Research Paper

Credit, risk and market orientations of the rural farming youth of Uttar Pradesh and Rajasthan

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ABSTRACT : Farming has been the mainstay of India for centuries. But, of late, reluctance is observed among youth to enter the farming sector. At the same time the youth unemployment rates in India are on rise. Also, the country is witnessing a mass exodus of youth from villages to cities in the recent years. To restrict this exodus and to mitigate the unemployment rate, development of rural areas is essential and most appropriate action for this is entrepreneurship development. In case of villages, it is the farming sector which can act as potential source of entrepreneurship development. For these rural agripreneurs, needs to be developed. In case of agripreneurship credit, market and risk orientation plays an important role in the development of an agripreneur. Current study is one such attempt to analyze these qualities of rural youth of Uttar Pradesh and Rajasthan. A multistage sampling technique was employed in selection of 100 rural youth respondents each, from both these states. Standard scales were used to measure the variables of the study. A semi structured interview schedule was employed to collect information about background variables. The results of the study revealed that credit and market orientations significantly differed between the states, but no difference in risk orientation was found between the states. The study also reveled that these variables are related to most of the socio-personal, socio-economic and communication variables like age, education, income and mass media exposure.

KEY WORDS : Credit orientation, Risk orientation, Market orientation, Rural youth

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INTRODUCTION

Farming has been the mainstay of India for centuries. Majority of the population of rural Indians are working in the farming sector in India. Of late about 49 per cent of the Indian workers are involved in the farming sector (GOI, 2014). This figures showed that a rapid decline has happened in the percentage of people involved in farming as the figures in the start of this century was almost near 70 per cent. But population of India is increasing. It is said that by 2025, the Indian population will increase to 1.4 billion and almost equal to that of china (Bhat, 2003). After 2025 also the Indian population will grow at the rate of one per cent per annum (*ibid*). In order to feed this huge population, agriculture growth is very much essential for the country. But for this to happen, India needs to employ its best resources, both human and natural in this sector.

The best human resources for any country in the world are its educated youth since they are intelligent, dynamic and tech savvy. Unfortunately, this is also the set of population who are disillusioned with the farming sector.

Studies from most part of the world have revealed that rural youth from the farming families are disinclined to enter farming and this reluctance is especially high among the educated category of rural youth. This can be read along with the fact that 32 per cent of the graduate youth in India are unemployed while its only 3.7 per cent for illiterate youth (GOI, 2013). Many of these youth are migrating to cities with the expectation of finding greener pasture. But in most cases they fail and take whatever meager jobs available to them in the cities.

The major problem with the rural youth of the country is the lack of self employment opportunities. At the same time,

the population involved in farming is both decreasing as well as ageing. The mean age of farmers of North India as per the studies conducted by Food and Agricultural Organization was 46, 47 and 52 years for small, medium and large farmers, respectively (Sharma *et al.*, 2003). In case of villages, agriculture is the best option for self employment. So for development of both youth and villages, this sector needs to be developed. For this the only time proven source is the development of farm enterprise and rural entrepreneurs. In case of entrepreneurship, whatever be the sector; credit, market and risk orientations of the entrepreneur are important. Credit ensures availability of the resources needed for the development of the enterprise, whereas, an entrepreneur needs moderate risk taking ability to become successful. Success of any entrepreneurial venture depends on the marketability of its products and for this market orientations are necessary. All these skills are also essential for the development of a farming enterprise too. An agripreneur needs these skills to develop his enterprise and present study is one such attempt to analyze the credit, market and risk orientation of rural farming youth with respect to agripreneurial activities of the two states of Uttar Pradesh and Rajasthan, since most of the population in this state are involved in farming. The study will enable to analyze the agripreneurial potential of the youth of these states and will enable to identify lacunae, if any and this will enable in the formulation of appropriate training policies in the entrepreneurial sector for the youth of these states.

