Jammu and Kashmir bank, 13 were rude or were unaware about the public dealings.

4. Conclusions

The influence of the Kissan Credit cards (KCC’s) has been realized there in the general public and the deprived agriculturalist or the needy of the neediest who were deprived of the help from any funding agency whether from the governmental or semi-governmental sector, these agriculturalist consisting mainly the poor of the poorest and constituting major of the producers as without the third party sustenance. These agriculturalists were suffering from the pre-production stage to the post-harvest stage. There were some fund granting agents but who were naturally working as the commission granting agents or agencies and were working also for their self-benefits and were also in proprietorship of the huge collections from these resource less manufacturers by imposing higher rates in the form of duties. The problem of these commission granting agencies is that, they primarily think of their benefits and were paying much less stress on the welfare of the agriculturalist.

The time came up and the government of the India along with the Reserve Bank of India (RBI) and NABARD (National Bank for Agriculture and Rural Development) came up with a type of credit card for those farmers which can offer them reasonably priced credit at the time of need and at both the stages of production whether pre or post-harvest season at very low interest rates, thereby saving them from the menace of paying huge commissions to these mediators.

The scheme of the Kissan credit cards was propelled throughout the nation pointing at the prosperity of the all farmers in the country. The State of Jammu and Kashmir did not show any full-fledged interest in it in the commencement and in the last 3-5 years the name KCC is on everyone’s tongue and now by dint of huge public interest, the credit card scheme has benefitted almost all the agriculturalists in the state.

The impact of these cards was seen quite obliviously among the people in the Districts of Shopian, Pulwama, Baramulla, Bandipora and Kulgam and people had benefitted a lot in expanding their production sector along with the slight growth in their business expansion.

For studying this whole phenomenon and finding its association with socio-economic Upliftment of the people and how their financial prudence got enhanced and how their development rate got an intensification. The task of finding the relationship between these factors and Kissan credit card was not easy and a Questionare with the set of certain questions targeting the aims and objectives of this research paper was produced followed by the recording of their responses in these questionnaires and it took at least 14 months in assembling the facts followed by the data analysis with the help of some specialists in the field.
Objectives of the research paper like the finding of the impact of Kissan Credit Cards on the economy of the People in Kashmir, along with studying the genesis of the Kissan credit cards in coping out the rate of unemployment and in creating out new opportunities and potentials of employment, besides studying the contribution of Kissan Credit Cards in making farmers self-sufficient and self-governing in addition to find out the role of this card in tackling the role of commission yielding and forwarding agents along with the eradicating of system of margin money. The task was not easy and it took a serious effort besides consuming a huge time in finding out all these facts in reference with the set of framed objective. The findings or the discussion of the research paper are discussed as below:

**Unemployment**

There is no denial in the fact that Kissan credit cards had much impact in increasing the agricultural development output besides this it helped a lot in confronting the unemployment rate in the state and those people who were earlier helpless and were without any sources for generating their self-employment status and were always in search of some new ways or were subjects of huge bank rate and were always in distress and it was becoming hard to earn their daily needs. With the induction of this scheme at least they got some bonus and the impact of the Kissan credit cards on the earning status of these beneficiaries falling under that scheme was quite obviously seen and there was a strong relationship seen between the Kissan credit cards and unemployed youth of the state as 65% of the total calculated sample size of the total population said that it has helped in tacking the unemployment rate.

**Interest rate of KCC & Renewal process**

The scheme launched by the central governmental along with help of Reserve Bank of India (RBI) has its some of the own limitations and most of the beneficiaries availing this scheme are not aware about the interest rate incurred on it or are less aware about its timely renewal process. From the total calculated sample size of the total selected population the tested results revealed that 41.07% of the total selected sample size said that its interest rate is above four (4) per cent and 58.93% of the total sample size said that its interest rate is above the seven (7) per cent, thus making it a controversial one. On the other hand the beneficiaries possess the worst information on the renewal process about the scheme and they do not know the real renewal process and are totally unaware about that and need strict guidelines or strong counselling at the time of the passing or sanctioning of the loan amount and this can be made possible through local media and or through electronic press also. The tests generated form the selected population size revealed that 55.95% of the total calculated samples said that its
renewal process is yearly, while 25.30% of the total sample size said that it renewal process is after 2 years and 18.75% of the total tested sample size said that its renewal process is within five years.

