

A STUDY ON AWARENESS LEVEL AND SERVICES PROVIDED BY THE PACCS AMONG MEMBERS IN DHARMAPURI DISTRICT

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Abstract: This study examines the awareness level of members regarding services provided by Primary Agricultural Cooperative Credit Societies (PACCS) in Dharmapuri District, Tamil Nadu. Primary data were collected from 120 members through a structured interview schedule using multi-stage random sampling. Percentage analysis, Chi-square tests and Rensis Likert's five-point scale were used for analysis. The results show that 73% of members have low awareness of PACCS services, especially locker facilities, loan interest structures and promotional information. Awareness is significantly associated with residential area, annual income, annual expenditure, family size, nature of family and annual savings, whereas age, gender, marital status, education, occupation and frequency of bank visits show no significant association. The study recommends improved communication through leaflets and digital campaigns, along with subsidized locker facilities and need-based loans at competitive interest rates, to enhance member awareness and service utilization,

Keywords: PACCS, Awareness Level, Rural Development and Financial Inclusion.

1. INTRODUCTION

Banking system is an important constituent of overall economic system. It plays a crucial role in the attainment of macro-economic objectives. Modern banking is far more sophisticated and complicated. In a developing economy, the role of banks is more creative and purposeful than in a developed one. Banking is an important segment of the territory sector of an economy, commercial banks act as the backbone of economic growth and prosperity by acting as a catalyst in the process of development. They include the habit of saving and mobilize funds from numerous small households and business firms spread over a wide geographical area. The funds so mobilized are used for productive purpose in agriculture, industry and trade. In modern economy, banks are considered not merely as dealers in money but also the leaders in development.

With the advent of banking reforms the scenario of banking in India has totally changed. Banks now operate in a situation of keen competition in their financial services. In such a competitive environment, the ability of a bank even to sustain its growth rate depends on how well the needs are evolved. This involves developing new and improved innovation of technology. The role of banks in the economic development of a country assumes significance due to the fact that they

provide one of the essential inputs, namely finance, for the growth of various segments of the country. In a developing country like ours, where the scarcity of financial resources is admittedly one of the constraints for accelerating the pace of economic growth, an efficient and responsive banking system is utmost importance.

Over the past few years banking sector of our country has undergone great metamorphosis. Its look and perception has changed tremendously. Initially from the concept of quantitative expansion, banks went for business consolidation which later on culminated into functional diversification in novel areas. The banking industry as a whole becomes competitive both within and outside the industry. Indian banking has undergone major transformations during the past three decades. Indian Banking System can be classified into the following categories: 1. Public Sector Banks (Nationalized Banks, State Bank of India and its Associates. 2. Private Sector Banks, Indian Private Banks and Foreign Banks. 3. Regional Rural Banks 4. Co-operative Banks.

Co-operatives occupy an important position in the Indian Financial System. Co-operatives were the first formal institution to be conceived and developed to purvey credit to rural India. Thus far, Co-operatives have been a key instrument of financial inclusion in reaching out to the last mile in rural areas. The Co-operative sector seeks to remedy the economic inequality and evils of concentration of income and wealth thereby presents the exploitation of the weaker sections by the stronger.

Co-operative banks are an important constituent of the Indian Banking System. The Co-operative movement is one of the most potent instruments for solving the intricate problems of an economy. Based on voluntary and mutual help, the movement has possibilities of raising the level of living of people along with raising their moral level. It has been organized not to earn profits but to enable the members to improve their economic conditions through self-help and mutual help. The Co-operatives have been successful in freeing the middle peasants from the money-lending system and making him development minded. The Co-operative movement helps in the realization of the ideal of “better farming, better business and better living”.

The Co-operative banks in Indian banking were started with the objectives of prevention of concentration of economic power, achieving wide dispersal of ownership of productive resources, liquidation of unemployment and poverty and relieve the people from indebtedness to money lenders.

The Co-operative banking system in India consists of Rural and Urban Co-operative Banks. In Indian economy, Co-operative bank / credit societies have developed over the period with the specific objective of financing agriculture and other economic units in the unorganized sector. In India, Co-operative have been assigned very responsible role in the task of rural development particularly in eradicating poverty and unemployment.

