Integrated Journal for Research in Arts and Humanities
ISSN (Online): 2583-1712
Volume-4 Issue-2 || March 2024 || PP. 20-28 https://doi.org/10.55544/ijrah.4.2.3

Co-operative Banks - A Helping Hands for Small and Medium Entrepreneurs in Saharanpur District

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www.ijrah.com || Vol. 4 No. 2 (2024): March Issue

Date of Submission: 26-02-2024	**Date of Acceptance:** 02-03-2024	**Date of Publication:** 05-03-2024

ABSTRACT

Co-operative banks are more structured compared to credit associations. While local branches of cooperative banks can pick their own leaders and manage their own tasks, big decisions need to be approved by a main office. Credit associations frequently exercise significant local fundamental leadership, but by joining forces, they can share back-office functions including access to the global payments system. This essay provides background information on cooperative banks and small bank groups. Co-operative banks have more information available than "little establishments" as a whole cooperative banking systems exhibit greater organizational structure compared to credit association systems. Local branches of cooperative banks have autonomy in selecting their executive candidates and managing their operations. Small and medium enterprises (SMEs) encounter unique challenges in their development compared to large enterprises. The competitive market environment demands that SMEs adapt to the survival-of-the-fittest dynamics inherent in a market economy. In essence, this translates to a competition for human resources, making staff training a crucial method for SMEs aiming at long-term, stable development. Staff training serves as a fundamental approach to elevate the quality of human resources within SMEs. The paper provides background information on cooperative banks and small bank groups, highlighting their organizational structure and decision-making processes. It emphasizes the importance of staff training in small and medium enterprises (SMEs) for long-term, stable development, as it enhances the quality of human resources and improves overall productivity and competitiveness. The paper discusses the role of corporate culture in SMEs, stating that cultivating a positive corporate culture can enhance cohesion, employee loyalty, motivation, and job satisfaction, ultimately fostering productivity and innovative outcomes. It also highlights that a strong corporate culture can be a unique selling proposition for SMEs in attracting and retaining top talent. Additionally, the paper mentions the significance of cooperative banks in rural financing and their growing activity in metropolitan areas, contributing to the local economy and employment generation.

Keywords- Co-operative banks, SME, Grameen bank, NABARD.