**Abolition of margin money and self-reliance**

Before the non-existence of the said scheme these poor of the poorest farmers were subject to heavy commissions and charges levied on various phases of production. After the birth of the scheme these farmers and the needy agriculturalists got some relief from these commission and forwarding agents and now they got independence from their grants which were highly commissionable in nature and it was by dint of this scheme that 70.8% of the total calculated population size said that these Kissan credit cards have abolished the system of margin money or has helped a lot in reducing the dependence on the commission granting or commission forwarding agents or agencies. Commission granting and forwarding agents or agencies have been washed away as 86.31% of the total calculated samples size have become self-reliant and are now in much better positions than before and this has resulted in expansion of their agricultural growth.

**Economy Upliftment and timely credit**

The recipients availing this credit card now were in better positions than before and due to the timely credit availability through this card the poor of the poorest farmers outstretched their economics and also resulted in their social Upliftment. Direct relationship between the socio-economic upliftment and Kissan credit cards was seen there as 93% of the beneficiaries have got furthered their socio-economic segment and were now in better situation in terms of the manufacture.

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References


Acronyms

**BR**: Base Rate  
**CC**: Cash Credit  
**CSC**: Common Services Centre  
**GOI**: Government of India  
**G2C**: Government to Citizen  
**IR**: Interest Rate  
**IT**: Information Technology  
**J&K**: Jammu and Kashmir  
**J&K Bank**: Jammu and Kashmir Bank
KCC: Kissan credit Card
KYC: Know Your Customer
NABARD: National Bank for Agriculture and Rural Development
NC: National Conference
PLR: Prime Lending Rate
PDP: People’s Democratic Party
RBI: Reserve bank of India.
VLEs: Village Level Entrepreneurs

Notes

Arthi: Commission agent
Affidavit: A written statement confirmed by oath or affirmation, for use as evidence in court by these producers for obtaining the Kissan Credit Card.
Beopari: village level trader.
Cold Storage: The temporary postponement where the perishable goods are kept in colder places or cold store rooms.
Mandi: Market
Patwari: A government official who keeps records regarding the ownership of land.
Watak: A written paper containing a statement of all the commissions incurred while selling the commodity.
Zamindar: Landlord.

Authors Biography

Nasir Ahmad Ganaie: presently working as a Ph.D. research Scholar in the department of Political Science, School of Social Science, Hyderabad Central University, Hyderabad, Telangana, India. I’m perusing my Doctorate degree under the supervision of Dr. Ramdas Rupavath (Associate Professor-and an eminent social scientist). I have obtained my Master’s Degree in Political Science from Garhwal Central University, Uttarakhand, India.

Born in a backward village of Reashinager of Shopian District, Jammu and Kashmir, India and a militancy prone area and had grown under several disturbances. Have received my whole of the education in government aided schools from eighth standard. I’m active social scientist who is working for the downtrodden ones in community and try to raise the help of the marginalized communities of the society. I have several publications to my credit which have been published in double blind peer reviewed journals with good impact factors and I’m regularly contributing articles of national and international importance in newspapers and they are highly appreciated and are being published.

My areas of specialization are Indian Political process, Identity and Politics, Conflict and Peace studies, Political Participation, Human rights, Comparative Politics, Regional Studies, Socio economic Disparity, and religious minorities in indigenous Societies and currently my doctoral thesis is dealing with the Kashmir unrest.
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I’m an active Political Scientist from India and specialized in modern Indian Political Process, Politics of Tribal Development and Democratic theory and Practice from undergraduate to Masters Level, in the process developing a strong interest in the politics of subaltern and marginalized groups. I did my M.A, M. Phil. and Ph.D. from Jawaharlal Nehru University (JNU, New Delhi, on Tribal Land Alienation and political movement in south India. My research interests are common, the effects of power/knowledge, govern mentality and dominance on subaltern communities, particularly Adivasi’s; the state and nationalism, and identity movements by forest and hill peoples in the nineteenth and twentieth century, presently I am teaching at University of Hyderabad as Associate Professor. I am also associated with Adivasi (indigenous) people’s human right association in the state of Andhra Pradesh. Among my recent publications are:


I’m now working on Politics and history of Lambadi community of India. Published many articles in national and international referred Journals. Besides this, I have conducted various national survey and projects which are funded by UGC and ICSSR. I was born in a small hamlet of South Indian Telangana State in 1970’s and grew up in the 1980’s as part of the first generation born in post-colonial Telangana. Hamlets in India have not changed radically during 69 years of independence.