PRIMARY AGRICULTURAL COOPERATIVE CREDIT SOCIETIES

The origins of the Co-operative Banking movement in India can be traced to the close of nineteenth century. Inspired by the success of the experiments related to the Co-operative movement in Britain and the Co-operative movement in Germany, such societies were set up in India. Co-operative societies are based on the principles of co-operation, mutual help, democratic decision making and open membership. Co-operative banks are mainly rely upon deposits from members and non-members and in case of need, they get finance from either the District Central Co-operative Bank to which they are affiliated or from the Apex Co-operative Bank if they work in big cities where the apex bank has its Head Office. They provide credit to small scale industries, salaried employees and other urban and semi-urban residents.

There are 131 PACCS functioning in Dharmapuri District. These banks are receiving deposits like Saving Deposits and Fixed Deposits from members and non-members and providing various types loans at reasonable rate of interest for their members.

STATEMENT OF THE PROBLEM

The Co-operative Banking System is an organized and well structured one. The banking system constitutes the core of the financial sector. It plays a significant role in the process of economic growth of the country. Its efficiency and developments are vital for the economic progress of the country.

The PACCS in India provide various loans such as Mortgage loan, Jewel loan and Personal loan. Besides they have started extending micro credit delivery to the poor for their economic development. The other major problem is the frequent changes in Government policies with regard to Co-operative banks. Too much political interference has been damaging not

only the Co-operative ideology but also the confidence of members on the Co-operatives. The elected bodies are using the Co-operatives for their personal benefits undermining the development of Co-operatives. These are some of the prime reasons, which had resulted in Non-Performing Assets to a substantial extent.

In Dharmapuri District is surrounded by villages and they are agriculture based. Majority of the population live in rural areas and most of them are below the poverty line in rural areas and depend heavily on agriculture for their livelihood. Despite of hi-tech and sophisticated banking services, they are not able to use the services without any hurdles. In this backdrop, the present study is a modest attempt to find out answers to the following questions:

What is the level of awareness among members regarding the services offered by PACCS in Dharmapuri district?

2. REVIEW OF PREVIOUS LITERATURE

In any study, the review of previous studies are considered as important for getting understanding the problem, the methodology followed to identify the unexplored part of field of study under consideration and find the research gap. In this regard, some of the relevant studies have been reviewed in the present study.

Gayathri, S. and Murugan, S. (2019), pointed out that the Member Perception Towards PACCS Services. 60% members joined PACCS only for loan waiver benefits.

Sharmila, R. (2019), in their study found the 72% know about fertilizer distribution, only 35% know about KCC and warehousing.

Rajendran, G. (2020) Role of PACCS in Rural Development with Special Reference to Dharmapuri District. PACCS provide short-term credit effectively, but awareness on long-term loans and non-credit services is very low.

Prakash, A. and Mani, K. (2020), made a study with the objective of PACCS and Financial Inclusion in Rural Tamil Nadu. Services like PMFBY crop insurance and interest subvention schemes are not known due to Lakh of communication.

Lakshmi, P. (2021), they try to find out on Working of PACCS in Tamil Nadu. Members who attend Annual General Body Meetings have high awareness.

Kumar, S. and Ramesh, P. (2021) Performance and Services of PACCS in Tamil Nadu. They found 68% of members are aware only of crop loan services and unaware of input supply and insurance services.

Venkatesh, M. and Anitha, L. (2022), Member Satisfaction Towards PACCS Services. Educational level of members has direct relationship with awareness level.

Suresh, K. (2023), Digital Initiatives and Computerization in PACCS. Computerization increased awareness, but aged members in Dharmapuri still depend on secretaries.

Karthik, R. (2023), examined the Awareness Level of Cooperative Services Among Rural Farmers. SMS, WhatsApp and village level meetings are effective tools to improve awareness.

SCOPE OF THE STUDY

This study is confined to Dharmapuri District of Tamil Nadu. The PACCS in almost all the districts of the State. The present study is an attempt to examine the level of Awareness of members about services offered by PACCS. To examine this only primary data have been used.

On the basis of collected primary data for the present study intended to make an in-depth analysis of level of Awareness of members about services offered by the PACCS. For analysis, tools like percentage and chi- square have been used.

OBJECTIVES OF THE STUDY

- To identify the Awareness level of the members about services offered by the PACCS.
- To offer suitable suggestions to improve the quality of services in PACCS.

