SUMMARY AND CONCLUSION
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There are no two opinions on importance of agriculture in economic development. Physiocrats were the early economists, who debated on the role of agriculture in economic development. To them, agriculture alone produced an economic surplus over cost of production, which held the key to economic growth. The classical economists, who followed Physiocrats, also accorded crucial role for agriculture in economic development. Adam Smith and David Ricardo did recognise the dominance of agricultural sector, in limiting the growth of the economy as a whole. Some of the later noted economists too thought on the same lines. Even judged from the historical economic experience of England, France, Belgium, Germany, Sweden, Russia, China and Japan no different conclusion emerges.

Agriculture is the backbone of Indian economy. Food supplies and raw materials come from it. Agriculture's contribution to national income, foreign exchange and employment is substantial. Despite all this, agriculture remained stagnant and was impoverished over a long period. Various strategies have been adopted, in an attempt to reorganise and modernise agriculture in India. Among them,
the notable strategies are, Intensive Agricultural District and Area Programme, High Yielding Varieties Programme and Integrated Rural Development.

Intensive Agricultural District Programme (1960-61) is a multi-pronged, concentrated and co-ordinated approach to agricultural development. Later, it was modified and extended to other parts of the country, under a new label - Intensive Agricultural Area Programme. Under this programme, farmers are supplied with credit, seeds and fertilisers to promote intensive agriculture. However, the programme operated, within the limitations set by existing crop varieties. Introduction of High Yielding Varieties of seeds (1966) is a landmark in Indian agriculture. Here, seeds and fertilisers constitute the core of the strategy. Integrated Rural Development is an accepted norm for formulating plans and programmes for the upliftment of rural poor. The demand for rural credit has widened and deepened, with the adoption of these strategies, to modernise agriculture.

Hence, the significance of credit in agricultural development is not debatable. The need for institutionalisation of agricultural credit, mainly arose from debitable practices of money lenders - charging usurious interest
rates, demanding advance interest etc. Establishment of co-operatives at the turn of the century (1900) is a step in this direction. However, the performance of co-operatives, in catering to the rural credit needs, has been far from satisfactory. Even after about seventy years of their establishment, they are very much prone to irregularities and weaknesses. The contribution of Reserve Bank of India, as Central bank in the institutionalisation of agricultural credit is in no way decimal. It always kept in mind the objective of provision of adequate credit to Rural Sector. It played an active role in establishing credit purveying institutions to agriculture. Reserve Bank's establishment of Agricultural Refinance Corporation and participation in credit Guarantee Corporation, bear eloquent testimony to this.

Another mile-stone in the institutionalisation of agricultural credit is the emergence of State Bank of India. State Bank of India evolved a few innovations, in its pioneering role of agricultural financing. The innovations transformed the complexion of State Bank from credit agency to sponsor agency. Inspite of commendable performance of State Bank of India, meaningful involvement of commercial banks in the sphere of agricultural financing did not occur till they were brought
under Social Control in 1968. However, such involvement gained momentum only with the adoption of bank nationalisation in 1969.

Since nationalisation, Commercial banks took to branch expansion to stimulate growth in backward areas and reduce disparities in economic development. Though unprecedented, branch expansion programme is not devoid of loopholes. The programme lost some of it's vigour, after first two years of bank nationalisation. Moreover, judged from the banks performance, it is difficult to erase an impression that commercial banks were concerned more with target reaching and regulation conforming, rather than, even branch expansion. Again branch expansion was not well spread throughout the year and was marked by an unusually low pace of expansion in the first quarter followed by an acute concentration in the final quarter. This kind of target chasing branch expansion, does not conform to the social requirements, for which commercial banks were brought under public control. Further, commercial banks did not vigorously pursue the objective of wider geographical coverage, as revealed by the rapid decline in the share of new 'rural' offices, in total new offices opened in the previous years. Finally, whatever branch expansion in 'rural' areas was achieved, it was mainly
achieved at the expense of semi-urban areas.

Credit deposit ratio of commercial banks for rural areas has increased from 36 per cent at the time of Bank Nationalisation to 52 per cent in December 1976. Such increase however, does not conform to the credit-deposit ratio of All India (72%). It means flight of resources from backward regions continues unabated. And the demand following attitude of banks has not been shed. In addition, small farmers, marginal farmers, tenants and landless who constitute rural poor had a raw deal, at the hands of commercial banks. The apparent substantial share of small holdings in total bank loans does not stand scrutiny. Mainly, lendings under Differential Rate of Interest Scheme by Public Sector banks inflated the share of small-holdings. Thus the genuine advances of commercial banks to small and marginal farmers are meagre. All this lends credence to the belief that commercial banks are yet to shed their partisan approach.

Commercial banks in Anantapur district, did not evince much interest in developmental programmes before bank nationalisation. However, since nationalisation they have assumed the role of catalytic agents of development, to fulfil their social responsibility.
A programme of branch expansion was undertaken, since nationalisation to facilitate wider geographical coverage, leading to the overall development of the district. However, it did not lead to the location of proportionate share of Andhra Pradesh's total branches in Anantapur district. Further, within the district, branch expansion did not produce any meaningful redistribution of bank offices among different taluks.

Nevertheless, branch expansion in the district has produced certain desirable results. Each bank office now serves a smaller population. Deposits mobilised and advances made have been increasing slowly, but surely. In addition, average credit-deposit ratio is quite high. There has been no flight of resources from the district.

