Chapter - XII

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Rural Development Programmes :

Rural Development is the mainstay of our national economy. Since our country attained independence and even before that also a number of programmes have been undertaken by the Govt. as well as other voluntary agencies for upliftment of the rural people. However only some stray work has been done by scholars to present the actual face of rural India to the public. Considering the fact that no sincere efforts have been made to study the problems at field level, I have made a sincere attempt to present the various problems facing rural India and for which some theoretical as well as field work was done.

It observed that some of the programmes were initiated in a haphazard way ignoring impending difficulties that could arise in the implementation stage. This is one of the major causes for which most of the rural development programmes could not provide better results as expected from them. Therefore, first of all only after considering the importance and viability of different schemes in rural areas, plans and policies should be initiated.

Secondly for achieving better results from various rural development programmes the co-ordination and co-
operation among the concerned development agencies is very much essential.

Thirdly there should be structural changes in the implementing agencies and more decentralisation of power at the block and village level needs greater attention.

Fourthly for upgradation of work untrained as well as inexperienced village level workers be trained to increase work efficiency.

Fifthly various rural development agencies can take the initiative to popularise rural development programmes by publishing and circulating information brochures and booklets in local language. Information can also be made available on notice boards at the Blocks and Panchayats. Proper publicity through AIR, Television and local media are also necessary.

Over and above the rural development agencies, the participation and co-operation of the local people at field level in different scheme should be there. In order to make various schemes of rural development feasible and viable, the development of infrastructural facilities in remote rural areas is a must. The State Government should see that the funds allotted / earmarked by the Central Government for various rural development schemes are not diverted for any other purpose. While distributing the capital goods to the beneficiaries sometimes a few corrupt officials take advantage of the situation. Therefore, the good should be
distributed only at the village centre rather than in the office room, to minimise such malpractices. Occasionally, the different functional officers should visit the field for examining the condition of machineries used by the beneficiaries, livestock position and crop etc. It is expected that the Prime Minister's recent announcement for 'Local Area Development Scheme' be implemented properly as under this, the Central Government would sanction a certain amount of money every year to the local MLA / MP to take up developmental work in their respective constituencies.

(ii) **Commercial banks and Regional Rural Banks**:

In the study it is found that banks are playing an important role in the country in the matter of rural finance. The nationalisation of banks, creation of Lead Bank, establishment of Regional Rural Banks and introduction of the new licencing policy for opening bank branches in rural areas has given a boost in rural finance. Even though, the overall performance of the banks as regards to the rural credit is not so high yet, it is no denying the fact that some increase can be observed in certain directions with regard to expansion of credit and deposits as well as the number of branches which can be seen from the figures. A 65 percent increase in branches which are located in rural areas has led to only 15 percent increase in deposits and 14 percent increase in credit disbursal (as on March 1991).
As we see in the State of Assam the banking activities in rural areas were found to be quite satisfactory especially during the period of 1982 to 1991. In the matter of overall progress in the State as well as in the nation, the RRBs have also contributed a great deal for the development of banking in rural areas, as it is observed 90 percent of RRBs' branches are located in rural areas. But it is needless to say that due to faulty policies of both the Government as well as the banks most of the RRBs are suffering heavy losses. Therefore it is high time to change the structure all RRBs for their better functioning. The following points can be concluded from the above mentioned discussion:

(i) Role of the Government and sponsoring bank be more effective in monitoring the RRBs.

(ii) Deputation of staff should be needbase.

(iii) Refinance should come at proper time.

(iv) Loan Recovery position should be improved and

(v) Employees should be adequately trained.

Rate of interest on refinance, the percentage of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) should be reduced as it causes a negative impact on the fund position of the RRBs. Instead of closing down the RRB the Govt. should consider proposal to establish a National Rural Bank by taking over the existing business of RRBs in the country.
It is expected that the Reserve Bank of India should be the primary agency for regulatory function of the banking Industry. However, on certain matters like appointment of office staff, opening of new branches, internal management of the banks and issuing the shares to the Public the RBI may allow the commercial banks to exercise their own powers. These kind of measures will definitely minimise the cost of operation and will ultimately strengthen the position of the bank.

The RBI can consider initiating a plan to set up a special body for reviewing the various aspect of planning and implementation of rural development programmes from time to time. A special tribunal should be set up in order to ensure early recovery of bank loans and creation of a separate fund for the settlement of unrecovered amount is essential. The interest rate of the banks need to be determined taking into consideration the open market economy and reviewing the market fluctuation of demand and supply of money from time to time.

An independent audit system on the lines of the comptroller and Auditor General of India and an independent Central Banking Vigilence Commision should be set up for rejuvenation of the banking industry. The banking industry needs to be free from politics. Depoliticising the banking industry is the only panacea to make the industry viable, vibrant and healthy. But at the same time a sound national
economic policy which can promote growth with price stability is much desired for proper development of the present banking system.

(iii) Lakhimpur district - the study area:

Some socio-economic factors are found to be responsible for slow progress of economy of Lakhimpur district. The occurrence of flood almost every year in the district creates hurdles in the matter of implementation of various rural development programmes. The construction of river embankments is not a permanent solution of the recurring flood problem. Therefore steps may be adopted by the Central Government to build hydroelectric projects for achieving multipurpose objectives. This may be one of the best measures to control the recurring problem of floods in the district. The Government should also see that the proposed Subansiri River Project is completed as early as possible. The completion of the project will help supply irrigated water to the cultivable land in the district. It is distressing to note that till date there has been absence of some rural development agencies office's in the Jonai and Dhemaji sub-division within the district. So, for the interest of the general public as well as the beneficiaries, basic infrastructural facilities should be created.

It is found that the position of scheduled commercial bank's is also not satisfactory as compared to other neighbouring districts in the State. This is mainly
because of minimal infrastructural facilities viz. roads and other communication network. For better development of rural economy infrastructural facilities must be improved and only then can the lead bank take more interest in opening bank brenches in unbanked areas where business potentiality is there.

We must bear in mind that Lakhimpur district has been declared by the Government of India industry district. The district lacks the presence of any type of medium and large industry, but it has the potentiality to develop some small scale and cottage and village industries. Sericulture is one of the most potential areas upon which the Government can give more attention. The soil in the district being suitable for tea cultivation, therefore, the bank can be also explore the possibility to extend loans for opening up mini tea garden in co-operative sectors.

From the study it came to light that banking activities have increased after the establishment of Subansiri Gaonlia Bank. Of the total 56 rural branches, 23 branches were opened by the SGB alone (as on 31.3.91). At the same time it could also improve the rural deposits and extension of credit to the target group of people. It is good that of the 200 sample borrowers which were surveyed, they could increase their income by more than 35 percent during the two year period. Nearly 44 percent of the borrowers have generated additional employment for the whole year and 25
percent borrowers could do so for a seasonal period. Indirectly by their activities, the borrowers have come to situation whereby they are in a position to acquire some durable assets and also make some savings.

Even then we cannot deny some ground realities. As of other commercial banks, the SGB also is facing some problems both at administrative and at the operational level. We can only hope that with proper initiative and relevant plans and policies of the Government, sponsoring bank and the SGB the various problems will be solved so that SGB can function with its avowed objects for which it was created.

Finally what we would only like to see is that with the co-operation and co-ordination of all the concern agencies of rural development, the district will definitely march ahead along with the rest of the country.