

CHAPTER-VI

SUMMARY OF THE

FINDINGS AND

CONCLUSION

The theoretical foundations of development discourse have experienced many changes over the decades. The role of men and women in the development process has received much attention in the last few decades. Although the principle of equality of men and women was recognized as early as in 1945 in the UN Charter and the UN Declaration of Human Rights of 1948, researchers have pointed out that development planners worked on the assumption that what would benefit one section of society especially men would trickle down to the other women. The new theory argues that a person's role was specified under a patriarchal framework where the scope of gender -masculine or feminine- was limited within the biological understanding of sex male/female).

The above situation is especially visible in the world of development, and finds its clearest expression in proliferating references to "gender" in local, national and international forums, and activists. One repeatedly hears of gender bias, gender sensitization, gender planning and gender training, to mention just some of the more common examples of its contemporary use. To begin with, discussions were limited to only "women", rather than about systemic relations of inequality, involving the relations between both men and women.

The World Bank report concluded that poor women are clearly more efficient economic actors, with greater managerial and entrepreneurial skills than men; the Shramshakti report recommended that women require greater access to resources, especially credit and social services. Wider disparities exist among various women's groups culturally and socially. As a result one can perceive as difference in the cognitive, connotative, and consumption patterns of women residing in various spheres of social and economic layers.

The victims of exploitation and oppression have been largely women of the third world countries in general and lower sections among them in particular.

As per the 2011 census, India had a female population of 586million. India accounts 15% of World's women characterized by vast regional differences and a variety of cultures. But, social discrimination and economic deprivation on the basis of gender is common to all, irrespective of religion, cast, community, and State

With this background the present study attempts to analyze the general socio-economic conditions of the weaker section women and the impact Syndicate Bank finance in alleviating poverty levels of selected weaker section women beneficiaries. The study is mainly confined to weaker section women of Anantapur District in Andhra Pradesh. The study examines the various impacts of bank finance on women borrowers of three categories namely Small Scale Industry borrowers, Petty Trade or Small Business borrowers and Self Help Group women who has taken loans from two Syndicate branches of Atmakur and Chiyvedu in Anantapur district. The study examines whether the weaker section women have made any real progress with the Syndicate Bank finance.

The study is particularly confined to two Syndicate bank branches of Anantapur district and three categories of women i.e Scheduled Tribes, Scheduled Caste and Backward Classes. Almost all women borrowers are well versed in Telugu. The universe of the study comprises the women borrowers who were given loans for the three purposes during the period 2005-2010. While selecting the women borrowers for the purpose of the study, it was thought useful to classify all the borrowers constituting the

universe into three categories on the basis of 'purpose of loan', viz., (1) Micro, Small and Medium Enterprises (2) Petty Trade or Small Business and (3) Self Help Group women. Fifty borrowers falling under each of these five categories were selected at each of the two selected Syndicate Bank branches on the basis of Purposive Sampling method as sample for the study. As such, the sample borrowers chosen are fairly representative of the universe of the study.

The researcher has adopted the questionnaire method and keenly observed while interviewing the respondents and obtained the required data and information. In addition, the researcher has also collected the secondary data from the Government records at the State and District levels. During the survey the researcher has personally involved in several of the activities and functions to record the genuine information. The chapter wise summary of the study is narrated hereunder.

The present study which evaluated the overall individual performance of Syndicate Bank in Anantapur district over a period of ten years from 2001 to 2010 comprises of six chapters. The first chapter provides an introduction outlining the importance of women for the development of economy and their position in the past and the present is investigated. A statement of the problem investigated the objectives of the study, the methodology and sources of data as well as the limitation of the study are presented in this chapter. A review of the relevant studies in the area of banking is presented in the second chapter. In third chapter banks in the economic development of the country was discussed. A profile of Syndicate Bank including its origin, history, development and its organization and management are outlined in the fourth chapter. The lending procedure and the impact of the Syndicate Bank

loans on selected women borrowers are outlined in chapter five. The sixth chapter presents an overview of the entire study.

In the first chapter as stated, it is summarized with the following objectives.