MATERIALS AND METHODS

A multistage sampling technique was employed in the present study. The states of Rajasthan and Uttar Pradesh were purposively selected for the present study as majority of the population (70 per cent in Rajasthan and 66 per cent in Uttar Pradesh) of both states are involved in farming (UNDP, 2011). From both the states, a district was randomly selected and from each district a block was selected randomly. In case of Rajasthan, the district selected was Bikaner and in case of Uttar Pradesh, it was Bareilly. From Bikaner, Lunkaransar block and from Bareilly, Mahjgawan block were randomly selected for the study. From each of these blocks 100 rural male youth from farming families, aged between 15-30 were randomly selected after making a comprehensive list of such families using a set of key informant interviews. The 15-30 age interval was followed for selection of sample as per the guidelines given by Government of India, in the youth development policy, 2012 (GOI, 2012).

Standard scales were employed to measure the variables *viz.*, Credit orientation, Market orientation and Risk taking ability. For measuring credit orientation a scale developed by Beal and Sibley (1967) were used after appropriate modifications. The market orientations were measured using a scale developed

for the current purpose. To measure the risk orientations scale developed by Supe (1969) were used after due modification to suit the situation. Along with these standard scales semi structured interview schedules were also employed to get the back ground data on socio personal, socio economic and communication variables. The interview schedule was developed in consultation with the experts, keeping in view the objectives and variables of the study. The data from the rural youth were collected either at their farm or at their houses, personally by the interviewer; in accordance with the convenience of respondents. This process helped to build up rapport with respondents and enable them to express and generate information reliably and in a relaxed atmosphere.

The data collected from sample respondents was coded, tabulated, analyzed and presented in the form of tables. Frequency, percentage and various other statistical tools like mean, standard error and t-test were employed in the analysis and interpretation of the data.

RESULTS AND DATA ANALYSIS

Based on credit orientation, market orientation and risk orientation respondents were classified into 3 categories *viz.*, low, medium and high for each of the variables on the basis of mean scores and standard deviations. The categorization of respondents for these variables are given in the Table 1.

From the perusal of Table 1, it is evident that most of the respondents have medium level of market, credit and risk orientations. In Uttar Pradesh most respondents have medium credit and market orientations, but have low risk orientations. In Rajasthan majority of the respondents have medium level of credit, market and risk orientations.

Mean scores of these variables for the two states were compared using z test. Significant difference in credit and market orientations was found between the respondents of Rajasthan and Uttar Pradesh. However, no such difference was observed with respect to risk orientation scores of both states. The difference might be attributed to the different demographic and social profile of the population of both regions.

The socio-economic, socio-personal and communication variables of the respondents were also studied to get an idea of the relationship of these variables with the credit, market and risk orientations. Mean scores of these variables for two states are given in Table 2.

From the table, it can be inferred that youth in Rajasthan have higher education and income than youth from Uttar Pradesh. This might have contributed to the difference in credit and market orientations. The results also revealed that the land holding of Rajasthan is higher than in Uttar Pradesh. These variables like education and land holding also showed significant difference between the states when statistically analysed by Z-test. So the difference in the two states in credit

and market orientations may be due to the virtue of higher educational qualification of respondents in Rajasthan when compared to Uttar Pradesh. But, with respect to risk orientation it can be inferred from Table 3, that there is no correlation of this with education. This might be the reason that there is no significant difference between two states in risk orientation despite having a difference in educational qualification of the respondents.

From the Table 2, it can be observed that age, income of the respondent, family income of the respondent, education, land holding and mass media exposure are significantly correlated with credit orientation and market orientations. Extension agency contact was not related to both credit and market orientations. From this it can be inferred that extension agencies in both sates fail to deliver market and credit related knowledge to the farming youth. Since market and credit related knowledge did have a influence on corresponding orientations

and thereby help in development of farming enterprise extension agencies should understand their importance and take appropriate steps. As age increases experience in farming increases and so this might have contributed for a positive correlation of age with credit and market orientations. Education increases the chance to acquire knowledge about various sources of credit and also give awareness about the marketing constraints because an educated person exploits more sources of knowledge to obtain information. Mass media increases the knowledge about various sources of credits and also gives idea about markets. So the positive correlation is justified.