Agriculture in Anantapur district has been a way of life. Around 80 per cent of working population seeks employment in agriculture. In an effort to promote agriculture, commercial banks have been advancing different loans. Commercial banks outstanding credit to agriculture has more than doubled six years after nationalisation (June 1969 to December 1975). However, a critical look at the outstanding credit to agriculture reveals a different story. Anantapur district's share in
Andhra Pradesh's total, which was low at 2.05 per cent in June 1969 rose, insignificantly to 2.11 per cent at the end of December 1975.

Commercial banks together with Co-operatives, constitute the main institutional agencies that have been catering to the agricultural credit needs in Anantapur district. Comparatively, commercial banks performance has been better than co-operatives. Among them, Private Sector Banks have not been lacking in enthusiasm to finance and participate in agricultural developmental programmes. The laudable performance of Andhra Bank Ltd., provides conclusive evidence to this.

The usual charge, that commercial bank lendings are biased against small and marginal farmers, does not stand scrutiny in the context of Anantapur district. An analysis of data collected from commercial bank branches for the sample villages, confirms absence of such bias. Small and marginal farmers and landless, holding only 17.3 per cent of total land, received 54.5 per cent of total advance. Absence of bias is doubly confirmed on an examination of, distribution pattern of commercial bank loans among participants of our survey.
More can be said to the credit of commercial banks in Anantapur district. Majority of farmers (participants and non-participants) prefer to borrow from commercial banks. Besides, commercial banks do not discriminate between participants. They, certainly did not fare badly, in motivating farmers to take loans. Moreover, all participants acknowledged the sympathetic attitude of commercial bank.

Commercial bank loans have stood participants in good stead. They have accounted for participants edge over non-participants in the adoption of modern technology and effecting land improvements. In consequence of this, participants have produced larger gross output and marketed greater surplus than non-participants.

However, this is not be all and end all. There should be no room for commercial banks' complacency. Much more is expected from them. They need to make a few amends, to their loan policies. There is need to reshape crop loan policies. Crop loans should be advanced both for irrigated and unirrigated crops. This is necessary, since farmers with unirrigated holdings too have genuine loan needs. Besides, full entitlement of crop loans should be confined to small and marginal farmers only, to
ensure loans for more needy categories of borrowers. Large and medium farmers can as well plough back some of their resources, progressively, to finance their farm operations.

Commercial banks in Anantapur district have advanced loans for the development of minor irrigation. Here, commercial banks obsessed with security norm, did not pay adequate attention to land productivity and possible changes in cropping pattern, in assessing credit worthiness. In the determination of borrowers eligibility, nevertheless, attention should be paid to all these aspects, apart from security norm. Moreover, payment of subsidy, in case of failed wells is necessary. This in turn will help, minimise small and marginal farmers risks, in creating these assets.

Reshaping of loan policies of subsidiary occupations is also necessary. For example dairy development schemes, are meant, to augment supplementary income of small and marginal farmers, tenants and landless labourers. By and large commercial banks in Anantapur district, have been insisting upon security, ranging from land mortgage to guarantees to hypothecation of milch cattle. All this has led to the exclusion of tenants and landless labourers from reaping the benefits of such schemes. Such security based eligibility criteria should be given up,
to enable low income groups reap the benefit of incremental incomes from dairy development schemes.

Commercial banks functioning too, needs to be reformed. All agricultural programmes are time bound. Timely loans are of utmost importance. They make decisive impact upon economies of borrowers and prevent mis-utilisation. It is disquieting to note that three-fourths of participant farmers, received bank loans after considerable delay. Procedural delays account for untimely loans. Inadequate technical personnel, to appraise loan applications and delayed availability of inputs, stood in the way of disbursement of loans in time. Bank branches should be sufficiently staffed to avoid delays. Further, proper planning and greater co-ordination between commercial banks and input dealers will ensure timely availability of credit.

Apart from being timely, commercial bank loans should be adequate, lest should they go by default. If loans are insufficient to meet the genuine needs of farmers, they fail to reap the desired yields. This in turn affects their repaying capacity adversely. Then, default of agricultural loans can not be ruled out.
Not all farmers can hope to get bank loans. Lack of security, came in the way of non-participants obtaining commercial bank loans. Commercial banks have been exhibiting excessive caution, through instance upon the production of security oriented Certificates, before sanctioning loans. Excessive caution makes bank credit costly, consumes more time in loan disbursement operations and leaves little time for meaningful supervision of credit schemes by bank staff. Needless to say, excessive caution fails to enlarge the universe of eligible borrowers.

Commercial banks' borrowing procedure should be simplified. Many non-participants did not borrow due to too complicated a procedure of borrowing. Complicated procedure affects timely availability of credit adversely, with all it's consequences on the borrowers motivation to take loans from the banks. Appropriate procedure needs to be evolved, to contain procedural delays and raise operational efficiency of commercial banks. A few commercial banks in India have started adopting simplified application forms and procedures. Emulation of the same by commercial banks in Anantapur district, will help increase the number of borrowers.

Commercial banks true to their business conservatism, have been insisting upon prompt repayment of loans.
Instances are not lacking, where they have been even resorting to coercive methods to recover loans. About three-fourths of participants found recovery procedure of loans ill suited. Recovery instalments should synchronise with the period of main crops. Besides, preferential treatment should be accorded to small and marginal farmers, to enable them market their output during lean season, to take advantage of higher prices. Further, commercial banks should make adequate concessions for genuine crop failures. In Anantapur district, where vagaries of monsoon determine the size of farm output, farmers face the risk of uncertain crop yields. Hence, farmers find it difficult to pay regular loan instalments, to commercial banks. The introduction of crop Insurance Scheme will help, contain uncertain crop yields and stabilise farm incomes. In the drought prone Anantapur district, the scheme needs to be implemented.