CHAPTER I

INTRODUCTION
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Of late, rural development has become a matter of global concern and more so in a developing country like India. While social change may take place both in the positive and negative direction, the concept of development has been considered to be a change in the positive direction only.1 Rural Development embraces the growth of the rural sector as well as its economy in the positive direction for all round betterment of rural people.

India is predominantly a country of villages. More than 96 per cent of the geographical area is rural2 in nature and about 70 per cent of the total population live in such areas.3 During the present century, although the percentage of rural population is reducing census by census4, the rural population is increasing demographically. In 1901, 89 per cent of its total population lived in villages and almost after 100 years, the proportion is still at a high 70 per cent. It is quite likely that by the turn of 21st century also at least 50 per cent of India’s population would continue to live in rural areas. On the other hand, the vast proportion of rural population mostly constitutes small and marginal farmers, landless agricultural labourers, non-agricultural labourers, artisans, Scheduled Castes and Scheduled Tribes. As such, a significant section of the rural people are underdeveloped and live below the poverty line.

As the rural areas remained under developed and the village dwellers continued to suffer, a serious thought was given by the government of India for

3 See Census of India, 2001, series 1, India, Part II B (i), Primary census Abstract, General Population, p (iii).
4 The main reason for the decrease in percentage is the constant migration of rural people to the urban sector.
promoting development and adopting welfare measures for the rural people, particularly during the post-Independence period. So the rural development inter alia required an approach for integrated development of rural centres and eradication of rural poverty through creation of employment opportunities, increase in the standard of living of rural people, ensuring a better and dignified means of livelihood. In order to accomplish these objectives, there was the need for supply of improved houses in the villages, proper transport facilities, adequate marketing facilities for the agricultural produce as well as consumer’s goods including essential commodities, provision of adequate drinking water, sanitary facilities, better medical care through establishment of rural dispensaries, maternity and child welfare centres, veterinary facilities, rural electrification, establishment of educational institutions and provision for recreational avenues.

Constant efforts, therefore, have been made by the government of India to meet the aforesaid developmental needs through the implementation of the Five Year Plans. But when the allocation of funds by the central as well as the state governments for the purpose were found to be inadequate, the nationalised banks were called upon to take up the issue of rural development as a challenge. Since the basic problem facing the rural poor is the insufficiency of their income to meet their minimum expenditure in production activities, credit plays a pivotal role in the life of the rural poor. So the government accepted the concept of a multi agency approach and induced the commercial banks to provide more credit to rural people especially in the field of agriculture. Institutional credit particularly from the nationalised banking sector and the catalytic functions of the banks for rural metamorphosis have therefore played a dominant and crucial role in the economic transformation of rural India. How far the nationalised banks have become successful in promoting rural development, has become a vital concern of the scholars and researchers in recent times.

Approaches to the study of Rural Development

The study of rural development has been approached from different angles at different times. The concept of rural development is not new to India rather it dates back to the country’s ancient civilization. Since time immemorial, villages have been considered as the growth centre of human population. Agriculture was the chief occupation of the Aryans during the vedic period. For increasing agricultural production, irrigation of land through wells and canals had been introduced. However during the vedic period, the development of villages was approached through collective efforts.

During the medieval period, it was Shershah, who took steps for the improvement of Agriculture through measurement of land, reduction of land revenues and constructions of roads for better transport. During the reign of Akbar, land survey was introduced for the welfare of the cultivators.

When the British captured India and started ruling over the country, they approached rural development from the humanitarian point of view. Occurrences of recurrent famines and consequent sufferings of the rural poor forced the British to take necessary measures in this direction. During the period of Lord Curzon, emphasis was laid on improvement of agriculture, through the establishment of a Department of Agriculture at the National level and a Central Research Institute for Agriculture. Since then, no remarkable steps could be taken in this field.

However, rural development received popular support during the time of freedom movement following the innovative experiments started by eminent

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7 For details, see Majumdar R.C. (Ed.), *The Mughal Empire*, Volume VII, Bharatiya Vidya Bhavan, Bombay, 1974, p. 85.
8 For details, see Fredrich Augustus, *The Emperor Akbar*, Volume 1, Academica Asiatica, Patna, 1973, pp. 271-95.
personalities like Mahatma Gandhi, Rabindranath Tagore etc. Gandhian approach to rural development was promotion of village industries, adult education, upliftment of women and removal of untouchability\textsuperscript{10}.