In case of risk orientation only age, income and mass media exposure was found to be significantly related to it. Risk orientation deals with the courage to deal with uncertainty in farming sector (Durgarani, 2006). Many studies in Africa have proved that the younger people are more ability to cope with the risk than older people (Jibawo and Satomi, 1996). This

Table 1 : Categorization of the respondents for credit, market and risk orientations

Sr. no	Class	Rajasthan	Uttar Pradesh	Pooled	z-value
Credit orientation					
1.	Low (less than 6.35)	9	32	41	
2.	Medium (6.35-11.36)	70	58	128	
3.	High (more than 11.36)	21	10	31	
Total		100	100	20	
Mean score		9.31±0.23	8.39±0.26	8.85±0.18	2.630**
	Market orientation				
1.	Low (less than 11.32)	19	18	37	
2.	Medium (11.32-18.80)	63	66	129	
3.	High (more than 18.80)	18	16	34	
Total		100	100	200	
Mean Score		16.09±.35	14.03±.37	15.06±0.26	4.036**
	Risk orientation				
1.	Low (less than 12.06)	21	44	65	
2.	Medium (12.06-18.70)	47	42	89	
3.	High (more than 18.70)	32	14	46	
Total		100	100	200	
Mean score		15.17±.34	15.59±.33	15.38±0.23	-.893ns

Table 2 : Mean Scores of socio-personal, socio-economic and communication variables of the respondents of the 2 states

Sr. No.	Variable	Uttar Pradesh	Rajasthan	Z test
	Socio personal variables			
1.	Age (in years)	23.69	23.75	1.437ns
2.	Education (years of schooling)	8.5	10.02	3.27**
	Socio-economic variables			
1.	Respondent income (in rupees)	24405	30268	1.51ns
2.	Family Income (in rupees)	60950	60930	.004ns
3.	Land holding (hectares)	1.2	4.36	11.99**
	Communication variable			
1.	Extension agency contact (Total weighted score)	12.38	12.23	0.623ns
2.	Mass media contact (Total weighted score)	11.42	11.26	1.07ns

Table 3 : Correlation co-efficient (r) of credit, market and risk orientation scores with various socio personal, socio economic and communication variables

Sr. No	Variable	'r' with credit orientations	'r' with market orientations	'r' with risk orientations
1.	Age	0.337**	0.326**	-.788**
2.	Education	0.689**	.698**	.036
3.	Respondent's income	0.350**	.343**	-.315**
4.	Family income	0.450**	.358**	-.070
5.	Land holding	0.322**	0.358**	.027
6.	Extension agent contact	.132	.094	-.077
7.	Mass media exposure	0.453**	0.369**	-.148*

* and ** indicates of significance of values at P=0.01 and P=0.05, respectively

justifies the negative relation of age with risk orientation. With respect to income respondent with higher income has the ability to take more risk (Rogers, 2003). So the positive correlation can be justified. Mass media usually portrays farming in negative shade, as an occupation with high degree of uncertainty (Nugin, 2014). This might be the reason for negative correlation.

Thus, it can be found that there are regional variations in credit and market orientations of the rural youth of both these states with Rajasthan having higher scores for both. Also most of the respondents of the study fell in the medium category for all these variables. Thus the study highlights the need to develop a conclusive strategy to improve the credit, market and risk orientation of the rural youth, so that the entrepreneurship potentials of the rural youth can be increased. For this entrepreneurship education should be given to rural youth so that they can be successful agripreneurs.

Conclusion :

The study had highlighted the credit market and risk orientations of rural youth showed regional variation. Infact they are more dependent on socio economic and demographic variables of the region. Study has also highlighted that majority of the youth possess medium level of credit, market and risk orientations and they is a need to improve these qualities. So novel agripreneurship techniques needs to be employed among these group to augment their agripreneurial qualities, thereby improving the socio-economic condition of the youth as well as the productivity of the farming sector.

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