

**A STUDY OF THE INCOME GENERATING PROJECTS UNDERTAKEN
BY THE RURAL WOMEN**

**By
VASANTHA, K.**

**A Thesis Submitted To The University Of Madras In
Partial Fulfilment Of The Requirements For
The Degree Of Master Of Science,
May 1979.**

ACKNOWLEDGEMENT

The author records her deep sense of gratitude to Miss S. Sithalakshai, M.Sc., Professor of Home Science Extension Education, Sri Avinashilingam Home Science College for Women, Coimbatore-11, for her valuable suggestions and able guidance. She expresses her gratitude to Dr. (Tnt.) Rajamkal P. Devadas, M.A., M.Sc., Ph.D. (Ohio State), D.Sc. (Madras), Principal, Sri Avinashilingam Home Science College for Women, for the opportunity given to conduct the study. Her thanks are due to the Bank Managers for their willing co-operation in providing the required data for the study.

TABLE OF CONTENTS

CHAPTER	PAGE
LIST OF TABLES	
LIST OF FIGURES	
LIST OF APPENDICES	
I. INTRODUCTION	1 8
II. REVIEW OF LITERATURE	
a. Magnitude of the problem of poverty and unemployment in India	
b. Programmes to alleviate rural poverty	
c. Role of commercial banks.	
III. METHODOLOGY	AR
A. Income generating projects for rural women sponsored by the commercial banks	
B. Reactions of the beneficiaries	
IV. RESULTS AND DISCUSSION	46.
A. Income generating projects for rural women sponsored by the commercial banks.	
B. Reactions of the beneficiaries	
V. SUMMARY AND CONCLUSION	64
BIBLIOGRAPHY	68.
APPENDICES	73

LIST OF TABLES

TABLE		PAGE
I.	LOAN SCHEMES SPONSORED BY THE BANKS	52
II.	ADOPTION OF VILLAGES BY THE BANKS	58
III.	NUMBER OF BENEFICIARIES	54
IV.	RECOVERY OF LOANS FROM THE LOANERS	57
V.	SOCIO ECONOMIC DETAILS OF THE RESPONDENTS	59
VI.	LOAN AMOUNT RECEIVED BY THE BENEFICIARIES	61
VII.	PURPOSES FOR OBTAINING LOANS	61
VIII.	REPAYMENT SCHEDULE	62
IX.	FUTURE PLANS OF THE BENEFICIARIES	63

LIST OF FIGURES

FIGURE		PAGE
I	a. LOAN SCHEMES SPONSORED BY THE BANKS	A7
	b. A BENEFICIARY MILKING THE COW	A8
	c. INVESTIGATOR INTERVIEWING A CYCLE SHOP KEEPER	A9
	d. INTERVIEWER WITH A PETTY SHOP KEEPER	B0
	e. A TAILOR WOMAN AT WORK.	B1
II	NUMBER OF BENEFICIARIES OF THE LOAN SCHEMES.	B5

LIST OF APPENDICES

APPENDIX

PAGE.

- | | | |
|-----|--|----|
| I. | QUESTIONNAIRE TO STUDY OF THE
INCOME GENERATING PROJECTS
UNDERTAKEN BY THE RURAL WOMEN WITH
THE FINANCIAL ASSISTANCE FROM BANKS | 74 |
| II. | INTERVIEW SCHEDULE TO ELICIT
INFORMATION FROM THE BENEFICIARIES
OF SELECTED VILLAGES. | 77 |

I. INTRODUCTION

India lives in her villages is a famous adage. Even today, more than three fourth of the India's population is made up of village people. Our progress therefore depends on the progress of our rural folk. (Sundaram, 1976).

Our Nation today is faced with the problem of poverty and unemployment. These two are the two major social problems causing sickness and personal, family and community disorganization. They have been in existence since the dawn of civilization and one method or the other was devised to help the poverty stricken, the dependent and unemployed. (Madan, 1966). The Fifth Plan document had rightly mentioned that under - development and inequality in incomes and wealth are the twin causes of poverty in India. A look at the magnitude and nature of poverty in the rural sector of Indian Economy is as poignant as it is revealing.

The National Council of Applied Economic Research Studies point out that 50 per cent households in India share 82.5 per cent of the aggregate income while the rest get only 17.5 per cent. This shows the dimension of unequal distribution of income. In terms of actual amount,

more than 57 per cent households in the rural areas and about 39 per cent in the urban areas have to maintain themselves with less than Rs. 100 per month. It is estimated that a person is on the poverty line if his income is Rs. 20 per month at the 1960 price level or Rs. 40 at the 1972 price level. Minhas (1974) is of the view that for the rural population the poverty line may be drawn at somewhat lower level of Rs. 200 per capita per year. Applying this yard - stick, some 220 million people in India are obviously living below the poverty line. (Joshi, 1977).

According to the data available from the 18th Round of the National Sample Survey, 34 per cent of India's population lives below the poverty line and 22.4 per cent or every fifth person is a destitute. The figures of poverty thus are alarming. (Varghese, 1977).

Poverty can be removed by prompting rapid economic development and encouraging equitable distribution of incomes. Our nation today is committed to an Integrated Rural Development Programme to eradicate poverty. "In this

context increase in production should go hand in hand with provision to the large masses, of the necessary purchasing power through a rational employment programme linked with production" (Subramaniam, 1975).

The problem of unemployment is common to all the countries, whether industrially advanced or backward, although the causes and extent of such unemployment may differ from country to country. But general unemployment is on account of the following factors: (1) Rapid increase in population (2) Slow rate of economic development (3) Phenomenal expansion of educational facilities (4) Defective system of education and (5) Backward agriculture. In the rural sector, unemployment whether we call it under employment or disguised unemployment, exists on a massive scale. (Radhakrishnan, 1978 and Mukherjee, 1978). The Government should be very careful in selecting the lines where employment opportunities should be created and should watch out that the unemployed do get gainful employment.

Thus rural industries play an important role in the economic development of our country in view of their capacity to create employment opportunities in rural areas

at a low capital cost. The Department of Science and Technology (Government of India) has therefore decided that plans for implementing technology should now be increasingly turned towards the rural sector. (Naidu, 1977).

There are many subsidiary occupations which help the people to improve their status and standard of living. The question arises as to how to create employment opportunities in the integrated phase of rural development. There is an imperative need to develop the subsidiary activities such as animal husbandry, poultry farming and gobar gas production (Sivaraman, 1977).

The major section of growth in the rural area is the sector of rural industries including small industries, village and cottage industries and household industries. The important industries in the rural sector are food manufacturing, beverage industries, textiles and garments, wood work, non-ferrous mineral products, foot wear and tobacco (Srinivasan, 1978).

The development, welfare, upliftment, whether it is social, cultural, economic, monetary, fiscal or

political, depends on the various financial resources which are available to the country, either from within or from outside because finance plays a significant role in the economic democracy which is as important as political democracy.

The problem of finance has always been a limiting factor in the development of small scale industries. Credit facilities for small scale industries are available at the present time from the following agencies.

- 1) The State Government's Department of Industries, who grant loans under aid to Industrial Acts/Rules. Long and medium term capital as well as working capital are provided.
- 2) The Reserve Bank of India provides special facilities for advances to Central Co-operative Societies to meet the working capital requirements of the handloom Industry.
- 3) State Bank of India under its special scheme for provision of co-ordinated credit to small scale industries.
- 4) Certain specified banks and other financial institutions in different states selected by the Reserve Bank of India under a pilot credit guarantee scheme. Under this scheme the Government shares with the lending organisations risks on loans granted by them to small industries (Jain, 1978).

