CHAPTER - II
MATERIAL AND METHODS

The Regional Rural Bank in Tamil Nadu functions in two districts of South Tamil Nadu. This chapter offers a profile of these two districts. Since an appreciation of the significance of the difficulties in the details of the working of the branches of the bank in these districts depends on an understanding of their geographical, economical and social differences, this chapter dwells on them.

POPULATION

As our specific aim is to study the Regional Rural Bank in Tamil Nadu from the sociological stand point, its sampling population is limited to the boundary of Tamil Nadu. Tamil Nadu has only one Regional Rural Bank known as the "Pandyan Grama Bank". It is sponsored by the Indian Overseas Bank. And as the operational area of this bank extends only to the whole of Tirunelveli and Ramanathapuram districts out of the eighteen districts in Tamil Nadu, the sample population is further limited by the boundaries of these two districts.

It is found that the districts in the State differ among themselves much in terms of geographical conditions, occupational structures and demographic factors like the distribution of sexes, strength of working population and the age-war distribution of the work force. This point is
illustrated neatly by the Tirunelveli and Ramanathapuram districts which are adjacent to each other.

As the differences between these two districts influence the functioning of the Regional Rural Bank in several ways, a brief description of the command area of the study will facilitate better understanding of the nature of the study.

Tamil Nadu is situated on the eastern side of the southern tip of the Indian peninsula. It is bounded on the east by the Bay of Bengal, in the west by the Arabian Sea and the States of Kerala and Karnataka, in the north by Karnataka and Andhra Pradesh. It occupies the eleventh rank among the States in India in regard to size, with an area of 1,30,069 Sq. Kms. As regards population, Tamil Nadu ranks fifth among the States in India, with a population of 41,199,168. It has 15,735 inhabited villages and 439 towns. 69.74 per cent of the total population is living in rural areas while 30.26 per cent is living in urban areas. The average population per inhabited village in the State works out to 1286. The average density of population is 317 per Sq.Km. The total labour force in Tamil Nadu is 35.78 per cent of the total population. 51.78 per cent of this population are men and 48.22 per cent are women. Of these workers, 31.26 per cent are cultivators while 30.46 per cent are agricultural labourers.
Thus 61.72 per cent of the total workers derive employment from the agricultural sector.¹

Industrially and agriculturally, Ramanathapuram district is one of the most backward districts in Tamil Nadu, frequently affected by severe droughts caused by the failure of the monsoons. The district stretches from the Western Ghats to the Bay of Bengal, and is surrounded by Pudukottai district on the North, Madurai district on the North west and west, Tirunelveli district and the gulf of Mannar on the South and the Palk Strait on the East. The district has an area of 12,578 Sq.Kms representing 10.34 per cent of the area of Tamil Nadu. The district has been divided into 17 taluks and 32 community Development Blocks for the purposes of revenue and development administration.² There are 1411 inhabited villages and 34 towns including 11 municipal towns.

The sources and levels of income among the workers differ from region to region. Though there are a number of rivers and streams running through the district, none of them is perennial. It gets only low rain-fall and so its irrigation facilities are poor and its agricultural productivity is very meagre. But the economy of the district is predominantly based on agriculture. The district possesses the State's longest coastline, measuring 265 Kms, and the

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¹ All the figures here are based on the 1971 census

² This district was trifurcated in August 1984, into Kamaraj District, Pon Muthuramalingam District and Ramanathapuram District.
fisheries industries have developed very well.

According to the 1971 census, the district has a population of 28.60 lakhs. The urban population forms 26.11 per cent of the total population in the district. The district has a low population density of 227 persons per sq.km as against 317 persons for the State. 73.89 per cent of its population is rural. The average population per inhabited village in the district works out to 1498 as against 1286 persons for the State. Among this labour force in the district 30.21 per cent are males while 6.24 per cent are females. The district has relatively less agricultural labourers and more cultivators as compared to the State. Of the total population of the district, 36.45 per cent are cultivators. The agricultural labourers constitute 26.95 per cent of the total population.

Tirunelveli district, roughly triangular in shape, is located in the south eastern part of Tamil Nadu. The district is bounded by Ramanathapuram district on the North, the Gulf of Mannar on the East and South and Quilon (Kerala) and Kanyakumari districts on the West. The district extends over an area of 11,433 Sq.Kms. accounting for 8.8 per cent of the total area of Tamil Nadu. The district has been divided into 13 taluks and 31 community Development Blocks for the purpose of revenue and development administration. The district
has 974 inhabited villages and 52 towns.

Agriculture is the mainstay of the economy of the district, with paddy as the most important crop, particularly in the canal-irrigated tracts. Tanks and wells are the main sources of irrigation covering 85 per cent of the irrigated area. The Tambaraparani is the only perennial river in the district. The district is one of the few industrially developed districts in Tamil Nadu. With a long coastline of 176 Kms and territorial waters covering thousands of hectares, the district has a rich fishing ground.

