

FARMERS' PERCEPTION ABOUT ONE WINDOW OPERATION OF AGRICULTURAL DEVELOPMENT BANK OF PAKISTAN

Sher Muhammad, Mushtaq Ali, Ijaz Ashraf and M. Asif Khan
Dept. of Agri. Extension, Univ. of Agri., Faisalabad.

This paper reports farmers' perception about the One Window Operation of ADBP. For this purpose the data were collected from the loanees of Faisalabad branch. Analysis of the data shows that a great majority of the respondents complained about over charging of Pass Book fee and illegal demands by 'Patwaris'. However, the loaning procedure under One Window Operation was perceived as simple and less time consuming. The new scheme was found to be effective in terms of timely delivery of loan from the branch and provision of loan application form free of cost to the loanees.

Key words: Agricultural credit, ADBP, One Window Operation.

INTRODUCTION

Pakistan is predominantly an agricultural country but the average per hectare yield of various farm crops in the country is still very low. This may mainly be attributed to the non-adoption of modern agricultural technologies by farmers. In fact modern agricultural technologies are capital intensive. Capital is required for land leveling, development of effective and efficient irrigation system, water logging and salinity control, purchase of quality inputs (seeds, fertilizers, pesticides) and farm machinery. Agricultural technologies available in Pakistan have the potential to increase agricultural production considerably. However, these are not being adopted by majority of farmers mainly due to lack of capital (Afèef, 1988). The major constraints in the adoption of recommended farm practices were reported to be lack of capital and non-availability of chemical fertilizers (Shaukat, 1986). The farmers who were receiving agricultural credit from Commercial Banks and ADBP were in better position to reduce the yield gap than those who were not receiving credit because of timely availability of inputs (Javed, 1989).

It may imply that non-adoption of improved technologies is closely related with the non-availability of agricultural credit. In fact agricultural credit facilities are integral part of the process of modernization of agricultural sector. Therefore, it becomes necessary to provide adequate credit facilities to farmers to enable them to buy the needed inputs for the adoption of improved technologies to get maximum farm production.

ADBP continues to serve as a major source of agricultural credit for farmers. However, farmers are not satisfied with the loaning procedure for being complicated and time consuming (Rafiq, 1996). ADBP is legally bound to sanction the loan within one to two weeks, provided the applicant has fulfilled all the requirements of getting a loan. But in practice, it rarely happens. Often the loan is granted at the time when it is no more needed (Shafique, 1997).

Keeping in view the difficulties faced by the farmers, a new scheme entitled 'One Window Operation' was started by ADBP in 1998 to simplify the loaning procedure. This new scheme is claimed to be a refinement of the normal loaning procedure. How far it has been effective and popular among the farmers, seems to be an important area to look into. The present paper reports farmers' perception about the implementation of agricultural credit programme of ADBP under One Window Operation.

MATERIALS AND METHODS

The study was confined to ADBP only because of its major role in granting agricultural loans to farmers. The study was further confined to Faisalabad branch of ADBP. The loanees of the branch were scattered over 145 villages, of which 10 villages had eight or more loanees each. Thus these 10 villages were selected as sample villages. These villages were scattered over almost the entire research area. All loanees of the selected villages were taken as study respondents thereby making a sample of 116 respondents. Data were collected with the help of an interview schedule.

RESULTS AND DISCUSSION

Awareness of salient features of One Window Operation
The provincial governments and ADBP have made necessary arrangements for the advertisement of this new scheme through radio, T.V., newspapers, pamphlets and banners. The respondents were asked about the salient features of One Window Operation. Their responses are given in Table I which indicates that 47.41 % of the respondents were aware of most of the salient features of this new scheme, while only 11.21 % of the respondents knew some of the salient features. However, quite a few respondents (41.38%) did not know any of the salient features of the new scheme.

Table 1. Distribution of respondents according to their awareness of salient features of One Window Operation

Category	Awareness	
	No.	%.
Most of the features	55	47.41
Some of the features	13	11.21
None of the features	48	41.38
TOTAL	116	100.00

Completion of Pass Book on the spot

Each farmer who intends to get agricultural credit from ADBP is issued a 'Pass Book', which contains the details of the land held by the loanee. Under the new scheme, Pass Books are sold in duplicate at focal points by Post Office representatives at a cost of Rs.10 per set. The fee for preparation and completion of the Pass Book is paid in the form of court fee stamps. At the time of preparation of a Pass Book, the concerned 'Patwari' issues the Pass Book by recording the applicant's land details in his/her 'Khata' of land. The respondents were asked about the completion of Pass Book. Their responses are recorded in Table 2 which show that all the respondents got their Pass Books completed on the spot. Only about 20% of the respondents were charged the fee for completion of Pass Book according to recommended rate. However, a vast majority (80.17%) of the respondents had to pay fee at more than the recommended rate.