Industry, commerce, trade and business of a country largely depend on the banking structure of that country, as the banks have very close relationship with the activities of the citizens of the country. Since Indian economy is rural economy, for which a strong rural base was needed, the Government of India, in order to have free flow of funds in these sectors, after trying social control, over banks, nationalised 14 commercial banks in the country, in July 1969 with the broad objectives of

- 1) removal of control by a few
- 2) Provision of adequate credit for agriculture, small industry and exports.
- 3) Professionalisation of bank management
- and 4) utilisation of deposits for national growth, and removal of disparities between the rich and the poor sections of our people (Bagga, 1977).

The All India Rural Credit Review Committee in its report in 1969, assigned an important role to the commercial banks, in the field of agricultural finance. Banks, as more efficient business organisations than the Government, or the co-operative agency, were passed into action in the Fourth Plan. The post Nationalisation period witnessed

a much rapid expansion of commercial banks in the field of rural credit (Bhalerao, 1978).

The main edifice on which the Programme of Community Development is built is the community participation and community consciousness. The importance of involving rural women in the programmes of development is therefore, considered as an integral part of the total development of the village community. In the early years of the Programme of Community Development, it was realised that the development of appropriate institutions for channelising energy and effort of women was necessary, so that these could serve as strong - base for the contribution of women in rural development. A variety of steps were taken from time to time to organise rural women and to involve them in programmes of Community Development with particular reference to the programmes and activities related to the welfare of family, women and children.

The present study aims at investigating the various avenues commercial banks provide to rural women, for augmenting their income and the extent to which the rural women benefit out of these opportunities.

II. REVIEW OF LITERATURE

The available literature pertaining to this study on "Income generating projects undertaken by the rural women" is reviewed under the following headings:

- A. The magnitude of the Problem of Poverty and Unemployment in India.
- B. The Programmes to alleviate Rural Poverty
- C. The Role of Commercial Banks.

A. Magnitude of the Problem of Poverty and Unemployment in India:

India is predominantly an agricultural and rural country. An overwhelming majority of her people live in the countryside. As early as in 1954, Dube (1954) had estimated that 70 per cent to 80 per cent of India's population lived in her villages.

The basic problems of our Indian villages are poverty and unemployment. Factors like high pressure of population on land, fragmentation of holdings, illiteracy and rural indebtedness, typical pattern of village life, unemployment and vast underemployment etc. have almost paralysed the rural economy (Prasad and Vishwanath, 1973).

A very big sector of the rural population has been living in varying states of poverty in all countries. Even in the United States of America, the most prosperous country of the world today, the poverty of a large stratum of rural society has become a crying problem (Eswariah, 1978).

By far, the greater part of India's poverty is rural, but urban and rural poverty are intimately connected. The urban poor may be classified broadly into (1) industrial workers, (2) non-industrial workers and (3) beggars and mendicants. The vast majority of urban workers come from villages and continue to have their roots there. The poorest among them come from the most helpless strata of the rural population. In times of difficulty or unemployment, urban workers are often able to fall back on the traditional, i.e. scanty sources of income available in their villages. There can be no doubt that if this rural connection did not exist, the conditions of life of the urban poor would be worse than it is at present. Thus we cannot hope to remove urban poverty, unless we attack rural poverty at the same time (Singh, 1970).

The causes of poverty have been discussed by different sociologists in different ways. Gillin and Gillin (1942) have mentioned the causes of poverty and dependency under five heads. 1) In capacity of the individual 2) Adverse Physical environments 3) economic factors 4) defects in social organization and 5) war. In the incapacity of the individual they include the hereditary weakness of the individual, such as weak and sickly body, depressing aptitudes, and attitudes towards work as a result of early conditioning and physical handicaps because of accident or disease such as blind, deaf dumb, mentally deficient or disordered. Among the adverse physical environments are mentioned the poor national resources, adverse climate and weather, insects, pests and the like and natural disaster. Among economic factors are included shortage of capital and technical know-how, uneven distribution of wealth, business depression and technological changes which may replace labour. The defects in social organisation arise due to rapid technological changes, when it is difficult to make economic and social arrangements to cope with new situations. These defects include educational shortcomings, inadequate health machinery for the protec-

tion of new occupational diseases, bad housing and employment of husband and wife outside home leaving little time for socialization of children and difficulties of youth to find employment because of inexperience. In the war most active and strong are skilled, some are disabled, many women become widows, and inflation affects standard of living (Madan, 1966).

It is a popular view that, the poor are responsible for their poverty. It is partly true with some of the poverty-stricken people. It is not far from truth to say that the root cause of poverty lies with the people. Unless people desire progress and workhard, progress will not occur. One of the causes of poverty might be the British domination and the attendant evils like economic invasion and exploitation. During the British reign, India was subjected to economic invasion of a thorough-going nature. Indian economy was sand witched between keen foreign competition and monopoly of Indian "kulaks" and vested interests which were the by-products of the British regime.

Dependence on agriculture which is a gamble on the monsoons and is also in the subsistence stage is another

cause of poverty. Very many have uneconomic holdings which cannot ensure adequate income to the dependents. Due to lack of other means of livelihood all cling to land. The poor farmers are often reduced to pauperism by either drought or flood. Which drive them to ambitious and avaricious money-lenders who, in their turn, entrap them in the evertightening grip of poverty. It is no wonder that most of the Indian farmers are born in debt, live in debt, die in debt and bequeath debt.

The issue of elimination of poverty has thus become a major challenge in our country. The statistics about poverty are alarming. 40 per cent of the population are living below the poverty line in India. This state of affairs calls for concentrated action by every citizen of the nation to explore all possibilities to reduce if not alleviate poverty.

It is well known that 80 per cent of the poor live in rural areas. According to N.S.S. Report, one Indian in every five is a distitute and nearly half the population of the country is below the povertyline. The poor, number over 245 million. Though food production

has doubled as also the national income during the last 25 years, very little of the gains reached the poor especially in the villages. The percapita income at constant price had risen by only Rs. 83 in 1975 and that years percapita income of Rs. 341.4 was less than a rupee a day. In rural India nearly 200 million people could spend less than 93 paise a day on bare necessities. It is obvious that various measures taken for rural development starting from Community Development Programmes to institutions for assistance to small and marginal farmers and the introduction of technology in the shape of irrigation, fertilisers and high yielding varieties of seeds, have only had a limited impact (Subramaniam, 1978).

First of all we must adopt the attitude that the public and the community accept the responsibility of the poor, but the able-bodied persons shall be responsible for themselves. One of the corner-stones of a viable anti-poverty programme is the distinction between the potentially productive and the non-productive poor. The former should be given work and the latter adequate income for their maintenance. Thus a large scale employment

programme should be the major plank in our anti-poverty programme, to help the poor to help themselves, by creating job opportunities.

A complementary step in the anti-poverty programme calls for investment in human capital in the form of education. Ignorance, narrow out look, superstition, laziness etc. can be done away with by imparting the right type of education. In their place, a new amalgam of "mental virus" can be evolved which is conducive to modern outlook and economic progress. Thus a modern educated Indian will be able to shake off the yoke of caste and tradition and strengthen the spirit of co-operation and occupational mobility. We should thus invest in human capital because people are important.

