

CHAPTER - VII

SUGGESTIONS AND CONCLUSION

On the basis of findings of the study, the following suggestions are made which may contribute to the effective implementation of the development programmes, which are meant for the economic betterment of the weaker sections.

Suggestions to the Beneficiaries:

1. The study indicated that the consumption expenses of the borrowers were quite large in relation to the incomes they earned from different sources. The beneficiaries are to be educated properly not to spent amount for liquor, smoking, chewing petals and tobacco etc.,

The beneficiaries are to avail loans for pursuing only income yielding activities. Study reveals that the Animal Husbandry sector is more suitable for various reasons compared to other schemes. The beneficiaries may be educated to make use of this scheme.

2. The beneficiaries must develop self confidence, will and vigour to succeed in their entrepreneurial attempt. The loan amount should be utilised only for the purpose for which it is sanctioned. Mis-utilisation and diversion of funds should be avoided.

3. A portion of the income generated out of the bank financed activity should be used for the further development of the business/activity.

Suggestions to the Bankers:

1. The prevailing loaning procedures are to be simplified for the benefit of the illiterate and ignorant rural poor.
2. The officials should adopt a sympathetic and non-discriminatory attitude towards the rural poor and the potential beneficiaries.
3. The banks should act, not only as siphoning agencies for development loans, rather, they should deeply involve themselves with the development projects, in all the stages of planning, implementation and monitoring.
4. Banks should institute incentives for good performance and disincentives for poor performance while sanctioning loans for the IRDP.
5. To evaluate the effectiveness of the programme, studies are to be taken-up at Block level, District level, State level and National level by the financing agencies. Help from service organisations located in the area or the academicians specialised in rural development may be availed for the same. The evaluation studies should be on a continuous basis and should be made with particular reference to the assessment of increase in the per capita income of the family.

6. Since the beneficiaries under the programme are poorest of the poor, every effort has to be made by the banks to adhere to cost norms and avoid under financing.

7. Considering the consumption expenses of the beneficiaries which is quite large in relation to their income, in the schemes for financing the weaker sections, there may be a provision for giving consumption loans along with credit.

8. Tagging of the bank-financed animals, for the purpose of identification will act as a check on sale of animals, to some extent and should be insisted upon in schemes of financing bullocks, milch animals and goats and sheep.

9. The banks may concentrate financing of animal husbandry sector activities in large number in areas where facilities for regular grazing and veterinary services are available.

Suggestions to the Government:

1. The study has shown, loans for sheep/goat rearing activity did not yield sufficient benefits to the borrowers, mainly because of the high rate of mortality. The high death rate was reported to be a result of inadequate medical facilities in most of the villages and hamlets. It is suggested that adequate veterinary facilities are to be ensured in each village before financing livestock on a large scale. Special provision from the project fund should be made available for purchase of adequate stock of medicines. This should be kept at the disposal of the veterinary personnel to provide timely aid at free of cost.

2. It should be ensured that every rupee spent on this programme reaches the intended beneficiaries. The activities of the unscrupulous middlemen should be completely curbed. The political interference, either in the identification of beneficiaries or in the disbursement of loans should be checked.
3. The Block level functionaries should conduct economic survey every year to identify the real downtroddens for assistance each year. The identification should be preferably be done by a team comprising block and village functionaries and bank staff. It will not only ensure proper identification but also will contribute to reduce the rate of rejection of applications by the financing banks.
4. In the selection of investment activity in individual cases, due consideration should be given to the skills and capabilities of the beneficiary and his/her preferences.
5. For the beneficiaries selecting agriculture oriented activities, the training programmes should be arranged for with the help of the experts available in the nearby agricultural university/colleges. These programmes are to be conducted periodically not only to the beneficiaries but also to the proposed beneficiaries.
6. There is a need for opening special branches in rural areas for financing the weaker sections through development programmes with adequate staff who have specialised in rural development

operations. These branches will be successful in implementing the programmes through introduction of innovative technologies and establish a regular system of follow-up and recovery of advances besides extending counseling services.

7. An inspection committee consisting of bank official, Block Development Officer (BDO) and the Revenue Inspector of the Block can be constituted to check whether the beneficiaries are continuing with the funded assets or not. These committee should be empowered to visit the beneficiaries frequently and surprisingly. The beneficiaries who mis-utilise the assets should be punished severely and necessary legal action should be taken against them. Steps are to be taken to recover the entire loan amount with penal interest and fine under Revenue Recovery Act.

8. The importance of savings ^{should} ~~to~~ be emphasised among the beneficiaries and a compulsory savings plan linked with the repayment schedule is to be introduced. For the amount saved under the plan, a higher rate of interest may be thought of.

9. In the case of animal units, the economics of each unit is to be reviewed periodically taking into account the total cost and associated benefits from the units. Accordingly, the size of the units is to be decided.

10. The subsidy is the 'attracting factor' for cornering the benefits of the programme by the persons who are not eligible for that. To avoid this, the subsidy provided under the programme can be cancelled and the cost of insuring the assets generated out of IRDP loans can be borne by the government. The beneficiaries who have succeeded in their venture and repaid the loan dues promptly should be provided further accommodation at a concessional rate of interest.

Scope for further research:

The researcher suggests the following for further research.

1. Impact of bank finance on beneficiaries under Differential Rate of Interest (DRI) schemes can be studied.
2. A study on overdues and repayment performance of beneficiaries under Integrated Rural Development Programme (IRDP) may be undertaken.
3. A comparative study may be undertaken on the impact of bank credit on the beneficiaries under Integrated Rural Development Programme (IRDP) and the Differential Rate of Interest Scheme (DRI).
4. A comparative study on utilisation and repayment pattern of bank loans by the beneficiaries under the Integrated Rural Development Programme (IRDP) and the Differential Rate of Interest Scheme (DRI).

CONCLUSION

In the research study, the researcher has made an attempt to examine the impact of bank finance on income generation, employment creation and asset accumulation of the weaker sections identified under the Integrated Rural Development Programme (IRDP). A detailed analysis is done to identify the factors that determines the impact of the bank loans on IRDP

beneficiaries. In this study, the researcher has identified some of the practical difficulties and problems faced by the implementing authorities, bankers and the beneficiaries. These problems are the obstacles for the effective implementation of the programme. Though the study reveals that the impact of IRDP credit on the beneficiaries is quite substantial, the researcher feels that still there is a scope for better results. Hence appropriate recommendations have been made to overcome the difficulties and lacunae identified in the study. The researcher would feel amply rewarded if this study is made use of by any one connected with development programmes in general and IRDP in particular.

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