HYPOTHESIS OF THE STUDY

It is expected that socio-economic characteristics of members would influence the awareness level and socio-economic characteristics, the following null hypothesis has been framed.

H₀ There is no significant association between the independent variable and their awareness level of the members about services provided by PACCS.

3. SAMPLING DESIGN AND METHODOLOGY

This study is an empirical research based on survey method. The present study is confined to Dharmapuri District. As of September 30, 2026, there are 133 societies (131 PACCS and 2 LAMPS) in Dharmapuri district, which were selected purposively. There are 3.5 Lakh members. Of them all, 1.5 Lakh members are having account on Crop loan, 1.8 Lakh members are having account on Jewel loan, 40K members are having account on Animal Husbandry working capital and 50K members are having on SHG loan, small traders and micro loan and 80K members are having account on Fixed Deposit. A sample size of 175 members was selected from the total member population. However, owing to incomplete or inconsistent responses, only 120 fully usable responses were considered for the final analysis. Hence, the study is based on Multi-stage Random Sampling method.

QUANTIFICATION OF DATA TO MEASURE THE AWARENESS LEVEL

On the basis of outcome of review of previous studies, discussion with experts, bank official and members relating to various services of PACCS and item analysis technique, Rensis Likert's summated 5-point scaling technique is applied to find out the aggregate awareness level of the members ranging from 'Very Well Aware' to 'Very Less Aware'.

A rating of 5 indicates that the respondent is 'Very Well Aware'; rating of 4 indicates that the respondent is 'Well Aware'; rating of 3 indicates that the respondent is 'Neutral'; rating of 2 indicates that the respondent is to 'Some Extent Aware' and the rating of 1 indicates that the respondent is 'Very Less Aware'. The score of the sample respondents ranges from 15 to 75. The average score is 45. Further, the respondents are grouped into two groups viz., Low and High. The respondents, who have scored below 45 are grouped as 'Low' and those who have scored 45 and above are grouped as 'High'.

DISTRIBUTION OF MEMBERS BY AWARENESS SCORE ON SERVICES OFFERED BY PACCS

The details relating to distribution of members by awareness score on services offered by PACCS are shown in the Table 3.1.

TABLE 3.1: DISTRIBUTION OF MEMBERS BY AWARENESS LEVEL

Awareness Level	Number of Members	Percentage	Total Score	Average Score
High (Score≥45)	32	27	920	28.75
Low (Score<45)	88	73	3992	45.36
Total	120	100	4912	40.93

Table 3.1 reveals that 73% of the members have low level of awareness about the services offered by PACCS and it is found that average score of this category is 45.36.

ANALYSIS AND INTERPRETATION

Age and Awareness Level

It is felt that age would influence the awareness level of members. Hence, an attempt has been made to examine the association between age and awareness level. It is found that the sample respondents' age ranges from 18 years to 75 years. Details of the findings are shown in Table 3.2.

Gender and Awareness Level

Generally, awareness level will change on the basis of gender. The findings regarding the gender and awareness level of the members are shown in Table 3.2.

Marital Status and Awareness Level

A person's likes and dislikes may change according to their marital status. Hence, an attempt has been made to examine the association between marital status and awareness level. The findings are shown in Table 3.2.

Educational Status and Awareness Level

Education widens the knowledge of people. It develops work force for different levels of economy. There is a hope that the awareness level of sample respondents will vary according to their education level. Hence, an attempt has been made to examine the association between the educational status and awareness level. The findings are shown in Table 3.2.

Occupation and Awareness Level

The awareness level of people may vary according to their occupational status. The distribution of the members according to the occupation and awareness level is shown in Table 3.2.

Nature of Family and Awareness Level

Nature of the family of the respondents may also have some influence in the awareness level of the members. Details of the findings are presented in Table 3.2.

Size of Family and Awareness Level

It is assumed that there may be some relationship between the number of family members and awareness level. Details of the findings are shown in Table 3.2.

Number of Earning Members and Awareness Level

Number of earning members is also taken into consideration for testing the association between the number of earning members and awareness level of the members. The findings are shown in Table 3.2.

Annual Income and Awareness Level

Income is the major determining factor and it influences the life style of the people. Income of the members may also determine their awareness level. The findings are shown in Table 3.2.

Annual Expenditure and Awareness Level

It is assumed that the annual expenditure of the members also have a considerable impact on their awareness level. The findings are shown in Table 3.2.

