



Entrepreneurial Competencies of Primary Agricultural Cooperative Credit Societies: A Study in Tamil Nadu, India

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Abstract

This study analyzed the entrepreneurial competencies of select primary agricultural cooperative credit societies (PACS) in Tamil Nadu, India and how they diversify their business to cater to the needs of members and other consumers. The objectives of the study are to evaluate the performance of sample PACS in Tamil Nadu; to identify the emerging lessons from the business diversification strategies of PACS; and to offer suitable suggestions for policy dialogue. The study found that sample PACS have experienced success in their business diversification from the point of view of increasing the customer base through coverage of women from the small and marginal farming community; mobilizing the small savings; increased loan consumption capacity of Women Self Help Groups; and recovery of loan in time. Apart from the direct business generated, the good-will being created through these enhanced services of PACS in the villages gets translated into other indirect benefits. Members of Women Self Help Groups were induced to come to PACS not merely for getting loan but for easy access to an institution and its services in their neighborhood. Both the stakeholders enjoyed benefits and this new line of strategy increased the access to institutional credit of rural resource poor, especially the women, and thereby increased the Ground Level Credit flow. There was an increase in the interest income to the sample PACS, while reducing the interest burden and tapped the entrepreneurial culture and improved the livelihood of the members. This trend established that those PACS which exhibited their entrepreneurial competencies would be able to sustain their business through location specific functions and serve as change agents at village level.