The population of the district as per the 1971 census, is 32 lakhs representing 7.7 per cent of the State's population. 67.83 per cent of its population is rural, 32.17 per cent of it living in the urban areas. The district has 974 inhabited villages with an average population of 2227 per village as against 1286 for the State. The average density of population is 280 per Sq.Km. as against 317 persons per Sq.Km. for the State.

The 1971 census places the total labour force in the district at 36.50 per cent of the total population as against 35.78 per cent for the State. Among the labour force men constitute 54.29 per cent and women constitute only 19.63 per cent. The district has relatively less cultivators and
more agricultural labourers as compared to the State. 24.82 per cent of its total population are cultivators as against 31.26 per cent for the State, and the agricultural labourers in the district make up 30.80 per cent of the total working population as against 30.46 per cent for the State.

**SAMPLING**

The study covers the whole of Ramanathapuram and Tirunelveli districts which are the operational area of the Pandyan Grama Bank. According to the 1971 census these districts together have a population of 60.60 lakhs. These two districts have an area of 24,011 Sq.Kms.

Considering the research problem, the objectives of the study and the universe of the study, 20 branches of the Pandyan Grama Bank are taken as the unit for the study. The end of December 1980 is fixed as the cut-off date. The present study covers a period of 46 months -- from 9th March 1977, the date on which the Pandyan Grama Bank was established, to 31st December 1980. At the end of December 1980, the Pandyan Grama Bank had 85 branches, one of them being a satellite branch. Each district had 42 branches.

As the operational area of the Bank extends to the whole of Ramanathapuram and Tirunelveli districts, the study gives
equal representation to them, selecting 10 branches from each district. As stated earlier, the Bank was established on 9th March 1977. To maintain parity in the assessment of the working of the branches in the two districts, the same number of branches started in any given year are taken from each district, under Proportionate Stratified Random Sampling Technique by using the table of random numbers as follows:

<table>
<thead>
<tr>
<th>S No.</th>
<th>Year of Establishment</th>
<th>No. of Branches started in</th>
<th>No. of Branches selected in</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>R</td>
<td>T</td>
</tr>
<tr>
<td>1.</td>
<td>1977</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>2.</td>
<td>1978</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>3.</td>
<td>1979</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>4.</td>
<td>1980</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>42</td>
<td>42</td>
</tr>
</tbody>
</table>

R - Ramanathapuram District  T - Tirunelveli District

The necessary data has been collected by personal interview through two separate semi-structured interview schedules designed for this study. One interview schedule is used to collect the necessary primary data from the beneficiaries of the Bank. The other is used to collect necessary data about the branch bank from the manager. From among the staff of the branches their
managers have been chosen for the collection of data since they are bound to be experienced and relatively better-informed.

The sample population for the study has been fixed at 500 and it has been equally distributed among the twenty selected branches. Twenty-five beneficiaries (loanees) from each branch have been interviewed. The sample for the second interview schedule comprised of the twenty branch managers selected out of the 84 branches in the area of the study.

FIELD WORK

As the first step, the interview schedules were pre-tested in February 1981 and in the light of the experience, a few alterations were made in the schedules. The final data was collected during the field work in July, August and September 1981. To facilitate data collection, the branch managers of the selected branches were intimated in advance of the researcher's visit and purpose by the Head office to ensure their active co-operation. It may be added that they have co-operated to the maximum extent possible. As a rule the staff of the branches were always kind enough to take the researcher to the beneficiaries of the bank. However, care was taken to see that the interview was strictly inter-personal. Case history and personal
observation techniques have been followed during data collection.

**TYPES OF DATA COLLECTED**

The data collected in the field-work for this study includes both quantitative and qualitative data. Quantitative data was collected through semi-structured interview schedules and the qualitative data was collected through case history and personal observation.

Quantitative data includes frequency, distribution of sex, caste, community, religion, type of the family, size of the family, age, marital status, education, occupation, landownership, depositors in Pandyan Grama Bank, types of deposits, and family annual income. Besides this, the frequency distribution of the number of loans and amount availed by the respondents were classified according to the caste, community, primary occupation and family annual income.

The second interview schedule which was used to collect the data from the selected branches of Pandyan Grama Bank gives a list of quantitative data, viz., deposits, advanceoutstanding, establishment and other expenses, profit or loss for the year, loan operation and the types of loan.

The qualitative data collected through the case history and personal observation includes the kind of service rendered,
difficulties of the customers and bank personnel, opinion of the people about the bank and their expectation from the bank. It also includes the social relationship between the bank personnel and the customers. Further qualitative data includes the typical case histories in the concerned branches.

**ANALYSIS OF DATA**

In the light of the objectives of the study the data thus collected are organised and analysed. Both quantitative and qualitative approaches are employed in the analysis of the data. Data collected from secondary sources, mainly from Pandyen Grama Bank, Reserve Bank of India and census reports, involved only classification, tabulation and some computation. With the interview-data, the process is a little different. All the 500 completed schedules are arranged, checked and finally the analysis of the data is carried out.