Annual Savings and Awareness Level

The people save the money for future period of time. One of the main objectives of the banks is to mobilize savings among the people. There may be some relationship between the saving habit of the members and awareness level. The details of the findings are shown in Table 3.2.

Type of Account and Awareness Level

It is felt that type of account would influence the members awareness level. Details of the findings are presented in Table 3.2.

Experience of Account Maintenance and Awareness Level

It is assumed that the experience of account maintenance of the members also have a considerable impact on their awareness level. The findings are shown in Table 3.2.

Frequency of Visit to Bank and Awareness Level

It is assumed that the frequency of visit to bank of the members also have a considerable impact on their awareness level. Details of the findings are shown in Table 3.2.

Table 3.2: Independent Variable and Awareness Level

Independent Variable	Categories	Awareness Level		Total	Total Score	Average Score	DF	χ^2	H ₀
		High	Low						
Age Group	Young	5 (16.7)	25 (83.3)	30 (100)	1288	42.93	2	4.738	Accepted
	Middle	8 (21.1)	30 (78.9)	38 (100)	1591	41.87			
	Old	19(36.5)	33 (63.5)	52 (100)	2033	39.10			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			
Gender	Male	24 (28.6)	60 (71.4)	84 (100)	3400	40.48	1	0.519	Accepted
	Female	8 (22.2)	28 (77.8)	36 (100)	1512	42.00			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			
Marital Status	Married	20 (26.3)	56 (73.7)	76 (100)	3060	40.26	1	0.013	Accepted
	Unmarried	12 (27.3)	32 (72.7)	44 (100)	1852	42.09			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			
Educational Status	Illiterate	8 (29.6)	19 (70.4)	27 (100)	1083	40.11	2	1.119	Accepted
	School level	16 (29.6)	38 (70.4)	54 (100)	2127	39.39			
	College level	8 (20.5)	31 (79.5)	39 (100)	1702	43.64			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			
Occupation	Agriculture	13 (35.1)	24(64.9)	37 (100)	1434	38.76	3	5.104	Accepted
	Business	6 (35.3)	11 (64.7)	17 (100)	675	39.71			
	Employed	10 (25)	30 (75)	40 (100)	1695	42.38			
	Profession	3 (11.5)	23 (88.5)	26 (100)	1108	42.62			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			
Nature of Family	Joint	24 (33.3)	48 (66.7)	72 (100)	2916	40.50	1	4.091	Rejected
	Nuclear	8 (16.7)	40 (83.3)	48 (100)	1996	41.58			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			

Size of Family	Small	20 (40.8)	29 (59.2)	49 (100)	1813	36.98	2	8.708	Rejected
	Medium	8(15.4)	44 (84.6)	52 (100)	2312	44.46			
	Large	4 (21.1)	15 (78.9)	19 (100)	788	41.47			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			
Number of Earning Members	Group A	4 (13.3)	26 (86.7)	30 (100)	1285	42.83	2	3.719	Accepted
	Group B	20 (30.3)	46 (69.7)	66 (100)	2679	40.59			
	Group C	8 (33.3)	16 (66.7)	24 (100)	948	39.50			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			
Annual Income	Low	20 (45.5)	24 (54.5)	44 (100)	1696	38.55	2	14.938	Rejected
	Medium	4 (9.1)	40 (90.9)	44 (100)	1924	43.73			
	High	8 (25)	24 (75)	32 (100)	1292	40.38			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			
Annual Expenditure	Low	20 (45.5)	24 (54.5)	44 (100)	1636	37.18	2	14.938	Rejected
	Medium	4 (9.1)	40 (90.9)	44 (100)	1900	43.18			
	High	8 (25)	24 (75)	32 (100)	1376	43.00			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			

Annual Savings	Low	4 (11.1)	32 (88.9)	36 (100)	1472	40.89	2	7.040	Rejected
	Medium	16 (37.2)	27 (62.8)	43 (100)	1806	42.00			
	High	12 (29.3)	29 (70.7)	41 (100)	1634	39.85			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			
Residential Area	Urban	8 (15.4)	44 (84.6)	52 (100)	2296	44.15	2	17.592	Rejected
	Semi-urban	8 (20)	32 (80)	40 (100)	1592	39.80			
	Rural	12 (42.9)	16 (57.1)	28 (100)	1024	36.57			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			