I. INTRODUCTION

A cooperative bank is a financial institution that exists in conjunction with its customers, who also serve as both its owners. People residing in areas with similar nearby or skilled networks, or who share common interests, often establish cooperative banks. These banks typically have a strong presence within community networks. Due to their members and board usually belonging to the communities in which they operate, they actively engage in local development initiatives and contribute to the sustainable advancement of their communities. Cooperative banking encompasses retail banking services offered by credit associations, mutual funds, loan associations, building societies, cooperatives, as well as business banking services provided by cooperative alliances. The primary objective of a cooperative bank is not profit maximization but rather to deliver the best possible products and services to its members [1]. According to the most recent definition, the following need must be met for any industrial unit to be considered a small scale industrial unit. Investments in fixed assets like machinery and equipment, whether they are leased, purchased outright, or kept on ownership terms, shouldn't total more than £10 million. The unit, however, cannot in any manner be a part of another industrial unit that is owned, controlled, or ancillary [2]. Small-scale industries of the past plainly differ from those of the present in numerous ways. Traditional units require a lot of labor due to their antiquated machinery and traditional methods of production, which results in a low productivity rate. In contrast, new small-scale units are significantly more productive with less labor and more advanced machinery. In India, traditional small-scale industries encompass a diverse range of sectors such as bell metal, coir, khadi and handloom, sericulture, handicrafts, village industries, and artisanal crafts. These industries often reflect the cultural heritage and local craftsmanship of different regions across the country. On the other hand, modern small businesses in India have evolved to produce a wide array of goods, catering to both domestic and international markets. These goods span from simple products like hosiery, clothing, leather goods, fishing hooks, and basic consumer items to more sophisticated and technologically advanced products such as televisions, electronic control systems, and various engineering products. Furthermore, many modern small-scale industries serve as ancillary units to larger industrial projects, providing components, parts, or specialized services essential for the functioning of these larger enterprises. This symbiotic relationship between small and large industries contributes significantly to the overall industrial ecosystem, fostering innovation, efficiency, and economic growth. In summary, the small-scale industrial sector in India is characterized by a blend of traditional craftsmanship and modern manufacturing capabilities, encompassing a wide spectrum of products and services that play a vital role in the country's economic landscape [3]. Cooperative banks in India operate under a framework influenced by government regulations and guidelines set by the Reserve Bank of India (RBI). While their lending practices and working capital management share similarities with commercial banks, specific regulations often result in smaller interest rates. However, Cooperative banks present formidable competition to commercial banks, irrespective of their scale and growth trajectory. In the cooperative banking sector, a notable division exists between agriculture credit institutions and non-agriculture credit institutions, further subdivided into short-term and long-term credit entities. Short-term credit institutions, comprising state cooperative banks, central cooperatives, and primary agriculture cooperatives, are categorized based on their business domain and supervisory authority. In rural India, these banks are stratified into Tier I, Tier II, and Tier III according to their operational reach and financial activities. While the Cooperative Act dates back to 1904, states like Karnataka, Maharashtra, Gujarat, and Punjab have witnessed a surge in cooperative banks recently, contributing significantly to the evolution of cooperative banking in India. Terms like Urban Cooperatives, Primary Agricultural Credit Societies, Regional Rural Banks, and Local Area Banks are commonly used. The inception of Urban Cooperative Banks (UCBs) in India draws inspiration from Britain and Germany, where the cooperative movement emphasized mutual aid, cooperation among familiar groups, and the amalgamation of small groups as fundamental principles. The 19th century marked the entry of UCBs into the Indian economy, with the first UCB commencing operations in Kanjivaram, Tamil Nadu, in 1904. Despite their historical significance, these banks face significant challenges, particularly in fund management. Unlike large commercial banks with extensive market reach, UCBs encounter limitations in investment and funding activities. While opportunities for investment exist, UCBs primarily rely on providing credit to those in need and investing in local government bonds and securities. To remain competitive in the global banking market, these traditional methods must evolve without undermining the core processes of the banks. Recognizing the challenges faced by UCBs, the RBI has demonstrated a keen interest in their financial improvement [4]. The Supervisory Action Framework gives these banks the ability to make important decisions while talking to the RBI. Also, changing the three-tier structure into a four-tier one helps look closely at UCBs and find chances for improvement. Recent changes in RBI rules, like letting UCBs invest less money in certain types of securities and giving them more freedom in investing in unlisted securities, show that the government supports them. In 2022, UCBs didn't have to follow these rules anymore, showing that there's a promise to help cooperative banks grow and last in India. The Self-Help Group (SHG)-Bank linkage program in India has played a pivotal role in integrating marginalized communities into the formal banking sector. This paper assesses the program's performance since its inception, analyzing its achievements and identifying significant trends. By examining data and case studies, it aims to provide insights into how effectively the program has met its objectives and contributed to financial inclusion and empowerment among underserved populations.

a. ***Expansion of Formal Banking Services:*** The SHG-Bank linkage programme has played a crucial role in extending formal banking services to the underserved. Remarkably, the initiative succeeded in bringing 32.98 million impoverished families into the formal banking fold. An important observation is the substantial involvement of women, comprising 90% of all SHGs connected with banks by March 2006. This highlights the crucial role of women in the success of the SHG-Bank linkage program, showcasing their active engagement in entrepreneurial activities and financial inclusion initiatives. The high participation of women underscores the program's positive impact on gender

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empowerment and economic development at the grassroots level.

b. ***Geographical Concentration:*** Five states—Andhra Pradesh, Tamil Nadu, Karnataka, Odisha, and Uttar Pradesh—stand out as the key pillars of the SHG-Bank linkage program. These states lead not only in the quantity of SHGs linked but also in the volume of bank loans obtained. Their success highlights the effective implementation of the program, likely due to supportive government policies, robust SHG networks, and proactive engagement by financial institutions. Understanding the strategies and mechanisms that have led to their success can offer valuable insights for enhancing the program's impact and scalability in other regions across the country. This concentration highlights the need for targeted efforts and interventions in other regions to ensure equitable financial inclusion.

c. ***Regional Disparities:*** A regional breakdown reveals that the Southern region stands out, contributing to 54.32% of the SHGs linked and a substantial 75% of the bank loans disbursed. This regional skew underscores the importance of tailored strategies to address the diverse socio-economic landscape across different regions of the country.