Today, the poor may be shielded and protected from the ambitious and avaricious shylocks and thus the former may be given an opportunity to break the vicious cycle of poverty, enter into the mainstream of economic life and enjoy a higher standard of living as well as better welfare. The Government should take

up this responsibility, which should reflect in a variety of policies and programmes. Taxation and expenditure programmes have Robinhood effect on this issue. The poor may be insulated from excessive taxation while the benefits of expenditure should accrue primarily to the poor. This programme should embrace the destitute, the handicapped, the unemployed etc. which would bring income to them. As inflation erodes the limited purchasing power of the poor and thus aggravates poverty, there should be a programme of direct market intervention by which prices established by the market mechanism may be modified to the advantage of the poor. These foregoing programmes should be backed by an effective as well as dynamic population policy and programme, (Varghese, 1977).

In rural society the poverty sector comprises of mainly small and marginal farmers, landless labourers, share croppers, tenants, low earning artisans, tribal people, the aged and infirm. As the twin causes of poverty according to the Draft Fifth Five Year Plan are under development and inequality, the nature of the infrastructure required for eradication of rural poverty should be such as to increase the productivity and income of the weaker sections of the

rural society. Such infra structure would include economic development oriented schemes and institutions like Small Farmers Development Agencies, programmes for Marginal Farmers, and Agricultural Labourers and Crash Schemes for Rural Employment and Panchayats and co-operatives and social overhead facilities like education, rural health programme, rural roads and communication, rural water supply, housing and rural electrification (Guha, 1974).

Over population is a major cause of poverty. Issues such as unemployment, under employment, disguised unemployment, landlessness and the problem of dependency are the outcomes of over population. If the population were smaller, each person would have a greater share (Varghese, 1977).

The problem of unemployment has assumed alarming proportions in our country and as the Prime Minister Morarji Desai admitted "about Rs. 4,000 crores a year would have to be spent if cash doles were to be given to the unemployed". On the basis of Rs. 4 a day, about Rs. 140 crores would be needed annually to support the million

persons. This means that the problem embraces about 28 million persons. And in fact, the number would be much more larger if we add the number of unemployed, who too need immediate attention.

The fact that the number of those registered with the employment exchange increased at a slower pace in 1976 than in 1975 - 4.8 per cent against 10.6 per cent - is often highlighted as an indication that the unemployment problem is not beyond control. However, in spite of the decline in this growth rate, based largely on the improved industrial production in 1976 the number of job seekers in the exchanges rose to 9.77 million in December 1976 from 9.33 million in December, 1975 and has crossed the 10 million mark in 1977(Gupta, 1977).

Of late, the problem of unemployment is thus reaching grave and serious proportions and unless drastic measures are taken to provide jobs to these growing members, our country will face a dangerous threat to all the concepts. Viz, social, religious, political and economic. The present government has promised to substantially reduce unemployment by the close of the Sixth Plan and totally by the end of the Seventh Plan. Eighty per cent

of our people still live and work in villages and of them, seventy per cent depend for their living on agriculture. In a country like ours, what is urgently needed is not a decent job for the people but a kind of work that will help them meet both ends.

In the past, our leaders have suggested remedies in simple and realistic terms to prevent such a situation. Gandhiji observed, "provide work in the village by reviving village industries based on traditional skills and make the cities buy those products". The problem, he had, was not "to find leisure to the teeming millions that inhabit our villages but how to utilise their idle hours which are equal to the working days of six months in a year". "The way to take work to the villages", he said, *lies through a* revival of industries they have hitherto followed". This can be done by encouraging existing industries and reviving, wherever it is possible and desirable, the dying or dead industries of the villages according to their traditional methods i.e the villages working in their own cottages as they have done from times immemorial. Such simple methods can be considerably improved as in hand carding, hand -spinning, and handweaving. The profits, accruing from

such work can be distributed amongst the workers. The villagers may work under supervision and according to a plan. The raw material may be supplied from a common stock. This will provide an opportunity for co-operative, division of labour, saving of time and efficiency of work (Venkateswaran, 1978).

India has been in the grip of unemployment problem long enough for us to realise the impact it would create on the economy. The problem has reached unimaginable proportions. It is time it is given priority in all developmental planning. Creation of new job opportunities in the tertiary sector would not only relieve the masses of unemployed but start a chain of progress towards less poverty, more food, improved health and higher working capacity, finally resulting in increased out put (Kehal, 1975).

Provision of employment opportunities will not only provide means of living to the unemployed but also accelerate the development of the economy. It does not need rigorous economic analysis to understand this relationship. Unemployed and underemployed are a vast potential resource for the development of the economy with the provision of employment.

Solution of the unemployment problem must be the central policy in all developmental planning. For employment oriented development programmes there is the necessity of short term and long term strategies for generating employment opportunities under the Five year plans. Taking into considerations the huge addition to the stream of job seekers employment rather than simply the economic growth should be the target and measure of development effort. Just as we have a financial budget, similarly manpower budgeting should be resorted to our unemployed have already waited too long. It is high time all efforts are made to make a dent on the ever growing and overgrown unemployment situation. Unemployment is a humanitarian problem. Any delay worsens the situation further. The Government and the people must join hands to solve the problem on a war-footing (Guruswamy, 1978).

It is very saintly to say that the rich should part with their wealth to help their poorer brethren. But very few realise the reason why they do not do so. It is the fear of 'tomorrow' that prevents them to be large hearted. Once they are assured that they need not worry over the future, they would certainly come forward and give a big helping hand in setting things right.

Removal of poverty would mean that every person living below the minimum acceptable standard and having meagre means of livelihood should have enough income to maintain an equal acceptable living standard in the society. It is very difficult to define a poverty line or a minimum acceptable standard of living so as to distinguish persons as poor and below such poverty line and not poor and above the line. There can be no standard measure of poverty as it is a comparative state of living standard differing from people to people, society to society and nation to nation. An American Social Scientist, Stanley Hebergott in his book, "Wealth and Wants" has rightly remarked that poverty increases with every dose of increase in the wage of the workers as those who do not get any benefit of wage increase will be hit hard. Similarly, every innovation in standard of living enhances poverty.

India's rural economy is in a bad shape and presents a very gloomy picture with vast differences in the income of small farmers and big farmers, village artisans and the village traders etc. A pressing need is felt for income maintenance for those who lack sufficient means to

augment their income due to old age unemployment and underemployment. Further, a minimum level of standard of living is required to be assured, to those who have practically no bargaining power with abundant productivity being wasted for non-utilisation and inadequate channelisation of their energies and talents. To protect displacement of these people, to strengthen their competitive spirit and to persuade them to stay on in their occupations are the more challenging problems besides increasing unemployment and enhancing poverty. The solution to these problems is offered only by way of guaranteed income scheme. (Varma, 1978).

B. Programmes to alleviate Rural Poverty:-

There are several measures contemplated to alleviate or reduce poverty, chief among them being:

1. Crash Schemes for Rural Employment
2. Small Scale Industries
- and 3. Khadi and Village Industries

1. Crash schemes for rural employment:-

The crash programmes for rural employment include

- a) Rural works/man-power programme b) Marginal

farmers and Agricultural labourers c) Small Farmers Development Agencies d) Integrated Dry land Agricultural Development e) Agro-service centres f) Area Development Scheme, and g) Crash Scheme for Rural Employment.