In Independent India, the government adopted new approaches to rural development through comprehensive planning and implementation of a number of development programmes. The basic approach to rural development was improvement of infrastructural facilities in the villages and eradication of rural poverty. Today India has adopted integrated rural development approach, for the upliftment of the rural poor\textsuperscript{11}.

**Review of literature**

Recently the problems of rural development have been receiving increased attention of the scholars interested in the field of research. There has been prolific growth of literature on rural poverty and development as this problem has received "world wide attention", particularly since the end of the second world war with great intellectual activity and keen academic enthusiasm\textsuperscript{12}. Similarly, over the past few years, the financial sector in India has been witnessing a drastic shift in the concept, percert and outlook. The functioning of the nationalised banks have become a matter of concern for one and all. The M. Narasimhan Committee on the financial system has sought drastic changes in social lending programmes so that their benefit is derived by the weakest among the weak. A number of research studies have been conducted on the various aspects of banking in India. From


\textsuperscript{11} A detailed analysis of rural development programmes has been made in the subsequent chapters of this Thesis.

\textsuperscript{12} Agarwala, A.N. et al., J (Ed.), *The Economics of under development*, Oxford University Press, Delhi, 1986, p.3.
among the rapidly expanding literature on the subject of Rural Development\textsuperscript{13} and Nationalised Banks, a few prominent studies are reviewed in the following paragraphs in order to justify the present study.

The book, "Institutional Financing in India" by Dr. P. L. Joshi,\textsuperscript{14} is a crucial study of the financial institutions particularly of commercial and co-operative banks in financing the agriculture and allied sectors in a backward origin i.e. Garwal Division of U.P. The book has focussed on the structural weakness of the functioning of the banks and other financing bodies in regard to providing financial help for agricultural development. The study is based on empirical findings.

Kamal Nayan (1985)\textsuperscript{15} has found that bringing the benefits of bank services to the door-steps of the weaker sections of society, is a great challenge for the management of commercial banks, particularly the public sector banks. He finds that periodical monitoring of the performance, both at the macro and micro level, is essential not only to ensure steady progress towards the achievement of social objectives but also to improve the operational efficiency and health of commercial banks.

Mitra (1985)\textsuperscript{16} has conducted an evaluation study in Singhbhum District (Bihar) and has observed that the success of any social banking programme mainly depends on two factors e.g. (i) organizational and managerial efficiency of the delivery system; and (ii) people's participation on the programme through proper motivation and through development of rural entrepreneurship.

\textsuperscript{14} Joshi, Dr. P. L., "Institutional Financing in India", Deep and Deep publication, New Delhi, 1985.
\textsuperscript{15} Nayan Kamal, \textit{Commercial Banks in India ; Performance Evaluation} ; Deep and Deep Publications, New Delhi (1985).
Chawla (1986)\textsuperscript{17} has studied banking developments in Patiala District with special reference to branch expansion, deposit mobilisation, credit deployment, priority sector lending and poverty alleviation programmes. It is concluded that although imbalance in banking presence continues to exit, a clear trend in reduction of inter-block disparities is observed. The analysis reveals that only four banks operating in the district, which have regional character, have opened more branches in rural areas than in urban areas. All other banks have concentrated either in urban or in semi-urban areas.

Husain’s study (1986)\textsuperscript{18} has led to the conclusion that the performance of Indian banking industry has been quite impressive in terms of branch expansion, mobilisation of savings and extension of credit specially to priority sector. But at the same time, the banking systems suffers from organisational, managerial and functional problems. To the scholar, the poor capital base, low profitability, mounting dues and bad customer service are some of the serious drawbacks which threaten and obscure the future of commercial banking in India.

S.S.M. Desai (1986)\textsuperscript{19} in his book “Rural Banking in India”, has made an attempt to analyse and critically assess the role played by various unorganised and organized banking and financial institutions in rural areas of India. He has analysed the various problems and issues that have cropped up and the manner in which the problems should be dealt with, if rural banking is to be an effective instrument of rural reconstruction and development.