Table 2. Distribution of respondents based on the completion of Pass Book on the spot and the fee paid by them for its completion

Category	No.	%
Completion of Pass Book on the spot	116	100.00
Fee paid according to the recommended rate	23	19.83
Fee paid more than the recommended rate	93	80.17

Availability of Loan application Form:

Loan application forms are made available to the intending borrowers by ADBP. It is a necessary document without which the file of intending borrower is not completed. The respondents were asked about the availability of loan application form. According to the data obtained in this respect, all the respondents had obtained loan application form free of cost at the focal points set out under One Window Operation.

Availability of Loan:

Any loaning scheme or programme will prove to be fruitless, if the loan is not available to needy farmers on time. The loan is of no use if time of its need has gone. Under this new scheme, ADBP is legally bound to sanction and disburse loan on the next day of applying for it provided the applicant has fulfilled all the requirements of getting the loan. The data in this regard are given in Table 3 which indicate that

majority (62.07%) of the respondents had received loan on the next day positively. However, quite a few respondents (37.93%) could not get the sanctioned loan on the next day. It may imply that even with the introduction of new scheme, the problem of delayed delivery of loan has not been fully solved. Still there was unnecessary delay in the disbursement of loan to many needy farmers. These results are in accordance with those of Himayatullah (1993) who reported that the loaning procedure of ADBP was cumbersome. There was unnecessary delay in sanctioning and disbursement of loans to needy farmers.

Table 3. Distribution of respondents based on the availability of loan on next day of applying for it

Category	No.	%
Loan available on next day	72	62.07
Loan not available on next day	44	37.93
TOTAL	116	100.00

Views about loaning procedure:

Loaning procedure of any loaning agency plays an important role in advancing agricultural credit to farmers. If the loaning procedure is perceived as complicated by the farmers, they are unlikely to be easily motivated to get loan. Idrees and Ibrahim (1993) regarded capital as pre-requisite for agricultural development, but the major difficulty faced by the farmers was the complicated and time consuming loaning procedure of the banks including ADBP. Shirazi (1985) reported that major hindrances in applying for loan were lack of detailed information and perceived time consuming and lengthy procedure involved in processing a bank loan like ADBP. Govt. of Pakistan (1988) indicated that major problems regarding access to institutional credit were limited flow of credit and complex loaning procedure, particularly for the low income farmers in less developed areas. The data in this regard are presented in Table 4, which indicate that about 60% of the respondents regarded the loaning procedure under One Window Operation as simple while the remaining about 40% respondents perceived it as very simple. No one regarded the loaning procedure as difficult or very difficult. The respondents in general, had positive views about the loaning procedure under the new scheme.

Table 4. Opinion of respondents regarding loaning procedure under One Window Operation

Loaning Procedure	No.	%.
Very simple	47	40.52
Simple	69	59.48
Difficult	-	-
Very difficult	-	-
TOTAL	116	100.00

CONCLUSIONS

Nearly half of the respondents were aware of most of the salient features of the new scheme which implies that farmers were taking interest in the new scheme. All the respondents got their Pass Books completed on the spot. However, a vast majority of the respondents had to pay fee for the completion of Pass Book at more than the recommended rate. All the respondents had received loan application forms free of cost. Majority of the respondents had received loan on the next day positively. The respondents had positive views about the loaning procedure of AOBP under One Window Operation.

REFERENCES

- AOBP. 1998. Circular No. CO/29/98, dated 10.10.98, Islamabad.
- Afeef, M. 1988. Impact of agricultural credit on the adoption of recommended farm practices by the farmers of tehsil Khushab. M.Sc.(Hons.)Agri. Ext. Thesis, Dept. of Agri. Ext., Univ. of Agri., Faisalabad.
- Govt. of Pak 1988. Report of the National Commission on Agriculture. Ministry of Food, Agriculture and Livestock, Islamabad.
- Hirayatullah, 1996. Agricultural credit availability and requirements in Pakistan. 1. Rural Dev. & Admn. 27(4) 67-74. PARO, Peshawar.
- Idrees, M. and M. Ibrahim. 1993. Farmers' utilization of agricultural credit for the adoption of improved farm practices. J. Rural Dev. & Admn. 25(I) 38-45. PARO, Peshawar.
- Javed, M.T. 1989. A study of productivity differential between progressive and non-progressive farmers in cotton crop: A case study of Bahawalpur... district. M.Sc. Thesis, Dept. of Agri. Econ., Univ. of Agri., Faisalabad.
- Rafiq, M.I. 1996. Impact of supervised agricultural credit on small farmers' production: A case study of AOBP in tehsil Chishtian. M.Sc. Thesis, Dept. of Agri. Econ., Univ. of Agri., Faisalabad.
- Shafique, M. 1997. Post production and future production potential of cotton in the Punjab. M.Sc. Thesis, Dept. of Agri. Econ., Univ. of Agri., Faisalabad.
- Shaukat, M. 1986. A study into the teaching effectiveness of rice crop result demonstrations among the farmers of Sheikhpura tehsil. M.Sc. Thesis, Dept. of Agri. Econ., Univ. of Agri., Faisalabad.
- Shirazi, S.A. 1985. Agricultural loans and their use in rural Pakistan. A case of Haripur tehsil, NWFP. Pakistan Agriculture (Monthly) 7(1) 83-95, Islamabad.