The importance and significance of the development of agro-based industries as an effective solution to solving the problem of rural unemployment, underemployment and disguised unemployment assumes an unique place. In addition to providing additional employment they create subsidiary occupations. They are not only labour intensive and capital saving but ~~are~~ also easy to set-up and quick to yield production. Arresting migration and concentration of economic power, utilisation of surplus rural man power and increasing the income of the poor rural artisans are some of the salient features. Utilisation of locally available raw materials indigenous know-how and capacity to absorb educated unemployed are some of the hall marks of their preference. Besides, all the members of the family can participate in the production process. They also have some of the intrinsic qualities and potential for reduction in inequalities in income, securing social justice, diversification of rural occupation, eliminating

regional imbalances and opportunities for maximum participation of women in the various activities.

2. Small Scale Industries:-

The cottage and small scale industries occupy an important place in the national economy of India. They play an important role in providing employment to millions of persons, promoting decentralisation and in reducing inequalities in income and wealth. (Patel, 1978).

According to the National Planning Committee "A small scale or cottage industry is an enterprise or series of operations carried on by a workman skilled in the craft on his own responsibility, the finished product of which he markets himself". He works in his own house with his own tools and materials and provides his own labour or atmost the labour of the members of his family as are able to assist. The worker works mostly by hand, labour and personal skill, with little or no aid from modern power driven machinery and in accordance with traditional technique and such supplementary energy as is provided by animal power which may add to the economy and efficiency of the industry. He works finally for a market in the

immediate neighbourhood that is to say, in response to known demand with reference to quality as well as quantity (Srinivasan, 1978).

Small Scale Industry is one which is operated mainly with hired labour, usually with 10 to 50 hands and is not carried on in the cottage of the worker as the resources of the producer are limited. It includes all units or establishments having a capital investment of less than Rs. 5 lakhs (Datt, 1977).

The small scale industries have played a significant role in supplying ancillary components to large scale industries and defence requirement and with their decentralised nature have provided opportunities for young entrepreneurs to venture into new field. They have also helped to enlarge and improve the skill base in the economy (Rao and Prasad, 1973).

The development of small enterprise has followed the general pattern of industrial development in the country. In the early stages they have tended to concentrate around the main commercial centres of Bombay, Calcutta, Madras etc. because facilities like transport, water supply, power, skilled labour, marketing and finance were

available only in big cities. Many of these units were engaged mainly in producing consumer goods. The Second World War caused a spurt in the general demand so that existing units began to expand the supply of consumer goods and new enterprises were established and developed for the manufacture of strategic goods which were not available from other countries. As a result of decline in imports many new enterprises came into being.

The small scale industrial sector has recorded a very high rate of growth during the last decade. This is evidenced by the number of registered units which went up six-fold from 36, 109 in 1961 to 2, 14, 004 in 1971. In otherwords, the growth of registered factories works out to be about 1,7 7,900 on an average during the period 1961-71. Although the growth rate in the year 1962 was 44.6 per cent over the previous year, this continued to show a decline and in 1971, it was 10.8 per cent. Although in relative terms, the growth rate has shown a decline the absolute number of small scale units coming up has not shown any decline. Rather in the 1971, a total of 20,873 units were established (Datt and Sundaram, 1972).

The Government has been trying to solve the age-old problems and difficulties of cottage and small - scale industries since Independence. The Industrial policy stated by the Government in 1948 and 1955 assigns an important place to cottage and small scale industries, in the scheme of industrialisation. During the first three plans, the Government spent Rs. 458.8 crores for the development of the village and small industries. About Rs. 133 crores were spent during the Annual Plans (1966 - 64). The Fourth Plan envisaged an outlay of Rs. 293 crores in the public sector for the development of the village and small industries. The actual expenditure was estimated at Rs. 250 crores during the Fourth Plan period. The main objectives of the schemes of development of these industries are to improve progressively the methods of production to enable them to a viable level, to promote decentralisation, and dispersal and to promote agro-based industries. Rs. 1,660 crores were to be spent on small industries during the Fifth Plan (Chellappan, 1975).

The following measures have been taken to assist and develop cottage and small - scale industries.

1. Setting up of special organisations or Boards. The important agencies set up by the Government are the Khadi and village Industries, Commission, the All India Handloom Board, the All India Handicraft Board, the Small Scale Industries Board, the Coir Board and the Central Silk Board. These Boards are given wide powers and are provided with adequate funds to discharge their functions effectively. Central and state Governments have set up separate Directorates of cottage and small scale industries.
2. The Government has established National Small Industries Corporation in 1955 to assist finance and promote small industry in India.
3. The Government has taken up a programme for giving technical assistance to small industries. It gives preference to small units in the purchase of goods required by it.
4. The Government has granted protection to a number of village and small industries. It has extended credit facilities to small entrepreneurs by nationalising major banks and introducing credit guarantee scheme. It has been encouraging the growth of the industrial co-operatives.
5. Industrial estates have been set up all over the country. The Government has undertaken rural industrial projects for intensive development of small industries in selected rural areas. (Sivaraman, 1977).

The cottage and small scale industries always occupied a significant place in India's Industrial structure for a number of reasons especially when compared to large scale industries. First, the main advantage of the cottage and small scale sector is that it gives employment to a large

number of people at a time when the agricultural sector is overburdened. It may be helpful in absorbing excess labour force secondly the rural population can devote their leisure period to earn some income by taking it up as a subsidiary occupation; thirdly the cottage and small scale industries require small amounts of capital because they do not need costly machines and big buildings for their operations and do not create much monetary burden to producers, fourthly the cottage and small scale industries do not require much scientific and technical knowledge for producing commodities as large scale industries do last but not least, as the cottage and small scale industries are not concentrated, they do not present the problems of housing, health and sanitation etc. as large scale industries create. Thus it is obvious that the cottage and small scale industries have considerable advantage over large scale industries (Jain, 1978).

Cottage and small scale industries offer enormous possibilities for decentralised pattern of development. By spreading the industry to hitherto non-industrialised regions and rural areas they relieve large cities of congestion, undesirable growth of slums and high social

costs associated with urban concentration. They tend to correct the regional imbalances and contribute to the development of backward regions. By spreading the economic activity to various regions, they relieve the pressure on scarce and not so well - developed transportation facilities and other needed services. They also help in improving the living standards of unemployed and underemployed rural and urban poor by augmenting employment opportunities. Further they incidentally reduce the political tensions that are associated with regional imbalances in respect of economic development. The success or otherwise of the development of modernised cottage and small scale industries crucially depends upon the ability to improve productivity in these industries through evolving suitable production, techniques and organisational devices (Rao and Reddi 1977).

3. Khadi and Village Industries:

The khadi and village Industries Commission (KVIC) was set up by an Act of Parliament and started functioning from 1st April 1957. On that day, it took over the activities of planning, organising and implementing the programmes for the development of Khadi and Village Industries from

the All India Khadi and Village Industries Board, which was functioning since February 1953 (Rao, 1978).