\textsuperscript{17} Chawla, Arvinder Singh, \textit{Banking Developments In Patiala District}, Department of Business Management, Punjabi University, Patiala ; 1986 (Mimeo).
\textsuperscript{18} Husain Dr. Farhat, \textit{Public Sector Commercial Banking in India: Deep and Deep Publications, New Delhi, (1986).}
\textsuperscript{19} Desai, S. S.M., “\textit{Rural Banking in India}”, Himalaya publishing house, Juhu Road, Bombay (1986).
The chief objective of the book "Rural Development in India since Independence" by K. Deb (1986)\textsuperscript{20}, is to make a comprehensive analysis of the rural development efforts made since the beginning of planning in the country. It penetrates into the areas like the manner of deployment of funds in different sectors, with how much sincerity planning was done and how rigorously the schemes were implemented. It goes to the root of the problem and suggests how the situation could be improved.

Verma (1986)\textsuperscript{21} has studied the impact of the IRDP on the socio-economic status of women and their families in Udaipur District (Rajasthan) and has come to the conclusion that delays in sanctioning of loan, grounding the activity and in identifying the beneficiaries should be avoided in order to win the confidence of women beneficiaries.

L.K. Naidu (1986)\textsuperscript{22}, in his edited book 'Bank Finance for Rural Development', has stressed on the issues relating to theory, policy and practice of bank finance in relation to Rural Development. The book attempts to provide a perspective for extending bank finance for Rural Development in a developing economy like India. The topics included in the volume emphasize the need for an effective credit planning incorporating a right kind of credit mix to various subgroups of the weaker section.

Evaluation and Monitoring cell, in the Economic Research Department of State Bank of India has conducted a study (1987)\textsuperscript{23} on the impact of Bank credit on

weaker sections’ financed under the Differential Rate of Interest Scheme. It has been observed that the utilisation of bank loans have generally raised the levels of income and employment of the borrowers, who in turn have found it possible to improve their quality of life at least in quantitative terms. The number of borrowers above the poverty line in the post-loan period was almost two times more in comparison to the pre-loan situation.

J. Ramu Naidu (1987)24, in his article “How banks can finance Rural Development” has urged upon the provision of subsidy. According to him, subsidy should be linked with credit from financial institutions. He feels, unless sufficient credit is provided to the developmental programme for the weaker sections, the main goal of such programmes can not be achieved.

Chawla (1987)25 in his Ph.D. research work has highlighted the outstanding achievement in the priority sector lending in terms of quantitative targets. He has observed that within the priority sector the relatively well-off have got the maximum benefits, where as the poorest of the poor have remained credit-starved. According to him, there is also a need for laying down the priorities in such a manner that the poorest of the poor are benefited.

Srivastava (1988)26 in his study conducted in Ferozepur and Ropar districts of Punjab, has observed that the situation of the rural poor can only be improved if they are integrated into an overall system. Any programme of rural development has to take into account the inter relationship of social, political, economic and technological factors in its approach.

The book “Developing Rural India: The co-operative strategy” by Leelamma Devasia (1987)\(^{27}\), forcefully establishes that as a developing country, India has abundance of resources in the shape of land and man power, but owing to the lack of finances, co-operatives seem to provide the best alternative for rural development and eradication of poverty. The study is an attempt to find out the effectiveness of the co-operative programmes in the rural areas of the country.

M.S. Tarun (1989)\(^{28}\) in his book “Institutional Finance in Rural development – A Regional study”, has elaborately discussed about the role of institutional Finance like Co-operative Banks, Commercial Banks and Regional Rural Banks in the field of Rural Development in that State of Harayana. It also brings out the impact of Institutional Finance on the borrowers economic condition and standard of living, examines the problems relating to rural credit faced by the banks and the borrowers, and highlights the preferences for borrowing from each of the three institutions and reasons thereof.

Pandey (1989)\(^{29}\) observes that the banks have to develop appropriate organisational skills and change their attitudes in favour of the neglected sector of the rural economy in order to help the poor peasants, artisans and other rural poors.