Objectives of the Study

1. To discuss various sources of finance to women in India with particular reference to institutional sources.
2. To examine the genesis and growth of Lead Banks and to examine their role in poverty alleviation in general and women poverty alleviation in particular.
3. To analyse the performance of Syndicate Bank as a lead bank operating in Anantapur district with particular reference to loans advanced to weaker section women, recovery of loans, overdues and financial profitability.
4. To assess the quantum of financial assistance provided to the weaker section women who are poor women in the rural areas by the syndicate bank.
5. To assess the impact of Syndicate Bank finance on the generation of additional income and employment among the sample women borrowers; and
6. To suggest the effective measures, in the light of the empirical study, for the reduction of poverty by the Syndicate Bank in the rural areas

The Second chapter presents and discusses the available review of literature on banking sector origin, growth and performance. Besides, the literature related to poverty estimates is also discussed at length. A close observation of the review of literature makes it clear that most of the studies concentrated on branch expansion, credit deposit ratio, non-

performing assets of Commercial banks in India. Few studies concentrated on the banking sector reforms and the impact of those reforms on the performance levels of commercial banks. There only two studies which appraised the performance of Syndicate Bank. Among them one concentrated on quality of customer service of Syndicate Bank in Bombay city. Another study examined overall reactions of customers towards the Syndicate Bank's dealing with credit in Nellore district of Andhra Pradesh. There few studies on the lead bank concept of banking industry. Among them one study conducted a survey on the lead bank programme and policies thereto. Another study emphasized the role of resources in effective functioning of lead bank scheme. The next study on lead bank scheme critically evaluated the lead bank scheme functioning and its experiences in providing credit for all-round development of the district. The mobilisation of bank deposits in Kerala by commercial Banks since the introduction of lead bank scheme was the core area of research of another author. None of the studies discussed the role of banks in alleviating rural poverty in general and women poverty in particular. In view of this the present study assumes great importance to concentrate on the alleviation of banks through banking sector reforms.

The third chapter analyzes the banking reforms. The banking system is indispensable in the modern society. It plays a key role in the economic development and forms the core of the money market in an advanced economy. Realizing the crucial role of the banks in the national economy, the Government of India nationalised fourteen major commercial banks in July 1969 and six more in April 1980. As a result of this 'banking revolution', the old concepts, attitudes and methods of banking in India

have changed. Now the credit institutions in the country are required to participate in the nation building activities and help in bringing about socio-economic changes. Banks, as social institutions have to go out to the people and assist the weaker and neglected sections of the society in achieving their socio-economic aspirations. They are to act as catalysts in the development of the country mobilizing resources wherever they may be, and channelizing them towards productive purposes. The role of the public sector banks in India is all the more enhanced with the implementation of the Banking Sector Reforms introduced on the basis of the recommendations of the Narasimham Committee on the Financial System. Though with some silver linings here and there, the individual performance of all the nationalized banks in India are far from satisfactory. The poor state of affairs of the banks is all the more brought to light with the introduction of the Financial Sector Reforms. All the nationalised banks incurred a net loss during the year 1992-93. The aggregate net loss of the nationalised banks came to Rs 3,64, 292 lakhs and Rs.3,44 664 lakhs during 1992-93 and 1993-94 respectively. Syndicate Bank, a bank that performed unusually well during the pre-nationalization and early post-nationalisation periods and which show the same decelerating trend in performance along with other nationalised banks is taken as a case study.

The government of India, under the chairmanship of M. Narasimham, an Ex-Governor of RBI, appointed the Narasimham Committee-I (NC-I) in April 1991. The committee examined all the aspects relating to the structural organization, functions and procedures of financial system and submitted its report on November 16, 1991. The NC-I had proposed wide ranging reforms for improving the financial viability of the

banks, increasing their autonomy from government directions, restructuring unviable banks, allowing a greater entry of the private sector in banking, liberalizing the capital market, further improving the operational flexibility and competition among the financial institutions and setting up of proper supervisory system.

A number of reform initiations have been taken to improve or minimize the distortions impinging upon the efficient and profitable functioning of banks, especially reduction in SLR & CRR. transparent guidelines or norms for entry and exit of private sector banks, public sector banks allowed to direct access to capital markets, deregulation of interest rates, branch licensing policy has been liberalized, setting up of Debt Recovery Tribunals, asset classification and provisioning, income recognition and Asset Reconstruction Fund (ARF). These and other measures that have been taken would help the highly regulated and directed banking system to transform itself into one characterized by openness, competition, prudential and supervisory discipline. Monetary policy is increasingly focused on efficient discharge of its objective including price stability, and this no doubt would help poverty alleviation, albeit indirectly, while the more direct attack on poverty alleviation would rightfully be the preserve of fiscal policy. Monetary and financial sector policies in India should perhaps be focusing increasingly on what Dreze and Sen call "growth mediated security" while "support-led security", mainly consisting of direct anti-poverty interventions are addressed mainly by fiscal and other governmental activities. In the interest of efficiency and stability of financial sector, intermediation may have to be progressively multi institutional rather than wholly bank-centred. Social obligations may have to be distributed equitably among banks and other intermediaries but that would be difficult to

achieve in the context of emerging capital markets and relatively open economy. In such a situation, banks which are special and backbone of payment systems, may face problems if they are subject to disproportionate burdens. Hence, mechanisms have to be found to reconcile these dilemmas.

