CONCLUSION
CHAPTER - VII
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In the foregoing chapters of this study, we have made an attempt to indicate the importance and objectives of the study, to examine the concept of rural development and its applications in the post independent India, to analyse the genesis, structure and functions of the nationalized banks, to assess the performance of nationalized banks in deployment of credit in Bokaro district, to present the profile of the area under our study, to analyse the perceptions of the bank officials regarding the rural development programmes in operation and finally to study the perceptions of the beneficiaries with regard to their socio-economic development and other benefits due to such programmes. In the present chapter, we propose to set forth a summary review of what we have done in the preceding chapters and put forth our concluding observations.

In the Introductory chapter, we have explained the reasons of taking up the study, the hypothesis drawn, methodology adopted and the causes for selecting Bokaro district as the focus of our micro level analysis of rural development through the nationalised banks.

The second chapter of this study chiefly relates to the conceptual analysis of rural development, evolution of rural development and nature and objectives of different rural development programmes in India. Development has been conceived as a multidimensional process involving major changes in social structures, popular attitudes and national institutions, and acceleration of economic growth. It involves people, their preparation and activation in the cause of economic and social development. While extending the meaning of development to rural development, the latter is defined as a process of transformation from traditionally oriented rural culture towards an acceptance and reliance on science
and technology. Rural development encompasses improvement in level of living, infrastructure development, human / social development and empowerment. In ancient India village was a unit of development and development was looked upon in terms of happiness and health for all. Though there were not many attempts of development from the point of view of bringing “Good” change in the life of people during medieval and early British periods, in the latter part of Nineteenth Century, there were efforts from government as well as socially minded individuals to develop people. The independent India approached rural development in a more systematic way through the adoption of Five Year Plans and Nationalisation of Banks. The government of India implemented numerous rural development programmes for removing poverty and unemployment problems through credit deployment by the nationalised banks. The district of Bokaro being an integral part of the country also experienced similar development process.

In the third chapter our concern has been to discuss in some detail the evolution of the banking system, growth of the nationalised banks, their structure and functions and their involvement in rural development programmes. While during the pre-independence period, the British took important steps in establishing banks in India chiefly for commercial purposes, the post independence period experienced social control over the banks and nationalisation of major commercial banks for involving those banks in development programmes, particularly in the rural sector. A nationalised bank was found to be well organised with differentiated structures and functional specificity. While the nationalised banks were entrusted with the traditional functions like accepting public deposits, and lending to the individuals as well as business firms, they are now specifically engaged in deploying credit for the upliftment of the rural poor. In this chapter we have also attempted to analyse the involvement of nationalised banks in different rural development programmes in the district of Bokaro, which was taken as our sample
area. The analysis established that huge amount of credit was disbursed by the banks in favour of the rural poor for their upliftment in “Priority Sector” and Government Sponsored Rural Development Programmes. As such, it is found that during the period of our study the nationalised banks have deployed 40625 lakhs of Rupees on ‘Priority Sector’ which constitute 55 per cent of the target. Similarly, while analysing Banks assistance to rural development schemes such as IRDP/SGSY, PMRY and the CLS, it is observed that the Banks have made a lot of achievement in providing financial assistance to a large number of beneficiaries under different rural development programmes. Among the three, IRDP or SGSY scheme was the most successful one as the number of beneficiaries and the deployment of credit was the highest under the said programme. Banks had been able to deploy 3797 lakhs of rupees by providing credit to 31905 beneficiaries under this scheme 1991-2005. Similarly, while on the Crop Loan Scheme, Banks could be able to assist 28189 people by providing 1504 lakhs of rupees. The PMRY scheme could cover 3891 unemployed rural people by deploying a sum of 3224 lakhs of rupees. As a whole, nationalized banks were able to provide assistance to 64068 rural people with a sum of 8595 lakhs. Hence, the sub-hypothesis, “Nationalized banks provide huge amount of money on rural development schemes” is found to be correct.

In the fourth chapter we have focussed our attention on projecting the profile of the area under our study. In course of our discussion, we have shown the socio-economic and the historical background of the state of Bihar with reference to Bokaro district. Important indicators like geography, history, economy and demography have been taken into consideration in this regard. Special care has been taken to study the socio-economic profile of the Block which has been selected for our micro-analysis by highlighting population distribution, biological resources and other existing infrastructures within the area. In the process, we have
referred to the distribution of the nationalised banks within the study area in order to have a picture how units of banks have been established in different regions of the locality to provide adequate services to the rural people.