Sunil Kumar (1990)\(^{30}\) in his book “Regional Rural Banks and Rural Development, has made an in-depth enquiry into the nature, working and performance of the institutional credit in general and the Regional Rural Banks in

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particular in respect of developing the rural areas and meeting the credit needs of
the weaker section of the population living in the countryside. The study has been
made in the state of Bihar and it is a case study of Vaisali Khetriya Gramin Bank,
Muzzafarpur, Bihar. Here the author has analysed the impact of institutional
credit provided by the Vaisali Khetriya Gramin Bank on the socio economic status
of the rural poor.

Pasricha (1991)\textsuperscript{31} has studied the role of bank finance in rural development
in Punjab and has pointed out that “subsidy – linked” social bank schemes should
be reoriented in order to check the misutilisation of loans taken just to grab
subsidy. It is suggested that subsidy should be released only when the principal
amount is repaid. Moreover, the sponsoring agencies should adhere to the quarterly
targets assigned to them, while sponsoring loan cases to the financing banks.

The book “Rural Credit in India”, by Sukla Mohanty (1991)\textsuperscript{32}, studies the
development of Rural Credit Policies since colonial India to the modern time. The
growth of rural credit agencies and shaping up of the credit institutions from time
to time also has been emphasised. In addition, the inherent changes in the policy
and their outcomes have been elaborated.

The book “Dynamics of Indian Banking” Edited by C.M. Choudhury
(1992),\textsuperscript{33} is a collection of various articles written by eminent authorities and
reputed bankers in the country. For instance, in the Article “Role of Nationalised
Banks in Rural Development” Dr. M. K. Sinha, along with a brief mention of the
objectives and achievements of bank nationalisation has discussed the role of

\textsuperscript{31} Singh, Pasricha Jasmeet, \textit{Bank Finance and Rural Development in Punjab : A Case Study of Lead Bank
banks in implementing the I.R.D.P. He is of the opinion that the development, as a strategy, is antithetic to an isolated growth. It remains a perpetual process. Thus, we will have to keep on realigning our tactics to the uparming individual demands and problems and in the process, reorienting our approach to the pulls and pressures generated by the system.

The book “Rural Banking in India” by Dr. U. C. Pattnaik and Dr. R. N. Mishra (1993)\textsuperscript{34}, is an important analysis of the Rural Banking System and its different problems. According to the authors, rural banking is basically aimed at economic upliftment of rural poor through provision of adequate and timely credit to agriculturalists and rural artisans. But non-repayment of rural credit has paralysed the recycling process of the agricultural credit institutions. It is pertinent to note that this book presents the magnitude of the problem, the repayment behaviour of the loanes, different probable causes of mounting over-dues in the rural credit sector and a few suggestions to improve the scenario.

\textit{B.L. Chadha} (1995)\textsuperscript{35} in his article “Emerging scenario of Rural Banking”, has opined that the banking sector in India has undergone a sea-change during the past-quarter century and has emerged as one of the important agencies of rural development. Various policy measures were taken after the nationalisation of major commercial banks in 1969, to expand the reach of banking services to all parts of the country especially the backward regions, and to all sections of the population. Consequently, there has been phenomenal growth and spread of banking services to the far corners of the country and these services have become

\textsuperscript{34} Pattnaik Dr. U. C. and Mishra, Dr. R. N., \textit{Rural Banking in India}, Anmol Publications – 4374/B, Ansari Road, Daryagang, New Delhi – 1993.

available to the common man in rural areas. All the three segments of the rural credit structure i.e. the commercial banks, the RRBs and the Co-operative Credit institutions have made valuable contributions in this regard.

The article “Role of Financial Institutions, Professional management of Co-operatives with special emphasis on NABARD” by Dr. A.N. Sarkar (2000)\textsuperscript{36}, is a description of the organisational roles of various financial institutions. The author is of the opinion that the rural areas are no longer a monopoly of co-operatives. With the introduction of financial sector reforms, every financial organisation is making concerted effort to improve its coverage and efficiency. The reform process has been initiated in the co-operative banking sector also. In order to serve their clientele better and be able to survive in the fast emerging and competitive environment the credit co-operatives will have to welcome the banking reforms and implement them with need based modifications. They should initiate such of those pragmatic measures, which would strengthen their internal organisational identity and strength.