d. ***Banking Institutions' Participation:*** In the SHG-Bank linkage program, Commercial Banks stand out as the main players, providing more than 50% of the total loans to SHGs. Regional Rural Banks (RRBs) and Co-operative Banks also contribute, although to a lesser extent. This distribution underscores the important role of mainstream banks in the program's success. Their involvement ensures wider access to financial services and resources for SHGs, facilitating their growth and development. It also reflects the trust and confidence that SHGs place in commercial banks for their financial needs. Overall, the collaboration between SHGs and mainstream banking institutions is crucial for promoting financial inclusion and empowering marginalized communities across India. The SHG-Bank linkage programme in India has undeniably made substantial strides in bringing marginalized communities into the formal financial sector. The notable inclusion of women, concentration in specific states, regional disparities, and the active involvement of diverse banking institutions showcase the multifaceted nature of this initiative. As the program grows, it's important to make sure all regions get equal benefits. More states should join in, and different types of banks should work together. This will help everyone across the country get better access to financial services and improve overall financial development for everyone [4].

This paper aims to delve into how SMEs can cultivate an appropriate corporate culture to enhance core competitiveness. It is structured into four parts: a literature review, methodology, findings, and conclusion, providing insights into the critical role of corporate culture in shaping the success of small and medium enterprises.

II. LITERATURE REVIEW

The financial landscape for banks, including urban cooperative banks (UCBs), revolves around a delicate balance between profitability and responsible investment. In the pursuit of sustained existence and profitability, banks are tasked with navigating a complex web of regulations, market dynamics, and internal considerations. For UCBs, this challenge is amplified as they operate under the watchful eye of regulatory bodies, with the Reserve Bank of India (RBI) playing a pivotal role in shaping their investment activities. Historically, UCBs have been subject to stringent regulations regarding their investment activities. The RBI, as the supervisory authority, imposed policies and procedures to ensure prudence and stability in the financial system [5]. These regulations were designed to prevent excessive risk-taking and protect the interests of depositors and stakeholders. Consequently, UCBs often found themselves operating within defined boundaries when it came to investment decisions. However, the landscape is evolving, and UCBs are expanding their horizons in terms of both sources of funds and investment avenues. The traditional focus on regular customer credits is shifting, driven by the imperative to explore diverse and profitable investment opportunities. This transformation is not only influenced by regulatory changes but also by internal factors such as the financial position of the bank, the management team's acumen, and the decisions and interests of shareholders. One of the crucial aspects influencing the investment decisions of UCBs is the set of guidelines provided by the government and central banks. These guidelines serve as a roadmap for UCBs, guiding them towards sound investment practices. Among the recommended avenues, umbrella banks and other unlisted organizations have gained prominence as permissible investment destinations. The significance of these guidelines becomes apparent when considering the delicate nature of financial institutions. Striking the right balance between risk and return is paramount, and the guidelines act as a safeguard, preventing undue exposure to high-risk investments that could jeopardize the stability of UCBs. Regardless of the size of the bank, adherence to these guidelines is imperative for maintaining financial prudence and sustainability. A critical aspect of UCBs' financial management is the allocation of liquid assets, a key indicator of their financial health. The statutory body mandates UCBs to hold liquid assets equivalent to 25% of their demand and time liabilities in India. These liquid assets can take various forms, including cash, gold, or unencumbered securities. This requirement is a strategic measure to ensure that UCBs maintain a sufficient buffer to meet the demands of depositors and other financial obligations. Despite the importance of this facet of financial management, there is a noticeable dearth of comprehensive studies on the subject. While researchers have delved into the growth and operational requirements of UCBs, the financial activity, especially in terms of investment and fund management, remains relatively unexplored. This current study aims to bridge this gap by shedding light on the recent trends in cash management and fund management processes employed by UCBs as they navigate the evolving financial landscape [6]. Understanding the intricacies of cash and fund management is essential for stakeholders, including regulators, policymakers, and the banks themselves. It provides insights into the strategies employed through UCBs to optimize their financial resources, mitigate risks, and achieve sustainable growth. Moreover, as UCBs continue to diversify their investment portfolios, a comprehensive understanding of their financial activities becomes increasingly vital for informed decision-making and effective regulatory oversight. In conclusion, the dynamic interplay between profitability, regulatory guidelines, and internal dynamics shapes the investment landscape for UCBs. As these banks embrace a broader spectrum of investment avenues, there is a pressing need for in-depth studies that unravel the intricacies of their financial activities. The study [7] at hand contributes to this understanding, offering valuable insights into the recent trends in fund management processes adopted by UCBs, thereby enriching the discourse on the financial health and resilience of these crucial financial institutions. In the contemporary business landscape, the success of small and medium enterprises (SMEs) hinges on the development of core competitiveness. This competitiveness is intricately linked to the efficient utilization of human resources, constituting the workforce essential for the enterprise's operational and developmental processes. Human resource efficiency, as a metric, measures the effectiveness of the human resource department's actions within an enterprise. Scholars globally assert that the primary source of competitive advantage for enterprises lies in human resources. Barnet, a renowned scholar, stipulates that resources becoming a source of competitive advantage must possess rarity, imitable characteristics, difficulty of replacement, and unique value. Human resource management significantly impacts enterprise development, evident in three key aspects. Firstly, it fully mobilizes employee enthusiasm through effective incentive mechanisms, enhancing work efficiency and overall enterprise development. Secondly, human resources are pivotal in constructing enterprise culture, meeting employee needs, fostering a sense of belonging, and corporate cohesion. Thirdly, scientific human resource development accelerates the achievement of business objectives by maximizing employee potential and corporate profits. While current studies predominantly focus on performance and salary to improve core competitiveness, corporate culture remains underappreciated. Corporate culture, encompassing common values, belief systems, codes of conduct, and work methodologies, plays a crucial role in shaping enterprise development and employee behaviour. Maslow's Hierarchy of Needs suggests that salary may not be the sole driver of human resource efficiency; corporate culture, influencing self-actualization, is equally important. The influence on human resource efficiency in SMEs primarily stems from corporate culture rather than the salary system. Corporate culture impacts organizational behaviour and performance, influencing not just what people do but how they do it. Kotter and Heskett highlight the growing influence of culture on organizational performance, emphasizing its significant impact on long-term economic performance, potential to determine success or failure, and role in improving overall company efficiency.