Chapter five and six, on the other hand, have been devoted to analyse perception of bank officials and beneficiaries respectively, about the role of nationalised banks in promoting rural development. In chapter V it is discovered that the bank is seriously involved in the process of identification of beneficiaries, it is less involved in the selection of schemes since selection of schemes happens to be the sole responsibility of government authorities. But there is no adequate linkages in implementation of Rural Development Programmes. Due to wilful default, miss utilization of loan amount and political propaganda that these “loans are non-refundable”, loans cold not be recovered properly by the banks. In course of our analysis, in chapter V and VI an attempt was made to know the changes occurred in the economic and social conditions of the rural dwellers who had availed loans in adopting development schemes. Effort was also made to study the changes that occurred in their social status. It is observed that nearly 70 per cent of the bank officials were satisfied about the positive impact of the development schemes. While analysing the areas of improvement, it is noticed that the major dimensions were increase in income and employment and also in an increase in the standard of living of the borrowers. There was also moderate improvement in savings and the social status of the borrowers. Similarly, nearly 67 per cent of the beneficiaries confirmed improvement in their socio-economic conditions. While analysing the varieties of improvemental dimensions, it is revealed that among the socio-economically benefited groups majority were found to be male, literates, the youths, small marginal farmers and rural artisans. Because of the developmental programmes these beneficiaries could be able to increase their annual income and savings, their agricultural production as well as enhancing their purchasing
capacity. Among the beneficiaries 60 per cent admitted that there is improvement in their social status also. They felt themselves proud when they were contacted by political elites and invited to attend public functions and their opinion were given due regard by the officials. Thus, our sub-hypothesis that the “Banks are in a big way instrumental in enhancing the socio-economic standard of the rural people” stands valid.

It is found that while 55 per cent of the beneficiaries had awareness regarding the rural development, 76 per cent of them took interest in such programmes and 74 per cent admitted that they had active involvement in the development programmes. It is further found that the bank officials played a major role in promoting awareness about the schemes and motivated the common people for adoption of such programmes. On the other hand, a greater number of people actively involved themselves in rural development programmes because of the bank officials. Hence, our sub-hypothesis, “Bank officials played a major role in promoting awareness, interest and involvement of the people in rural development schemes” found to be correct.

A review of our aforesaid findings establish that the nationalized banks in the district of Bokaro were quite effective in advancing substantial amount of money to the rural people; in enhancing their socio-economic status and in promoting awareness, interest and involvement of the people in the rural development schemes. We can therefore conclude that the Nationalized Banks were mostly successful in promoting rural development in Bokaro.

However, it is pertinent to note here that about 30 per cent of the respondents both in official and beneficiary groups felt that expected achievements could not be made through the developmental schemes which were implemented through the nationalised banks. This prompted us to obtain their suggestions to
recommend remedial measures and to ensure greater progress under such schemes. Some of the important suggestions were.

a) There should be proper identification and selection of deserving people who would get financial assistance from the banks. While 80 per cent of the beneficiaries suggested that the rural people should be associated directly in identifying the beneficiaries through the formation of ward/village committees, 100 per cent of the official respondents advocated the association of the Bank Officials and other financing agencies in the whole process of identification. Because proper identification is not ensured as the political parties and middlemen often created bottlenecks in such process.

b) Banks should be involved in the process of selecting loan schemes for the beneficiary and schemes should be such that it must generate additional income for the rural poor to enable him to stand in his own leg.

c) Only income generating schemes should be imparted which will suit the people as per their requirement and suitable to the natural conditions of the area.

d) Proper infrastructure facilities with adequate backward and forward linkages should be created by the government agencies before embarking on specific activities.

e) There should be better linkages between the Government/ Government Agencies/Volunteer agencies and the Bank.

f) Loan recovery measures are to be strengthened to reduce the huge Non-Performing assets of the Banks (NPAs). Recovery norms are to be strictly followed at the Branch level. Local bodies like the village panchayat and government officials should cooperate in loan recovery on the advice of the Branch Manager.
g) To create awareness among the people about the rural development programmes, rural people should be educated properly regarding different rural development schemes and their gainful employment. The person who are to be financed should be given at least a seven days orientation training on how to utilise the loan amount and how to save and repay.

h) For the improvement in the process of rural development, the participation of the rural people in group basis having joint responsibility is required. The Non Government Organization (NGOs) should have a leading role in this regard. The non government organizations, by keeping constant touch with the rural poor and guiding them to increase their income through different poverty alleviation schemes can be able to increase the banking habit of the rural poor.

To sum up, joint coordinated effort, liaison among the participants and the various government departmental agencies, financial institutions, Non Government Organizations etc. along with guidance, supervision, training programme, field demonstration establishing sound infrastructure facilities will definitely bring an all round improvement in the process of rural development and their implementation. Missionary zeal and whole hearted involvement by bank, government officials, local democratic institutions and self interest of the beneficiaries can only change the scenario.

If the aforesaid suggestions are taken into account by persons who matter, it is hoped that adequate rural development can be ensured though the Nationalised Banks.

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