“Banking Sector Reforms & the emerging inequalities in Commercial Credit Development in India” of D. Narayan (2000)\textsuperscript{37} seeks to analyse the trends in credit deployment by industry, Bank groups, by rural and urban areas, and by the states over the recent period. With Bank Nationalisation, there was a rapid expansion of the banking network into rural and semi urban areas, and an increase in the share of agriculture, small industry, transport and trade in the total credit deployed. Banking sector reforms which is a major component of Macro economic\textsuperscript{36} Sarkar, A. N., “Role of Financial Institutions, Professional management of co-operatives with special emphasis on NABARD”, published in IBA, Bulletin, Dec. 2000, Volume XXII No.-12.
\textsuperscript{37} Narayan, D., Banking Sector reforms and the emerging inequalities in commercial credit development in India. Centre for Development Studies, Tiruvanthapuram, 2000.
adjustment programmes in India has changed these trends and patterns of banking over the last six to seven years. As a result, he argues, serious regional and sectoral inequalities are developing in the deployment of commercial credit in this country.

In her article "Rural Credit" Deepali Pant Joshi (2002)\textsuperscript{38}, is of the opinion that, the growth of financial intermediation through the expansion of banking services has been a powerful catalytic agent for development. Though good progress has been made in the provision of credit through institutional agencies in the rural sector, banks face difficulties due to declining recoveries and mounting over dues.

"A new development paradigm : employment, entitlement and empowerment" of A. Vimani (2002)\textsuperscript{39} focuses on the new approach to development policy of developing countries in which nationalised banks have a major role to play. The article deals with the theme as to how the nationalised banks succeed in breaking the rural areas from informal isolation. By reaching out to people in rural areas, these banks help in converting idle savings into effective ones. They improve the allocation of resources by lending money to Priority Sectors of the economy, thus acting as catalytic agents for the development of the country.

The article "Microfinance & the state- exploring areas and structures of collaborations" a research work of M. S. Sriram (2003)\textsuperscript{40} provides a detailed study on microfinance and the state. After introducing the emergence of Microsoft sector, the research work highlights the expanding role of commercial banks,

\textsuperscript{38} Pant Joshi, Deepali, "Rural Credit" published in Yojana - Volume 46, Jan. 2002.
\textsuperscript{40} Sriram, M. S., "Microfinance and the State-exploring areas and structures of collaborations". Research carried out under Sir Ratan Tata Trust Fund for Research Collaboration in Microfinance : Indian Institute of Management, Ahmadabad.
R.R.Bs, NABARD, Co-operatives along with other schemes promoted by Government to reach the rural poor. The paper also throws light on exploring areas of collaboration between microfinance and the state.

"Reaching the Rural poor – A renewed strategy for Rural Development" is a book published by the World Bank, Washington D. C. (2003). The new Rural Development Strategy presented in this book outlines the battle plan for renewing the focus on Agriculture and Rural Development. The book gives knowledge about the promotion of a Global Forum for Rural Development which will serve as a focal point for action and advocacy, for analytical and policy work, for coordination and cofinancing. The goal of the World Bank will be to keep Agriculture Rural Development at the heart of the development agenda till it wins the war against rural poverty.

"Micro-Finance : An introduction" by R. Srinivasan and M. S. Sriram (2003) provides a complete over view of the meaning and potentiality of Micro-Finance. The Indian Microfinance sector, the article describes, is a museum of several approaches found across the world. Indian Microfinance has lapped up the Grameen blueprint; it has replicated some aspects of the Indonesian and the Bolivian Model. In addition to the imported artefacts of microfinance, India has also the home grown model of self help groups. (S.H.Gs). The article also focuses on different aspects relating to microfinance in India.

"Extend Micro-Finance to rural areas" – Article published in the Hindu Business Line (2004), a financial daily from the Hindu group of publications describes how globalisation had allowed many foreign financial institutions to set

up shops in India, resulting in lending, being focused on urban markets. This has left a huge untapped market in rural areas. The article concludes that since microfinance has been successful in satisfying the varied and complex livelihood needs, it is high time the nationalised banks shift their focus to the rural hinterland and contributed to its economic development.