III. ROLE OF CO-OPERATIVE BANKS

In India, cooperative banks are significantly more important than anywhere else in the earth. This bank stands out because it manages its operations at a lower cost and without any misuse of resources compared to other banks. The amount of work assigned to them, the wants they must satiate, the number of them, and the number of workplaces they work at have given it prominence. Cooperative banks' role in rural financing is continuing to grow significantly, and their activity in metropolitan areas has also been booming recently, largely due to the steep increase in the number of important Co-operative banks.

IV. STUDY AREA – SAHARANPUR DISTRICT

Saharanpur District, located in the northern state of Uttar Pradesh, holds significant importance due to its diverse economic, industrial, and agricultural landscape. Over the years, it has emerged as a hub for various scales of industries, contributing to the state's overall development. One notable feature of Saharanpur is its thriving industrial sector, which includes a diverse range of enterprises spanning large-scale, medium-scale, cottage, and small industries. The wooden work industry, in particular, has garnered significant international acclaim due to its substantial export capabilities. The craftsmanship and quality of wooden products from Saharanpur have earned the district a commendable reputation worldwide. This has not only brought economic prosperity to the region but has also put Saharanpur on the global map as a center for exquisite wooden artifacts. Agriculture and horticulture have played a pivotal role in the district's growth since India gained independence. The fertile land and favorable climatic conditions have facilitated the development of a thriving agricultural sector. Farmers in Saharanpur have embraced modern farming techniques, leading to increased productivity and improved crop yields. The district has become a crucial contributor to the state's agricultural output. Apart from its economic and industrial significance, Saharanpur serves as a prominent commercial center in Uttar Pradesh. The bustling markets and trade activities make it a crucial node for business and commerce. The district's strategic location and well-developed infrastructure further enhance its commercial importance, attracting businesses and investors. In the realm of education, Saharanpur has witnessed commendable development. The establishment of educational institutions and the focus on improving the quality of education have contributed to the overall literacy and educational standards in the district. Students in Saharanpur have access to a range of educational opportunities, fostering intellectual growth and skill development. In conclusion, Saharanpur District stands out as a multifaceted region in Uttar Pradesh, making significant strides in industrial, agricultural, commercial, and educational spheres. Its wooden work industry's global recognition, coupled with a thriving agricultural sector and a robust commercial presence, reflects the district's dynamic and progressive character. As Saharanpur continues to evolve and adapt to changing times, it remains a key player in Uttar Pradesh's overall development landscape.