Today there is a greater realisation and better appreciation of the potentialities of the decentralised industrial sector. It has become clear that a comprehensive programme of decentralised industry alone can provide an effective answer to the problems of unemployment and underemployment. Khadi and Village Industries have a vital role in such a programme, carrying work and wages to the needy millions in rural India. They have relevance to every part of the country, be it in humid Kerala or cold Kashmir. In view of their simple and capital saving techniques they have a special place in the development of backward areas (Sharma, 1976).

The sponsoring agencies of Khadi and Village Industries consist of state boards, registered institutions and co-operatives. The rules of KVIC also permit units of local governments like penchayats and panchayat samitis and Gramsabhas to promote these industries. Well developed institutions and a large cadre of dedicated and competent workers have brought about the concentration of these industries in the areas they serve.

Area survey and planning will be indispensable for large development programmes. At present sponsoring agencies initiate proposals for both the starting of new activities and expansion of the existing ones. If some opportunities of and need for new industries or expansion of the existing ones escape their attention, they are by and large lost. It is true that Khadi and Village Industries Commission too, takes initiative, draws plans and encourages sponsoring agencies to participate in their implementation (Arumugam, 1975).

The Khadi and Village Industries under the purview of the KVIC belong to the unorganised sector of the groups of agro-based industries. The industries are broadly classified as agricultural processing, agricultural inputs, consumer and forest - based (Chowdhry, 1975).

As a result of the implementation of various development programmes, this sector has been able to achieve a production level of Rs. 195.21 crores in 1975-76, as against Rs. 17 crores in 1955-56. The overall value of sales rose to Rs. 201.88 crores in 1975-76 from Rs. 5 crores in 1955-56. About 20 lakh persons found employment opportunities as compared to 10 lakhs in 1955-56. Earning of the artisans stood at a level of Rs. 59 crores as compared to Rs. 7 crores in 1955-56 (Subramaniam, 1978).

C. Role of Commercial Banks:

Institutionalising credit in the villages is a recent, twentieth century phenomenon in this country. Co-operative movement with its credit component was launched in India some seven decades ago, but with a very limited effect, if any. After Independence and introduction of the welfare concept of administration these efforts have continued but not as vigourously as it might have been. And then, for various reasons an unhealthy dominance of the privileged classes on the co-operatives has prevented them from doing anything really substantial for the poor (Ghose, 1977).

Rural indebtedness is a gigantic problem arising out of rural poverty. Efforts made to make available institutional credit in rural areas have not made much headway inspite of the fact that the co-operative credit sector made a significant contribution and that the commercial banks also increased their credit facilities substantially. Emphasis has been laid for over seventy years on the development of co-operatives credit as the major instrument of building up a wide and viable rural credit structure. For meeting rural credit requirements

in the country, there are 3 types of institutional credit organisations, two in the co-operative sector, and one in the commercial banking sector (Batra, 1977).

A rural bank as recommended by the Banking Commission is a primary banking institution set up to serve a compact group of villages covering a population from 5,000 to 20,000, generally working as a co-operative bank or a subsidiary of a commercial bank. According to the Banking Commission, primary credit societies which satisfy the criteria of potential viability can be converted into rural banks provided they can get technical assistance from the State or Central Co-operative Banks. In areas where co-operative credit structure is generally weak, a rural bank is to be established either by making a good primary agricultural credit society to work as a subsidiary of a commercial bank or by commercial bank setting up of its own subsidiary. First priority in establishing rural banks is to be given to the well run primary agricultural credit societies. The various functions which a rural bank is expected to assume in due course are:

- a) to mobilise local savings
- b) to provide short term,

and medium term credit for agricultural and other purposes on its own and long term credit as agent of the land development banks c) to implement programme of supervised credit tailored to the needs of individual farmers, d) to provide various ancillary banking services to local people e) to set up and maintain godowns f) to undertake supply of inputs for agriculture and related equipments g) to provide assistance in the marketing of agricultural and other products through marketing organisations and h) to generally help in the overall development of the villages in its area.

The area of operation of the new banks is limited to particular regions consisting of one or more districts in a state. These banks have a share capital of Rs. one crore. It is made up of 50 per cent from the Central Government; 15 per cent from the state Government concerned and 35 per cent from the sponsoring commercial bank. The lending rates of the bank are not higher than the prevailing rates of co-operative societies in the states concerned.

Thus the idea of opening such banks, originated in the context of the measures to give relief to the rural poor from the burden of indebtedness. They are concerned

as agencies for opening alternative sources of credit to free the weaker sections from the private money lenders. The existing nationalised commercial banks with their urban Orientation were found to be unfit for this purpose.

The banking system is one of the few institutions that impinge on the economy and effect its performance for better or worse. Therefore the creation of a strong financial intra-structure is an imperative need for the healthy growth of the economy. The commercial banks as a part of the financial institution are viewed as the major tools of the 'Garibi Hato' programme (The Banker, 1974).

As a result of nationalisation, in the banking system for the first time, agriculturists have got an institutional agency for catering to their credit needs for various agricultural development purposes on a package basis. The banks have effected with earnestness organisational changes to set up agricultural finance department to handle proposals for advances, to secure/appoint trained field staff to formulate/prepare development schemes and carryout supervision and servicing of co-operation.

The lending schemes introduced included providing directly to agriculturists short-term loans for meeting seasonal agricultural production operations and term-loans for minor irrigation development and allied activities in the form of poultry, dairy, beekeeping etc.

Besides agriculture and small scale industries, the small business sector has also been included in the priority sectors in respect of which top-priority has been accorded in the lending operations of the banks. The small business man and retailers were almost neglected by the organised financial institutions for lack of securities and narrow profit margin. There is now a deliberate policy adopted by the banks in lending credit to this section. (The Banker, 1975).

Under the Differential Interest Rate Scheme, banks have made a big institutional attempt to enable the weaker sections of the society to become self employed, taking them away from the grip of the money lenders who charge usurious rates of interest. Under the Differential Interest Rate Scheme introduced in 1972, a large number of persons belonging to the weaker sections of the community-vegetable vendors,

hawkers, furniture makers, shoe repairers and the like are now given loans by the commercial banks at a concessional rate of interest. This scheme is in operation in all the 265 relatively backward districts.

The latest review of the working of the nationalised commercial banks has shown that even to day there are a number of Community Development Blocks without any banking facility. This is preposterous in the light of the clear Government policy statement about rural banking facilities in the country.

The present style of working of bank needs major change. Weaker borrowers are often put to a rigorous credibility test. From experience, weak and poor people rarely betray trust. Recoveries from them have been excellent. The difficulty is that few of them have anything to offer as security. A branch manager will help the poor only when he is given specific and well defined responsibility in this regard. Often he is able to get away with figures of loans in the rural areas advanced to a few rich living there (Ornald, 1976).

Most banks are reluctant to give the facility of DIR because it involves time and labour to get reimbursement

of the difference in interest charged for loans from the Government. Even in the case of a group loan this facility is denied. This method of working needs to be thoroughly reviewed for the benefit of deserving borrowers.

In a number of states loans are granted at the interest rate of $5\frac{1}{2}$ per cent per annum for setting up industries under the State Industries Act. But no such facility is extended to agriculture. What is suggested is that agriculture and industry are equally important and if industry, which is generally a more profitable proposition than agriculture is given some facility, there is a case for extending the same facility to agriculture also.

Marginal farmers, landless labourers, and artisans can be covered under the Differential Rate of interest. Small farmers particularly in backward areas deserve concessional finance. They may be allowed at least 4 per cent lower rate of interest than the normal bank rate.