Dr. Amrit Patel (2004)\(^{42}\) in his article “Micro credit and role of banks : Need for initiatives and commitment”, has found that their is no dearth of financial resources as well as problem of repayments under micro-credit programme, and there is need for well organised and committed micro finance institutes through which the credit can be channelled and made available to poor households individually or in groups in India.

The research based study “Role of Nationalised Banks in Rural Development” by A. S. Rana (2005)\(^{43}\) critically analyses the contribution of nationalised banks to Rural Development. The core of the present research lies in finding how far the banks nationalisation has replaced the private moneylenders and greatly contributed to the amelioration of economic conditions of rural poor. This book also discusses the malfunctioning of the banks which fell prey to certain types of evils and weaknesses posing a danger of reprivatisation.

Y. V. Reddy (2006)\(^{44}\) in his article “Rural Banking – Review and prospects” has highlighted about the vigorous and determined efforts made towards expansion of rural credit, especially through rural banking. The efforts include the emphasis

\(^{42}\) Patel, Dr. Amrit, “Micro credit and role of banks : Need for initiatives and commitment”, *Kurukshetra, Volume 52 – No. 4- Feb.-2004.*


on sound credit culture, effective credit delivery and appropriate credit pricing, along with the use of technology for rural banking and new guidelines for microfinance programmes.

"Revival of co-operative credit structure" by Y. S. P. Thorat (2006) illustrates the different approaches to rural credit structure along with the working culture of cooperatives. It has examined how the rural credit market is rapidly changing with increasing number of players, accelerated competition and enhanced leveraging of information technology. Under such environment it suggests that cooperatives must also bring about an attitudinal mindset, leading to overhaul changes in their methods of operations.

Gursharan Singh Kainth (2007) in his title "Rural Finance in India" explores the need for rural credit system in India, traces its historical origins, and innumerable constraints and controversies under which it operates. He reveals that rural credit system by being compatible with the goals of higher growth and better equity, can work better both at state and national level.

"Banking development in India – (1947-2007), Growth, Reforms and outlook" of Niti Bhasin is a detailed description of the meaning, evolution and importance of banking system. It highlights on the various banking sector reforms from time to time till date. This book conceptualises the role of the modern banking system in the present economic scenario as catalytic agents for the development of the country by assisting weaker sections of the society in achieving their aspirations.

45 Thorat, Y. S. P., Revival of co-operative credit structure, published in Yojana – August 2006.
The aforesaid brief review of literature clearly reveals that although a good number of scholars have attempted in analysing the concept of Rural Development and its dimensions, no scholar has yet ventured to study systematically the role of the Nationalised Banks in Rural Development in Bokaro district.

**Scope of Study**

The present study chiefly deals with the role of nationalised banks in the field of rural development particularly in the State of Bihar with special reference to Bokaro district.

Despite its vast natural and human resources and rich cultural heritage, Bihar is considered to be an economically underdeveloped state among the 28 states of Indian union. Bokaro is the major district of Bihar reflecting the hope and aspirations of the entire state. A number of programmes relating to Rural development have been implemented in the district in particular and the state in general, since the nationalisation of banks. The district consists of 8 blocks among which Chas Block occupies the largest position. As such we have selected that Block as our sample study.

An attempt, has been made in the present study to make a scientific probe into the problems and prospects of the development programmes, an in-depth analysis of the performances of the nationalised banks and also to project their draw-backs and short comings and suggest remedial measures for further achievement of the contemplated goals. For the purpose, we have divided our thesis into the following chapters.

• At present the district of Bokaro forms a part of the State of Jharkhand.
Chapterisation

Chapter I : Introduction

Chapter II : Village development: A conceptual analysis.

Chapter III : Nationalised Banks and its involvement in village development.

Chapter IV : Area under study.

Chapter V : Perception of the Bank Officials about the role of nationalised banks in village development.

Chapter VI : Perception of the beneficiaries about the role of nationalised banks in village development.

Chapter VII : Conclusion..