The third chapter also discusses the role of bank reforms in alleviating poverty. Events at the end of 1999 seem favorable to the initiation of the second wave of reforms. The Central Government that took office in October 1999 has already made progress by passing legislation to open up insurance (the Insurance Regulatory and Development Authority Bill), liberalizing foreign exchange regulation (the Foreign Exchange Management Bill), allowing trading in derivatives (the Securities Contract Regulation (Amendment) Bill), and protecting trade marks (the Trademarks Bill). The Government enjoys a more comfortable majority than the previous one which will permit it to move forward more easily on subsidy-cuts (as it demonstrated by implementing a 40% diesel price hike in October, in spite of pressures for rollback), government realignment, and reform. At the state-level, reforming governments received electoral support and non-reforming governments seem to have lost support. Some of the poorer and most indebted state governments - such as Uttar Pradesh - are embarking on a path of comprehensive reforms, similar to the economic restructuring launched by the Government of Andhra Pradesh (that was re-elected in October 1999). These reform efforts are aimed at (a) restructuring state-level expenditure and improving governance so as to maximize the outcomes achieved by public spending and private investments in the state; and (b) enhancing the revenue base through tax policy and administrative reforms and improved cost recovery from publicly provided non-merit goods and services. These

developments suggest that the chances of real reform happening are much brighter than they have been in the past; if these do occur, then, as this Report suggests, growth could accelerate to the 7.5% and higher levels of the mid 1990s. India would then have a real opportunity to reduce poverty substantially in the new millennium.

In fourth chapter an attempt is made to study the general profile of the Anantapur district. Special emphasis is made on the educational and socio-economic profile of the district with special emphasis on the women. The district has good infrastructure with a net work of transport and communication connecting Anantapur. Majority of cities in India and there by promotes fast rate of industrial growth in the district, utilizing locally availing rich mineral and solar energy. Thus, the district is placed from achieving fast rate of all round development with the implementation of the local resource endowment. It is needless to say that the district has good infrastructure facilities for the development of the district. In this chapter another attempt is also made discuss the important poverty alleviation programmes implemented in the district. In the third part of this chapter an attempt is made analyze the performance of the Syndicate Bank as a lead bank in the district and its role in alleviating poverty among rural women. Apart from Anantapur district Syndicate Bank is acting as a lead bank for 23 districts in different parts of the country. The functions assigned to lead bank reveals that, if they are discharged perfectly will help in reducing the poverty among rural women. Chapter five, analyses the field survey data relating to socio-economic conditions of sample women borrowers of Chiyedu and Atmakur branches of Anantapur district. In this chapter the profile of two sample villages was presented in the first part to give an overview of the socio-economic

composition and development levels of the study area. As a part of socio-economic study of sample households sub-caste divisions, size of the family, age group of respondents, type of the family, size of family, head of the family, land-holdings, primary occupation, ration cards etc details were analyzed. In the second part of this chapter lending procedures and utilization of loan was discussed. In the third chapter an attempt is made to analyzes the impact of Syndicate Bank financial help in alleviating the poverty of selected women beneficiaries.

In the sixth chapter an attempt is made to present summary of the findings, and conclusions including suggestions.

Findings of the Study

The findings of the study are as follows:

1. To get the benefits of the bank finance the knowledge and awareness is most essential to accrue the benefits in time. As per the present study the main source of knowledge about bank finance is friends/relatives and own efforts.
2. It is quite natural, to visit banks to ask for loan. The study reveals that 31.67 percent of women borrowers visited Syndicate Bank 1 to 6 times.
3. The time lag between date of sanction and date of disbursement of loans to sample borrowers is 10 days in case of large number of borrowers.
4. Large number (46 percent) of sample borrowers got less than Rs. 25,000 of loan amount.
5. The bank finance resulted for the increase of gross annual income of nearly 50 per cent sample borrowers.
6. It is believed that the social welfare can be enhance by adding services that have some public good character or externality and are particularly

relevant to the poor, to the list of public goods. The two most important ones are Public health and literacy. Historically the greatest advances in longevity and mortality reduction have come not from treatment of individual disease but from public health. This includes modern drainage and sewerage systems (sewage treatment plants), drinking water systems that produce and deliver disease free water and solid waste disposal systems. The current position is illustrated by the low proportion of the population with access to improved sanitation facilities. As per the present study the Syndicate Bank finance enhanced the health expenditure of 58.33 percent of sample weaker section women of different social categories. This enhanced expenditure on health improves the sanitation and health conditions of rural families.

