Preface

Rural Development has to play an important role in the overall socio-economic development of a country like India, where the majority of the population lives in rural areas. Without the upliftment of the vast proportion of the rural population, the objective of overall development of the country cannot be achieved. The rural sector affects, directly or indirectly, almost all the economic activities in the country and provides employment to the maximum number of people. It supplies food for the survival of the entire population of India. It also supplies materials necessary for the major industries of India. A large part of the revenue of the government is also generated from the rural sector.

The rural finance is a matter of credit concern in a developing economy like India where 70 percent of the total population depends upon agriculture for its livelihood. Moreover 40 percent of the GDP in India is contributed by the rural sector. The economic as well as rural development of our country can be achieved only through the upliftment of the village folk consisting of farmers, agricultural labourers, artisans etc. Finance being the lifeblood of every commercial venture, the availability of adequate funds at reasonable terms is must to ensure speedy economic development of a village. Therefore, the need was felt for establishing financial institutions, specialized to cater to the needs of the rural poor in order to fill up the regional and functional gap in the financial credit available to rural areas. Hence, Regional Rural Banks have been set up to play a significant role in the dispensation of credit to the vulnerable sections of the rural society to improve their income, standard of living and for the generation of adequate employment opportunities on a self-sustained basis. The significance of the RRBs lies in their efforts to transform the present rural scene by converting the dream of the poor masses into reality. The RRBs are the banks for the masses and not for the classes. To meet the credit requirements of rural masses of Himachal Pradesh, two Regional Rural Banks have been established namely Himachal Gramin Bank and Parvatiya Gramin Bank. In the present study an attempt has been made to evaluate the role and impact of the Regional Rural Banks in the Development of Rural Areas of the State.
The entire theme has been treated under nine chapters. Chapter-1, deals with the meaning and concept of rural development and scenario of the banking industry before and after nationalization, including cooperative banking and role of banks in the development of rural areas. The performance and growth of Regional Rural Banks in India have been discussed in chapter-2. Chapter-3, includes review of literature and the gaps in the literature have been identified. Chapter-4, outlines the research methodology eliciting need of the study, objectives, research hypothesis, sampling, tools of analysis, significance and limitations of the study. The comparative performance of the Himachal Gramin Bank and the Parvatiya Gramin Bank have been discussed in chapter-5. Chapter-6, deals with the opinion of respondents regarding the impact of RRBs credit on income and employment generation. The Impact of the Regional Rural Banks credit on agricultural and Industrial sectors has been analysed in chapter-7. Chapter-8, presents the perception of bank officials and borrowers towards the attitude of management. Chapter-9, presents the summary of findings, recommendations and identification of areas for future research.

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