Objective of the study

The chief objective of the study is to attempt at a special and temporal analysis of rural development through the nationalised banks in Bihar with special reference to Bokaro district. We have taken a period of 14 years i.e. 1991-2005, in order to find out the efforts of these banks in achieving rural upliftment during this period. In this context, we have tried to make a probe into the growth of banking system and advancement of financial assistance for rural development, structural and functional aspects of the banks, identification of beneficiaries, utilisation of the credit and its repayment and the socio-economic impact of the development programmes on the beneficiaries. In course of our discussion, we have also tried to pin point the institutional linkages between the banks and the government agencies, institutional arrangements for the rural development programmes and people’s participation in the rural development projects adopted through the nationalised banks.
Hypotheses

The following hypotheses have been formulated with the objective of guiding the current study. One of the hypotheses assumed is taken as the main hypothesis under which three sub-hypotheses have been formed. They are as under.

Main Hypothesis

"The nationalised banks have been greatly successful in promoting rural development”.

Sub-Hypotheses

- Nationalised banks provide huge amount of money on rural development schemes.
- Banks are in a big way instrumental in enhancing the socio-economic standard of the rural people.
- Bank officials play significant role in promotions awareness, interest and involvement of the people in Rural Development Schemes.

Method of study

We have adopted evaluative, analytical and empirical method for the study. For the purpose of collecting primary data, two sets of questionnaire have been circulated among the sample respondents, both in beneficiary and bank official groups. We have also adopted the interview method for the aforesaid purpose. In the process, data have been collected from secondary in addition to primary sources through the study of both published and unpublished literature, official records, Reports of Commissions and Committees, reports of the Banks and Ministry of Rural Development, Proceedings of Seminars and Conferences and other available documents have also been consulted.
Sample and Coverage

Of the 8 blocks in Bokaro district namely, Chas, Chandan Kiary, Bermo, Nawadih, Jaridih, Gomia, Kasmar and Peterbar, we have selected the Chas block as our sample since it is the largest in area and the most thickly populated block.

On the whole, 150 sample beneficiaries were selected at random, who were administered with a structured questionnaire in order to collect the relevant primary information. Only one person was interviewed from the selected ‘Holding’ for the aforesaid purpose.

On the other hand, the second questionnaire was also served to 150 bank officials who were functioning within the sample block during the period under our study. For this purpose, we had to go through the bank records and collect the names. We had gone from person to person and when anybody was found reluctant to furnish the answers to our question, we had to move to the other person. Thus no method of sampling could be adopted and we tried to collect 150 respondents who were available and prepared to answer our questions.

Respondents structure

The following Table No. 1:1 show the composition of the sample beneficiaries. The variables studied are sex, age, caste, religion, educational qualification, occupational status and annual income as these variables play a dominant role in determining the degree of success of the development projects and the impact of such projects upon the people.
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Components</th>
<th>Variables</th>
<th>Beneficiaries No. 150</th>
<th>Percentage to the total No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sex</td>
<td></td>
<td>a) Male</td>
<td>123</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b) Female</td>
<td>27</td>
<td>18</td>
</tr>
<tr>
<td>2. Age</td>
<td></td>
<td>a) Upto 35 years</td>
<td>57</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b) 36-45 years</td>
<td>80</td>
<td>53.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c) 46-60 years</td>
<td>10</td>
<td>6.67</td>
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<td></td>
<td></td>
<td>d) Above 60 years</td>
<td>03</td>
<td>02</td>
</tr>
<tr>
<td>3. Caste</td>
<td></td>
<td>a) SC/ST</td>
<td>49</td>
<td>32.67</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b) Others</td>
<td>101</td>
<td>67.33</td>
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<td>4. Religion</td>
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<td>a) Hindu</td>
<td>112</td>
<td>74.67</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b) Muslim</td>
<td>24</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c) Christian</td>
<td>12</td>
<td>08</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d) Others</td>
<td>02</td>
<td>1.33</td>
</tr>
<tr>
<td>5. Education</td>
<td></td>
<td>a) Illiterate</td>
<td>17</td>
<td>11.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b) Primary level</td>
<td>53</td>
<td>35.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c) Under Metric</td>
<td>40</td>
<td>26.67</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d) Matriculate</td>
<td>29</td>
<td>19.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>e) College/University</td>
<td>11</td>
<td>7.33</td>
</tr>
<tr>
<td>6. Occupation</td>
<td></td>
<td>a) Agricultural labourer</td>
<td>06</td>
<td>04</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b) Non- Agricultural labourer</td>
<td>05</td>
<td>3.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c) Rural Artisan</td>
<td>27</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d) Marginal farmer</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>e) Small farmer</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>f) Govt. service</td>
<td>02</td>
<td>1.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>g) Trade/Business</td>
<td>60</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>h) Private Service</td>
<td>02</td>
<td>1.33</td>
</tr>
<tr>
<td>7. Annual Income</td>
<td></td>
<td>a) Upto – 1500</td>
<td>01</td>
<td>0.67</td>
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<tr>
<td></td>
<td></td>
<td>b) 1501-2500</td>
<td>08</td>
<td>5.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c) 2501-3500</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d) 3501-5000</td>
<td>69</td>
<td>46</td>
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<td></td>
<td></td>
<td>e) 5001-10,000</td>
<td>43</td>
<td>28.67</td>
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<tr>
<td></td>
<td></td>
<td>f) Above 10,000</td>
<td>11</td>
<td>7.33</td>
</tr>
</tbody>
</table>