Interest on agriculture loans is compounded half-yearly on default. Such compounding may be made annually. If a default is due to crop failure or due to any other

calamity or reason beyond the control of the borrower, only simple rate of interest should be charged. Only in deliberate default cases, should compound rate of interest be charged as penalty (John, 1974).

Banks in the rural areas serve a two-fold purpose: to promote savings among the richer classes and to extend loans for productive purposes to the poorer classes. The snag is that even the banks have only limited resources and persons qualifying to be identified as deserving credit are large. There are small and marginal farmers, landless, Harijans, shelterless agricultural labourers, starving village artisans and so on. And then to top it all the vast majority among these classes is ignorant and illiterate. How to reach the really needy target is a challenging task by any standard. One way perhaps would be to follow the Gandhian concept of Antodaya (i.e). Picking up the weakest among the weak and helping them. Indeed, one State Government, that of Rajasthan, has recently, introduced a scheme on these lines, identifying five persons in each village with the consensus of the whole village and helping them in a package way. Another five will be picked up when

the first batch becomes viable and the process will continue. This is a commendable scheme which might be followed elsewhere with advantage. Banks, of course, have to collaborate in any such scheme and as the years go by their role is bound to become more and more crucial (Krishnamurthy, 1977).

III. METHODOLOGY

This study was undertaken at two levels:

- A. Studying the income generating projects for rural women sponsored by the commercial banks.
 - B. Studying the reactions of the beneficiaries.
- A. Studying the income generating projects for rural women sponsored by the commercial banks:-

This aspect of the study involved the following steps.

1. Selection of the sample.
2. Selection of the method of study.
- and 3. Conduct of the study.

1. Selection of the sample:

Out of the ninety eight Commercial banks, in Coimbatore City, twenty five banks were selected for the study on random sampling basis.

2. Selection of the method of study:

Questionnaire method was selected for the investigation. As Sivathanu Pillai (1974) points out, a questionnaire contains a number of exact questions and blank spaces for answers. The respondents are expected to give their answers in the blank spaces. A covering letter is also sent explaining the purpose of the enquiry. A time limit is fixed for

the return of the questionnaire. This method is widely followed by private individuals and research organisations. The questionnaire used for this study contained questions on the various schemes for which the banks are giving loans, their adopted villages, types of loans given, year of starting the schemes, number of beneficiaries, security on which the banks are giving loans, repayment of loan amount, special schemes to help rural women, source of information about the loan and their opinion about the regularity in repaying the loan amount by women. (Appendix I).

3. Conduct of the study:-

All the twenty five Bank Managers were contacted in person with an introductory letter from the Principal of the institution. The questionnaires were distributed to them and a time limit was specified for filling up the questionnaire, after which they were collected.

The data obtained was consolidated and the results are presented and interpreted in the following chapter.

B. Studying the reactions of the beneficiaries:-

This aspect of the study involved the steps mentioned below:

1. Selection of the sample.
2. Selection of the method of study.
- and 3. Conduct of the study.

1. Selection of the sample:

The villages namely Velandipalayam, Venkitapuram, Thudiyalur, Edayarpalayam and Kanuvai belonging to Perianaicken palayam Panchayat Union of Coimbatore District were selected for this study. The villages were selected based on the fact that the banks in Coimbatore have given loans to the people in these villages for agriculture, animal husbandry, small scale and cottage industries and for the purposes of self employment. Nearness to college and availability of transport to these villages were the other criteria for selecting these villages. Fifty women (10 from each of the five villages) who were beneficiaries of the bank loans were selected to be the sample for the study.

2. Selection of the method of study:-

Interview method was followed for the investigation. Rangaswamy (1969) emphasises the value of interview by stating that the interview makes it possible for face-to face association and a process of inter stimulation, between the interviewee and the interviewer. This helps in collecting the data not obtainable by methods that do not involve

an interpersonal relationship. An interview schedule (Appendix II) was drafted using which the rural women were interviewed.

3. Conduct of the study:-

Good rapport was established with the women in the selected villages who have obtained various types of loans from the banks, after which the interview schedule was administered.

The data obtained was consolidated and the results are presented and interpreted in the following chapter.

IV. RESULTS AND DISCUSSION

The results of the study are discussed under the following headings:

- A. Income generating projects for rural women sponsored by the commercial banks.
- B. Reactions of the beneficiaries of the bank loan schemes.

A. Income generating projects for rural women sponsored by the commercial banks:

The data collected from the banks are presented under the following headings:

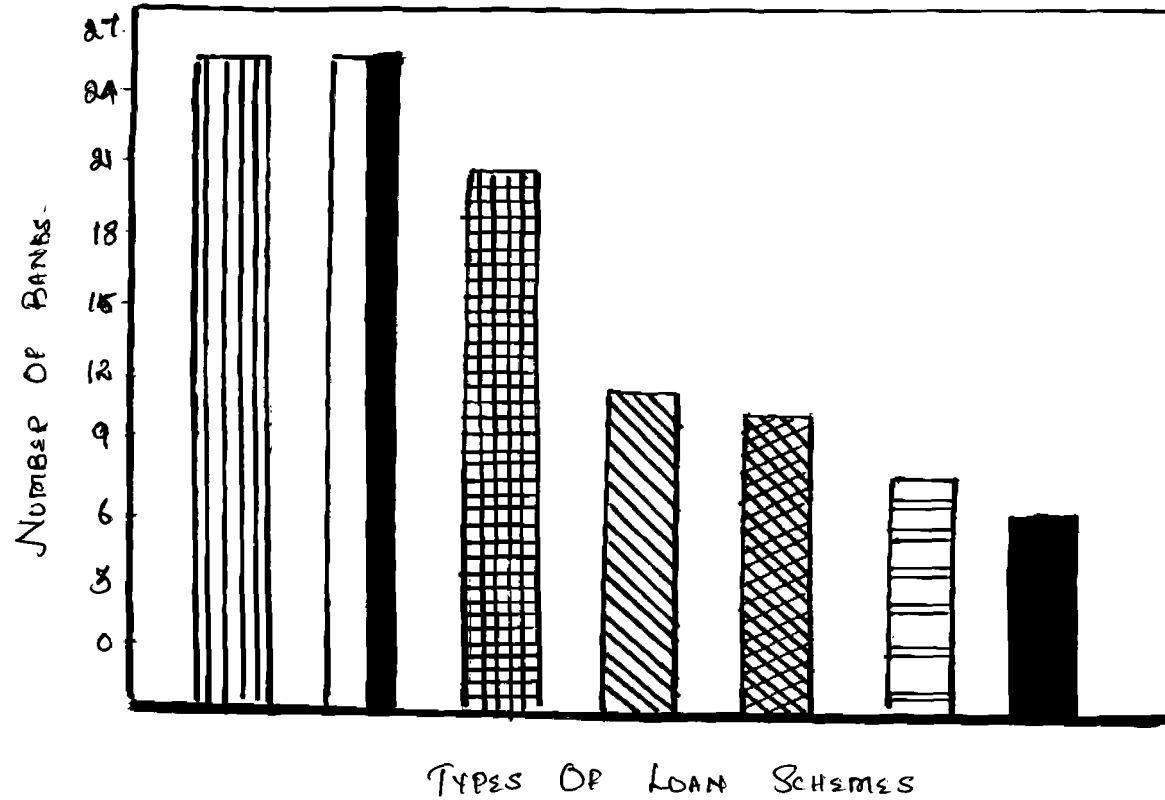
- 1. Types of loan schemes sponsored by the banks.
- 2. Adoption of villages by the banks.
- 3. Details of loanees.
- and 4. Recovery of loans from the loanees.