V. INDUSTRIES IN SAHARANPUR

The district of Saharanpur boasts a thriving industrial landscape with a diverse range of sectors contributing to its economic vibrancy. Among the notable establishments are three sugar mills strategically located in Deoband, Nanauta, and Sarsawa, underscoring the significance of the agro-based industry in the region. These mills play a pivotal role in processing sugarcane, a key agricultural product in the area. The Indian Tobacco Company (ITC) in Saharanpur stands as a prominent player in the tobacco industry, catering to the demands of consumers within the district. Additionally, the district is home to Paper Mills, Straw Board Factory, Roller Flour Mills, and Rice Mills, reflecting the agricultural and processing capabilities of the region. These industries collectively contribute to the value chain of staple commodities, enhancing the economic sustainability of the district. Textile Mills form a cornerstone of Saharanpur's industrial landscape, emphasizing the role of the textile sector in providing employment and fostering economic growth. Simultaneously, Leather Tanning industries carve out a significant niche, showcasing the district's prowess in leather processing. Beyond large-scale enterprises, village industries thrive with the presence of Brick Kilns, playing a crucial role in construction and infrastructure development. The district's commitment to sustainable practices is evident in the prevalence of Wood Carving as a popular cottage industry. Saharanpur's artisans produce intricately carved wood products, not only meeting local demands but also contributing to exports both within and outside the district. In essence, Saharanpur's industrial tapestry is rich and diverse, spanning agro-processing, textiles, tobacco, and handicrafts. The symbiotic relationship between large-scale industries and cottage enterprises underscores the district's resilience and adaptability in the ever-evolving economic landscape.

a. ***Large Scale Industries:*** Saharanpur, a burgeoning industrial hub, boasts a diverse landscape of large-scale industries that contribute significantly to its economic vibrancy. Among the prominent establishments are six sugar mills, exemplifying the region's prowess in agro-based industries. These mills play a pivotal role in processing sugarcane, a vital cash crop in the area, and contribute to the production of sugar, a commodity with both domestic and international demand. The industrial mosaic extends to a cigarette factory, indicating a presence in the tobacco processing sector. This industry not only caters to local consumption but also potentially engages in export activities, showcasing Saharanpur's participation in global trade dynamics. Additionally, three paper mills underscore the region's commitment to the paper and pulp sector, fostering sustainable practices and meeting the demand for paper products. Saharanpur's industrial landscape is further enriched by three distilleries, reflecting a footprint in the alcoholic beverage industry. These units contribute to the production of spirits, aligning with both local preferences and broader market demands. The presence of two dairy industries is a testament to the agricultural hinterland's influence, as dairy farming remains a significant economic activity in the region. These industries process and supply dairy products, meeting the nutritional needs of the local populace. The manufacturing sector extends beyond consumables with six units dedicated to the production of precipitated calcium carbonate. This mineral compound finds applications in various industries, including paper, plastics, and pharmaceuticals. Saharanpur's prowess in this niche sector positions it as a key player in the value chain of multiple industries. Furthermore, the industrial landscape features two units specializing in steel ingot production, showcasing Saharanpur's foray into heavy industries. These units contribute to the steel supply chain, serving as a critical raw material for construction and manufacturing. In essence, Saharanpur's large-scale industries epitomize a dynamic economic ecosystem, embracing diversification across agro-processing, manufacturing, and heavy industries. This multifaceted industrial base not only fuels local

ISSN (Online): 2583-1712
Volume-4 Issue-2 || March 2024 || PP. 20-28 https://doi.org/10.55544/ijrah.4.2.3

employment but also positions Saharanpur as a crucial player in the regional and national economic landscape.

b. ***Small Scale and Tiny Industries:*** In the district, approximately 10,680 small-scale units were established by the end of the last fiscal year (31-03-2002). These units collectively involved an investment of Rs. 11, 76,750 lakhs, contributing significantly to the local economy. Moreover, these enterprises played a crucial role in employment generation, providing livelihoods for 43,394 individuals. This highlights the district's thriving small-scale sector, underscoring its economic impact and role in fostering employment opportunities for the local population.