Type of Account	Savings Bank Account	13 (39.4)	20 (60.6)	33 (100)	1293	39.18	2	9.840	Rejected
	Current Account	6 (20)	24 (80)	30 (100)	1263	42.10			
	Fixed Deposit Account	3 (9.7)	28 (90.3)	31 (100)	1345	43.39			
	Other Account	10 (38.5)	16 (61.5)	26 (100)	1011	38.88			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			
Experience of Account Maintenance	Group A	12 (33.3)	24 (66.7)	36 (100)	1352	37.56	2	1.250	Accepted
	Group B	8 (22.2)	28 (77.8)	36 (100)	1608	44.67			
	Group C	12 (25)	36 (75)	48 (100)	1952	40.67			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			
Frequency of Visit to Bank	Group A	7 (19.4)	29 (80.6)	36 (100)	1456	40.44	3	5.557	Accepted
	Group B	3 (14.3)	18 (85.7)	21 (100)	925	44.05			
	Group C	10 (30.3)	23 (69.7)	33 (100)	1369	41.48			
	Group D	12 (40)	18 (60)	30 (100)	1162	38.73			
	Total	32 (26.7)	88 (73.3)	120 (100)	4912	40.93			

4. FINDINGS

- 83.3% of the young age, 78.9% of the middle age and 63.5% of the old aged members.
- 77.8% of female and 71.4% of the male members.
- 73.7% of the married and 72.7% of the unmarried members.
- 70.4% of illiterate, 88.9% of school level and 79.5% of college level members.
- 64.9% of the agriculture, 64.7% of the business, 75% of the employed and 88.5% of the professional members.
- 59.2% of the small family, 84.6% of the medium family and 78.9% of the large family members.
- 86.7% of the Upto 1 number of earning members, 69.7% of the 2 to 3 number of earning members and 66.7% Above 3 number of earning members.
- 54.5% of the low income group, 90.9% of the medium income group and 75% of the high income group members.
- 54.5% of the low expenditure group, 90.9% of the medium expenditure group and 75% of the high expenditure group members.
- 88.9% of the low group, 62.8% of the medium group and 70.7% of the high group members.

- 84.6% of the urban area, 80% of the semi-urban area and 57.1% of the rural area of members.
- 60.6% of the savings bank account holders, 80% of the current account holders, 90.3% of the fixed deposit account holders and 61.5% of the other account holders.
- 66.7% of less than 1 year experience of account maintenance, 77.8% of 1 year to 5 years experience of account maintenance and 75% of Above 5 years experience of account maintenance.
- 80.6% of Daily frequency of visit to bank, 85.7% of Weekly once frequency of visit to bank, 69.7% of Monthly once frequency of visit to bank and 60% of As and when required frequency of visit to bank.

In Chi-square test, it is found that association between level of awareness and age, gender, marital status, educational status, occupation, number of earning members, type of account, experience of account maintenance and frequency of visit to bank are statistically proved as Insignificant i.e., framed null hypothesis is accepted. Whereas, association between level of awareness and nature of family, size of family, annual income, annual expenditure, annual savings and residential area are statistically proved as Significant i.e., framed null hypothesis is not accepted.

5. SUGGESTIONS

In the light of the findings of the present study and on the basis of suggestions offered by the members, the following suggestion is offered for the betterment of banks and members.

It was observed that 73% of the respondents exhibit low awareness regarding the primary services offered by PACCS. The study identified key areas of low awareness, including the availability of safe locker facilities, loan interest structure and promotional leaflets outlining service offerings. To address this gap, cooperative management should implement targeted awareness initiatives, optimize leaflet distribution and provide need-based credit at subsidized rates. These interventions are expected to substantially improve members' awareness and overall satisfaction with PACCS."

6. CONCLUSION

From the foregoing analysis, it is obvious that offering good banking services in the rural areas is a vital role for success of any banks especially Co-operative Banks should increase the members' satisfaction by rendering various social services. On the basis of the findings in the present study, various constructive, practicable and viable suggestions have been offered. If all suggestive measurements have been seriously consider by the Government of India, Reserve Bank of India, NABARD and Tamil Nadu Co-operative Union definitely the livelihoods of members and the progress of Dharmapuri PACCS will improve significantly.

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