1. Types of loan schemes sponsored by the banks:-

Table I and Figure Ia (b to e) present the various schemes for which the banks are giving loans to rural women.

SCALE

1 CM = 3 BANKS



KEY:

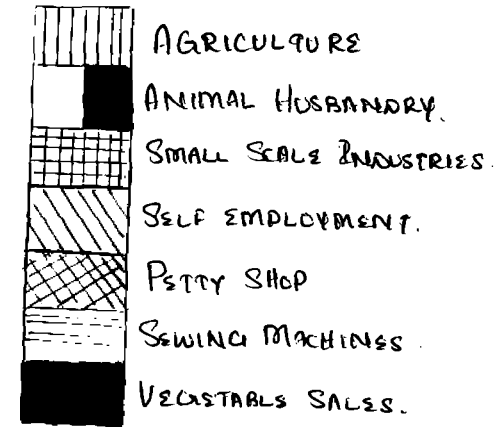


FIGURE - I.

a LOAN SCHEMES SPONSORED BY THE BANKS.



FIGURE I.

b A BENEFICIARY MILKING THE COW.



FIGURE-I.

d. INTERVIEWER WITH A PETTY SHOP KEEPER.



FIGURE -I.

e. A TAILOR WOMAN AT WORK

TABLE I
LOAN SCHEMES SPONSORED BY THE BANKS

S.No.	Types of Loan Schemes	Percentage
1.	Agriculture	100
2.	Animal husbandry	100
3.	Small scale and cottage industries	80
4.	Self employment	44
5.	Petty shop	40
6.	Sewing machines	28
7.	Vegetable sales	24
8.	<u>Others:-</u>	
	Higher education	28
9.	Minor irrigation	28
10.	Construction of farm house	12

All the banks were giving loans for agriculture and animal husbandry, and 80 per cent of them were giving loans for small scale and cottage industries, while 44 per cent of them were giving loans for self employment. This situation is very much encouraging.

Three banks stated to have special schemes to help rural women. Loans are granted to women for purchasing milch cows, buffaloes, goats, sheep, pigs and ducks. It is also granted for purchasing sewing machines and to run small petty shops, to develop small cottage industries and other purposes.

2. Adoption of villages by the banks:

Table II gives the details of adoption of villages by the banks.

TABLE II

ADOPTION OF VILLAGES BY THE BANKS

S.No.	Number of villages	Number of banks adopting
1	1	3
2	2	2
3	4	1
4	6	1
5	13	1
6	14	1
7	15	1
8	16	1

Only 11 out of the 25 banks contacted had mentioned adoption of villages. The number of villages adopted by the various banks varied from one to sixteen.

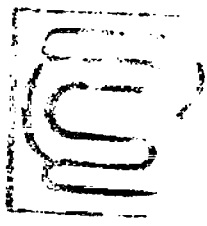
3. Details of loanees:

Only 11 out of the 25 banks contacted had mentioned the number of beneficiaries of the loan schemes. Table III and Figure II give the number of beneficiaries.

TABLE III
NUMBER OF BENEFICIARIES

S.No.	Name of the bank	Number of beneficiaries
1.	Central Bank of India	394
2.	Syndicate Bank	198
3.	Canara Bank	182
4.	State Bank of India	162
5.	Indian Overseas Bank	154
6.	Bank of India	150
7.	Dena Bank	93
8.	Bank of Baroda	83
9.	Sangli Bank	78
10.	United Bank of India	64
11.	Co-operative Bank	23

* The figures relate only to number of beneficiaries in and around Coimbatore.



CENTRAL BANK OF INDIA
39A.



DENA BANK.
93.



SYNDICATE BANK.
198.



BANK OF BARODA
83.



CANARA BANK.
182.



SANGLI BANK.
78.



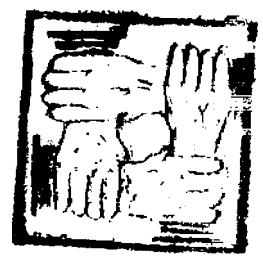
STATE BANK OF INDIA.
162.



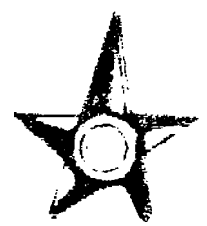
UNITED BANK OF INDIA
61.



INDIAN OVERSEAS BANK.
154.



CO-OPERATIVE BANK
23.



BANK OF INDIA.
150.

FIGURE-II.

NUMBER OF BENEFICIARIES OF THE LOAN SCHEMES.

As Table III shows, the maximum number of beneficiaries was 394. The number of beneficiaries depended on the number of villages adopted by a particular bank.

As for the sources of informations to people, individual interest, enthusiasm, and urgency of the need were the basic urges which motivated people to approach the banks. Photographs and information published in dailies and weeklies and news letters also served as sources of information about the loan schemes for the rural women.

4. Recovery of loans from the loanees:-

Loans were stated to be given on hypothecation of the goods purchased, and on pledging crops, animals, buildings, and machinery on hand.

The information from banks revealed that 80 per cent of the beneficiaries were repaying the loans regularly, but 20 per cent of them were not repaying the loans regularly. This was because of the drought between 1974 and 76, failure of crops, unemployment which leads to utilization of income from dairy/sale of goats/bullocks towards their family maintenance. Most of the loanees were illiterate and had an impression that loans were "grants". The general

opinion of the bank officials was that women were more regular in repaying loans and were interested in further extending the credit for expanding their business.

Table IV gives the methods of recovering loans from the irregular persons.

TABLE IV
RECOVERY OF LOANS FROM THE LOANERS

S.No.	Methods	Percentage
1.	By personal approach	100
2.	Through issue of letters	92
3.	Lawyers' notice	72
4.	Through suits	28

It was noted that the banks not only functioned as commercial organisations but wished to maintain good interpersonal relationship with their parties. Legal methods were resorted to only in cases of extreme irregularities.

Whether or not the loans are utilised for the purpose for which they were obtained was stated to be assessed through:

1. Pre inspection by the field officer to ascertain the strength of milch animals/ goats/ crops and the living conditions of the borrowers.
 2. Release of loans directly to the supplier (Seller) of animals/birds/machineries.
 3. Release of loans in instalments, each release being made after follow up inspection to ensure prompt utilisation.
- and 4. By personal inspection and verification of records.

B. Studying the Income generating projects undertaken by women in the rural areas:-

This aspect of the study is discussed as per the headings given here under:

1. Socio economic details of the families.
2. Details of loans obtained by the rural women.
3. Repayment of the loans.
4. Future plans of the beneficiaries.

1. Socio-economic details of the families:-

Table V presents the socio economic status of the rural women surveyed.