VI. GRAMEEN BANK AND AGRICULTURAL DEVELOPMENT

Grameena Bank plays a pivotal role in fostering agricultural development through various direct and indirect initiatives. One of the primary mechanisms is the provision of agriculture term loans tailored for land-based activities. These encompass a spectrum of endeavours, including minor irrigation, drip irrigation, acquisition of tractors and tillers, and the cultivation and development of sericulture. By leveraging modern skills and technology, the bank aims to enhance productivity, thereby contributing significantly to the overall progress of agriculture RP 12. The bank's commitment to agricultural development extends to the provision of crop loans, strategically designed to cover partial costs associated with crop cultivation. These loans are repayable after the crops are successfully raised and brought to market. Small and marginal farmers, who play a significant role in agriculture, receive valuable support through crop loans. These loans are essential for farmers as they provide financial assistance to purchase various inputs such as seeds, fertilizers, pesticides, and fuel. Additionally, farmers can use the loan to hire important equipment like tractors and threshers. Crop loans serve as a crucial financial lifeline for farmers, ensuring they have the necessary resources to carry out their agricultural activities effectively. Additionally, these loans facilitate the payment of wages to labourers, fostering a production-oriented approach that propels crop growth and, consequently, agricultural development. In tandem with supporting primary agricultural activities, Grameen Bank extends its financial support to allied endeavours. This includes loans for the purchase of bullocks and other ancillary activities that contribute to the holistic development of the agricultural sector. By recognizing the interconnectedness of various facets of agriculture, the bank ensures a comprehensive approach to its support initiatives. The impact of Grameen Bank's efforts on agricultural development is evident in Saharanpur district. The bank actively participates in promoting self-help groups (SHGs) as a means of empowering local communities. During the year, the bank received Rs.4.30 lakhs from NABARD to help promote self-help groups (SHGs). With this money, they started 300 SHGs using 20 branches. In total, they formed or promoted 374 groups, and 280 of these groups got connected to credit, receiving Rs.1.05 crores altogether under the project. This strategic focus on SHGs underscores the bank's commitment to community-driven development. By fostering collective initiatives at the grassroots level, Grameen Bank not only empowers individuals economically but also creates a ripple effect that positively influences the entire agricultural landscape. Through financial inclusion and community collaboration, the bank plays a vital role in ensuring sustainable and equitable agricultural development in Saharanpur district. In conclusion, Grameen Bank's multifaceted approach to supporting agriculture, encompassing term loans, crop loans, and allied activities, reflects a holistic understanding of the challenges and opportunities within the sector. By actively engaging with self-help groups, the bank not only provides financial support but also promotes social cohesion and community-driven development, ensuring a more resilient and prosperous agricultural ecosystem in the regions it serves.

VII. IMPACT OF GRAMEEN BANK CREDIT ON FARMING COMMUNITY

In examining the influence of Credit Guarantee Schemes (CGB) on the local farming community, the focal point revolves around the pivotal aspects of employment creation and income augmentation for the respondents. Social banking initiatives uniformly strive to alleviate the most vulnerable segments of society from poverty, aiming for a sustained elevation above the poverty line [8]. This analysis delves into the tangible effects of bank credit on the income trajectories of the respondents, aiming to assess the efficacy of diverse social banking schemes and programs in realizing the predefined objectives within the banking sector. Foremost among the anticipated outcomes is the creation of employment opportunities within the farming community. The CGB's impact is measured by its ability to foster sustainable job opportunities, thereby contributing to the economic upliftment of the beneficiaries. The overarching goal is to ensure that these opportunities are not ephemeral but result in a lasting positive transformation. The analysis also explores the generation of sufficient income for the participants, going beyond just providing employment opportunities. The emphasis is placed on the financial well-being of the beneficiaries. The success of social banking programs is contingent on their capacity to augment the income levels of the targeted demographic,

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thus promoting economic stability and independence. The main point is to help the poorest people in society to get out of poverty forever. This necessitates a comprehensive evaluation of the impact of bank credit, considering various social banking schemes and programs. The assessment serves as a litmus test for the alignment of these financial initiatives with their overarching objectives. It also provides insights into the adaptability and effectiveness of these schemes in meeting the dynamic needs of the farming community.