Source: Computed from the Primary data collected through the questionnaire.
The Table No. 1:1 reveals that among the respondents constituted males to the extent of 82 per cent and females to the tune of 18 per cent only. Majority of the respondents belonged to the age group of 36 to 45 years (53.33 per cent), General caste (67.33 per cent), Hindus (74.67 per cent) possessing primary level education (35.33 per cent) having small business and small farmers (40 per cent and 20 per cent) with an annual income between 3501 to 5000 (46 per cent).

The working experience and domiciliary background of the bank official respondents have been presented in Table No. 1:2. The year of services, period dealing with Rural Development projects and the domiciliary status of the officials have been taken as variables, because sometimes these influence considerably the activities of the incumbents.

**Table No. 1:2**

**WORKING EXPERIENCES AND DOMICILIARY BACKGROUND OF THE SAMPLE BANK OFFICIALS**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Components</th>
<th>Variables</th>
<th>Beneficiaries No. 150</th>
<th>Percentage to the total No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Domiciliary background</td>
<td>a) Village</td>
<td>75</td>
<td>50</td>
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<tr>
<td></td>
<td></td>
<td>b) Town</td>
<td>57</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c) City</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td>2.</td>
<td>Experience in handling rural Development programme</td>
<td>a) Upto 2 years</td>
<td>06</td>
<td>04</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b) Upto 3-5 years</td>
<td>53</td>
<td>35.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c) Upto 6-10 years</td>
<td>42</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d) Above 10 years</td>
<td>49</td>
<td>32.67</td>
</tr>
<tr>
<td>3.</td>
<td>Length of service</td>
<td>e) Upto 5 years</td>
<td>06</td>
<td>04</td>
</tr>
<tr>
<td></td>
<td></td>
<td>f) Upto 6-10 years</td>
<td>60</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>g) Upto 11-15 years</td>
<td>39</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td></td>
<td>h) Upto 16-20 years</td>
<td>39</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td></td>
<td>i) Above 20 years</td>
<td>06</td>
<td>04</td>
</tr>
</tbody>
</table>

**Source:** Computed from the primary data collected through the questionnaire.
It is clearly evident from the aforesaid Table No. 1.2 that, while majority of the officials (35.33 per cent) had 6 to 10 years experience, a sizable section of them, that is 40 per cent had 6 to 10 years service in the banks. Further majority of the bank officials i.e. 50 per cent were born and brought up in rural area.

The above analysis revealed that most of the official respondents were experienced personnel and well acquainted with Rural Development Programmes and most of them had the rural base.

**Techniques of data collection**

In order to collect the data, we personally met each and every sample respondent, filled up the questionnaires with the answers advanced by them and also interviewed them. Where we could not get any answer, we had to move to the other person. With one respondent, we had to devote at least half an hour for the questionnaire and interview as a whole. So no questionnaire was destroyed as incomplete. The Schedule consisted of both structured and open-ended questions. Before finalising the schedule, we had made a pilot study and also pre-coded the responses.

**Data analysis**

After the completion of data collection, an elaborate codebook was prepared and the data were posted in the code-sheet. Then the data were tabulated and analysed. We have not tasted the findings with the test of statistical significance, nor we have found out correlation, co-efficient, but we have only deduced the percentage distribution in interpreting the findings.

***