7. Public education about nutrition, hygiene and disease to reduce the problem of asymmetric information. Literacy, numeracy and primary education aids in this process, socializes agrarian residents for modern manufacturing and services and contributes to the general well being and is therefore also a quasi-public good. Together these can contribute immensely to the quality of life of all citizens and particularly the poor. The study reveals that the bank finance has some positive impact on the educational expenditure of sample women borrowers. Nearly 62.33 percent women borrowers reported that their expenditure on education increased after bank finance.
8. A study of the nutrition problem in India illustrates the multiple ramifications of Information/knowledge transmission and of Public health policy and programs. In 2004-5 the all India poverty rate was 21.8% using the Mixed (30-365 days) recall period and 27.5% using the Uniform (30 day) recall period. Malnutrition in children under 3 years of age as

measured by the National Family health survey 2005-6 (NFHS 3) was much higher. Stunted and Underweight children constituted 38.4% and 45.9% respectively of children under 3. The present study clearly shows that 60.33 percent of women reported that their nutritional levels increased after bank finance.

9. Moreover the financial help of the bank also resulted in positive growth of productive and non-productive assets of sample borrowers.
10. In the past decade the number of women living in poverty has increased disproportionately to the number of men, particularly in the developing countries. The feminization of poverty has also recently become a significant problem in the countries with economies in transition as a short-term consequence of the process of political, economic and social transformation. In addition to economic factors, the rigidity of socially ascribed gender roles and women's limited access to power, education, training and productive resources as well as other emerging factors that may lead to insecurity for families are also responsible. The failure to adequately mainstream a gender perspective in all economic analysis and planning and to address the structural causes of poverty is also a contributing factor. The present study elucidates that 68 percent women crossed the BPL line after bank finance. But it is regrettable to note that the remaining 32 percent women remained in the clutches of poverty.

Recommendations

In the light of the observations and findings of the study, it is but fitting and proper to put forward the following recommendations to improve the performance effectiveness of the Indian banking sector, especially the

nationalised banking sector in respect of alleviation of rural weaker section women.

1. Low performing banks should take every effort to improve their quality of assets, capital adequacy, profitability, and customer service. Steps should be taken to improve their Health Performance, Priority Performance and Efficiency Performance.
2. The operational efficiency of the banks is to be ensured, maintained and improved through modern technology, systems and better staff management on an on-going basis.
3. The Board of Directors of the low performing banks should be reconstituted, with people having expertise, vision and mission.
4. New avenues of viable projects are to be identified by the nationalised banks to invest effectively and profitably the funds tapped through various sources, so that profitability and productivity can be improved.
5. The internal management system of the nationalised banks is to be toned up.
6. All top and senior executives should be placed in duly earmarked areas of responsibility and should be held answerable and accountable for all that happens within their respective areas. Persons who misuse their power, authority and position should be severely dealt with.
7. Political affiliations in the appointment of the top executives and the political interference in the management and day to day administration is to be eliminated to achieve maximum efficiency and effectiveness.
8. Management audit is to be introduced as a tool for an objective evaluation of the management performance of the nationalised banks in the overall functioning of the organization. Such an audit should clearly reveal the lapses in the organization structure, systems and procedures, so that

corrective actions can be taken.

9. Nationalised banks should be permitted to operate on the basis of operational flexibility and functional autonomy within the broad framework of the guidelines issued by the Reserve bank of India: the approach to management of the resources should not be mere target-oriented. A 'need based' and 'credit worthy' policy instead of a 'directive based' lending could only minimize accumulation of non-performing assets.
10. The banks should make every endeavour to enhance customer satisfaction. They should try to improve quality service through effective staff training, service monitoring, orientation and recognition programmes. Banks should offer the customer what he wants rather than offering what they have in stock, for; every customer has a different need.

To conclude, one can say that, in the coming years through dedication and hard work the nationalised banks in India would improve their performance and march towards the achievement of their corporate mission and goals in a better way.