VIII. IMPACT OF GRAMEEN BANK LOAN ON HOUSEHOLD EXPENDITURE IN SAHARANPUR DISTRICT

Family expenditure is a multifaceted aspect that reflects the financial priorities and necessities of households. An analysis of the spending patterns across various categories provides insights into the preferences and challenges faced by different economic strata. Understanding family spending patterns involves analyzing essential areas such as food, clothing, housing, appliances, healthcare, education for children, and other miscellaneous costs like loan payments and savings. These components collectively define a household's financial situation, impacting its quality of life and future opportunities. Evaluating how money is allocated across these categories provides insights into a family's economic well-being, helping policymakers and individuals make informed decisions about resource allocation, financial planning, and improving living standards. By comprehensively examining family expenditure, we gain a deeper understanding of household dynamics and can identify areas for improvement to enhance overall financial stability and prospects for long-term prosperity. Examining the data reveals a prominent inclination of households towards allocating a significant portion of their budget to fundamental needs. The paramount importance attached to essentials like food, clothing, and shelter is evident, suggesting that families prioritize securing these necessities above all else. This trend is universally observed, transcending economic classes, as individuals recognize the fundamental nature of these requirements.

Notably, households below the poverty line exhibit a distinctive spending pattern. Their financial allocation towards basic needs surpasses that of their middle-class and affluent counterparts. This phenomenon can be attributed to the challenging circumstances faced by economically disadvantaged households. Struggling to meet daily requirements, these families allocate a higher proportion of their income to acquiring essential items. In contrast to middle-class and affluent households, those in lower-income brackets may not have the privilege of spending on discretionary items. Their financial resources are often focused on meeting basic needs for survival. Conversely, middle-class and high-class households display a more diversified spending pattern. With a more comfortable financial cushion, they can afford to allocate resources to a broader range of goods and services. This includes investments in home appliances, children's education, and other discretionary expenses. The ability to balance essential needs with additional amenities highlights the financial flexibility enjoyed by these households. It is imperative to acknowledge that the distribution of family expenditure is influenced by various factors such as income, lifestyle, and societal norms. While the table reflects a general trend, individual variations within each economic stratum may exist.

IX. IMPACT OF CGB CREDIT ON STANDARD OF LIVING

In the context of a developing nation such as India, where a substantial portion of the population relies on agriculture for livelihood, the standard of living is a critical metric for gauging societal progress. Enhancing the living standards of the rural poor is intricately tied to the role of agriculture, making it a pivotal factor in the developmental narrative. However, one of the significant challenges hindering progress in this sector is the non-availability of timely and adequate credit. Insufficient access to credit has been identified as a key contributor to low productivity in agriculture, consequently leading to a diminished living standard for many in rural areas. Recognizing this issue, efforts have been made to assess the impact of providing loans on the standard of living of individuals in the agricultural sector. The study involved collecting data from sample respondents, focusing on their standard of living both before and after the utilization of loans. The findings revealed that only a modest proportion, specifically 21.43% of households, experienced an improvement in their standard of living after optimum utilizing the loan. This suggests that, while access to credit has benefited some, its impact has not been universal. A notable 28.57% of respondents reported no change in their standard of living despite availing themselves of the loan. This highlights the complexity of factors influencing living standards, indicating that financial support alone may not be sufficient to drive positive outcomes. Furthermore, a substantial portion of respondents, 48.81%, expressed a moderate improvement in their standard of living following the utilization of the loan. This suggests that, while the financial infusion had a positive effect for a significant number, the degree of improvement varied, and for some, it fell short of transformative change. The nuanced nature of these responses underscores the multifaceted challenges associated with improving living standards in rural agricultural communities [9].

X. PROBLEMS OF CO-OPERATIVE BANKS

In terms of challenges, cooperative banks face issues that are not unique. Commercial banks bear responsibility for some of these challenges, particularly the vulnerability of the core cooperative associations comprising the cooperative credit system. They suffer from weak credit resources, insufficient capacity to recover advancements, structural flaws, and auxiliary imperfections. They also suffer to some extent politically and authoritatively.

a. Changing Trends in Financial Sector
b. Dual Control
c. Money Laundering and Corruption
d. Declining of Agricultural Lending
e. Unfair Audit Government Interference Limited Coverage

The advancement of the Self-Help Group (SHG)-Bank Linkage Programme in India has been noteworthy, serving as a crucial mechanism in meeting the financial requirements of the economically disadvantaged who were conventionally considered unbankable due to their inability to provide collateral. Through this program, SHGs, comprising individuals from similar socioeconomic backgrounds, are linked with formal banking institutions, facilitating access to credit and other financial services. This initiative has empowered marginalized communities by promoting savings, providing microcredit for entrepreneurial ventures, and enhancing financial literacy. Moreover, it has fostered a culture of self-reliance and economic independence among participants, contributing significantly to poverty alleviation and inclusive economic growth. Microfinance, as an institutional mechanism, emerged as a means to provide credit support, particularly through microcredit, to small groups coupled with training and other support services. By March 2006, the SHG-Bank linkage program had achieved remarkable milestones. A total of 2,238,565 Self-Help Groups (SHGs) were connected with banks, providing formal banking services to 32.98 million impoverished families. Notably, 90% of these SHGs were led by women, highlighting the program's impact on women's empowerment through financial inclusion. The total bank loans disbursed to these SHGs amounted to Rs.113.98 billion, with an average loan size of Rs.50,917 per SHG. The link between SHGs and banks was facilitated through three different models. Model I, where banks acted as Self-Help Promoting Institutions (SHPIs), constituted 20% of the linkage. Model II, involving banks directly providing loans to SHGs with support from NGOs and formal agencies, accounted for 74%. Model III, where NGOs served as both SHPIs and financial intermediaries, made up the remaining 6% of the linkage models. These achievements signify the success of the SHG-Bank linkage program in promoting financial inclusion, empowering marginalized communities, particularly women, and fostering economic development at the grassroots level. The SHG-Bank linkage program has made significant strides across India, encompassing 31 states and union territories, with participation from 545 banks spanning 47 commercial banks, 158 regional rural banks, and 340 cooperative banks. This widespread coverage extends to 583 districts, indicating the program's extensive reach and impact. Examining the trends in SHGs formation and bank loans disbursed, the microcredit program in India has emerged as the world's largest, predominantly driven by SHGs and their linkages to banks. Initially introduced as a pilot project by the National Bank for Agriculture and Rural Development (NABARD) in 1992, covering only 500 SHGs, the program has evolved into a commercially viable proposition for the banking sector. Its success can be attributed to several advantages, including lower transaction costs, minimal non-performing assets, and wide coverage of rural customers. The program's expansion demonstrates its effectiveness in empowering marginalized communities, particularly women, by providing them with access to financial services and resources. By fostering financial inclusion and entrepreneurship at the grassroots level, the SHG-Bank linkage program has contributed significantly to poverty alleviation and sustainable economic development across India. Its success serves as a testament to the power of collaboration between government agencies, banks, and local communities in driving positive social and economic change. In conclusion, the SHG-Bank linkage programme in India has played a crucial role in financial inclusion, particularly for the marginalized and working poor. The collaboration between SHGs and banks, supported by various models and facilitated by NABARD, has resulted in significant achievements, empowering women and contributing to poverty alleviation. The positive trends in the number of SHGs and bank loan disbursements reflect the program's success and its evolution into a commercially viable and sustainable model for financial inclusion [4].

XI. CONCLUSION

Cooperative banks play a pivotal role in bolstering small and medium enterprises (SMEs) through the provision of financial services, thereby making substantial contributions to the local economy. Ensuring the training of staff becomes imperative for the sustained and stable growth of SMEs, as it elevates the caliber of human resources, leading to enhanced overall productivity and competitiveness. Nurturing a positive corporate culture holds paramount importance for SMEs, as it fosters cohesion, employee loyalty, motivation, and job satisfaction, ultimately resulting in heightened productivity and innovative outcomes. Additionally, a positive corporate culture serves as a unique selling proposition, attracting and retaining top talent. The presence of cooperative banks in both rural and metropolitan areas significantly contributes to local economies and plays a pivotal role in generating employment opportunities.

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