TABLE V
SOCIO ECONOMIC DETAILS OF THE RESPONDENTS

S.No.	Details	Percentage
1.	<u>Occupation:-</u>	
a.	Weavers	28
b.	Agriculturists	24
c.	Tailor	14
d.	Vegetable vendor	12
e.	Petty shop keeper	12
f.	Others	10
2.	<u>Income / month:</u>	
a.	Rs. 201 - 300	10
b.	Rs. 301 - 400	12
c.	Rs. 401 - 500	20
d.	Rs. 501 - 600	58
3.	<u>Educational Status:</u>	
a.	Primary	84
b.	Middle school level	16

As for occupation, majority were from weaver and agriculture communities. The income level of the families was considerably higher compared to an average rural

household in India. The fact that none of the rural women interviewed was illiterate was very much heartening. This points out that with literacy level increasing, women tend to benefit more out of the schemes for their welfare.

2. Details of loans obtained by the rural women:

As for the banks from which the women benefitted, 36 per cent respondents had got loans from Canara Bank, 24 per cent got from State Bank of India 20 per cent obtained loans from Bank of Baroda 12 per cent of them were getting the loan from United Bank of India and 8 per cent benefitted from Co-operative Bank. The sample selected was not representative of beneficiaries of all the banks in the locality and therefore, it is not appropriate to judge from the sample for this study as to which bank helps the women most. Also this is beyond the scope of the present study.

The amount of loan obtained from the Bank is presented in Table VI.

TABLE VI
LOAN AMOUNT RECEIVED BY THE BENEFICIARIES

S.No.	Loan Amount in Rupees	Percentage
1.	1,500	42
2.	2,000	30
3.	3,000	18
4.	5,000	10

A large majority of rural women had borrowed below Rs. 2,000 to improve their economic status.

The purposes for getting these loans are as presented in Table VII.

TABLE VII
PURPOSES FOR OBTAINING LOANS

S.No.	Purposes	Percentage
1.	Purchase of looms	28
2.	Purchase of Cows	26
3.	Crop loan	20
4.	Sewing Machines	14
5.	Vegetables	12

The loans were taken for initiating new economic projects or for expanding or improving the existing occupations such as weaving and agriculture.

With regard to the sources of information about the loans, personal sources such as neighbours and friends appear to dominate (80 and 50 per cent respectively).

3. Repayment of the loans:-

The method of repayment was stated to be on instalment basis. The number of instalments varied with the amount of loan.

The details of loan repayment by the beneficiaries are indicated in Table VIII.

TABLE VIII
REPAYMENT SCHEDULE

S.No.	Number of Instalments	Percentage
1.	15	36
2.	20	32
3.	23	20
4.	25	12

The amount per instalment ranged from Rs. 25 to 200 per month, depending on the amount of loan received by them and the individual's capacity to repay the amount. The banks were liberal in having a long range repayment schedule with the number of instalments varying from 15 to 25.

The rate of interest was stated to vary from 8 to 12 per cent per annum. Seventy two per cent women stated to repay the loans through collection agents while the rest contacted the banks directly.

4. Future plans of the beneficiaries:-

Table IX illustrates the future plans of the beneficiaries.

TABLE IX

FUTURE PLANS OF THE BENEFICIARIES

S.No.	Plans	Percentage
1.	Purchasing more milch cattle	26
2.	Getting loan for agriculture	26
3.	Starting new business	24
4.	Starting new small scale industry	20
5.	Expanding the small scale industry	4

The above statements indicate the level of satisfaction of the beneficiaries. Satisfied with the assistance from the banks for generating or augmenting family income, the respondents gave positive future plans for dealings with the commercial banks.

V. SUMMARY AND CONCLUSION

Twenty five banks were selected at random for this study. A sample of 50 members from ten villages were also selected at random to find out the extent of benefits enjoyed by them as a result of the introduction of the income generating projects by the banks.

The required information was collected through the questionnaire from the Bank Managers and through the interview schedules from the rural women. The following are the findings of the investigation:

1. All the 25 banks gave loans for agriculture and animal husbandry. Eighty per cent of them gave loans also for small scale and cottage industries, which indicates the interest of the banks in promoting the socio economic status of the rural folk.
2. Of the 25 banks surveyed only 11 banks had adopted villages under their direct control and supervision. The number of villages adopted by the individual banks varied from one to sixteen.

3. The maximum number of beneficiaries from an individual bank was reported to be 394.
4. It was noted that the banks not only functioned as commercial organisations but wished to maintain good inter-personal relationship with their parties. Legal methods were resorted to for recovery of loans, only in case of irregular extremities. There was no such case found during the conduct of the study.
5. Of the 50 samples selected, 28 per cent of them were weavers, 24 per cent were agriculturists, 14 per cent were tailors, 12 per cent were vegetable vendors and petty shop keepers and the rest 10 per cent were involved in other works, which pointed out that the banks were the channels of providing the rural people with financial help specifically in order to help the people help themselves.
6. Forty two per cent of the beneficiaries received Rs. 1,500/-; 30 per cent Rs. 2,000/-; 18 per cent

Rs. 3,000/- and 10 per cent Rs. 5,000/- as loans from the banks. These amounts were stated to be in commensurate with their need and their capacity to repay in time.

7. The loans were utilised to initiate new socio economic projects or expand the existing ones.
8. The instalments given to repay the loans ranged from 15 to 25. Thirty six per cent of the sample were expected to repay the loans in 15 instalments, 32 per cent in 20 instalments, 20 per cent in 23 instalments and 12 per cent in 25 instalments.
9. Purchasing more milch cattle, getting loan for agriculture, starting new business and small scale industry and expanding the existing ones were some of the future plans hopefully expressed by the beneficiaries.

The study has thus pointed out the potentialities of commercial banks in augmenting family income in the rural areas. It is needless to stress that with the opening of more branches of commercial banks in the rural areas, the possibilities for rural women to benefit from this financial infrastructure would also improve.

B I B L I O G R A P H Y

- Arumugham, P.
1975. 'Khadi and Village Industries',
Khadi Gramodyog, XXI, No.8,
pp. 384-386.
- Bhalerao, M.M.
1978 'Community Development and
Institutional Finance,'
Rural India, XXXXI, No.11,
p.18.
- Batra, J.D.
1977 'Rural Banks for the Rural Poor',
Kurukshetra, XXII, No.2, p.11
- Bagga, K.
1977 'Indian Economy', Rural India,
XXIV, No.9, pp.21-22.
- Chowdry, D.
1975. 'Women and Rural Development',
Home Science, XIII, No.9,
p.6.
- Chellappan, K.C.
1975. 'Planning for a Strategy to
Develop Small Scale Industries',
Khadi Gramodyog, XXI, No.12,
p.529.
- Datt, R.
1977 Indian Economy. New Delhi,
Niraj Prakashan, pp.115-118.
- Datt, R. and
Dundaram, K.P.M.
1972 Indian Economy. New Delhi.
S. Chand and Co. (Pvt) Ltd.,
pp.32-36.
- Dube, S.C.
1954. Indian Village. London.
Routledge and Kegan Paul
Ltd., pp.1-3.
- Eswariah, G.
1978. 'Rural Poverty', Rural India,
XXXXI, No.9, p. 224.
- Guha, A.
1974. 'Scarcity and Rural Industries',
Khadi Gramodyog, XXI, No.1,
pp.28-31.

- Gupta, S.
1977 'Employment Creation and Fiscal Policy in India', Khadi Gramodyog, XXIII, No.11, pp. 147-149.
- Ghose, S.
1977. 'Growth with Justice in Rural India', Kurukshetra, XXV, No.11, p.19.
- Guruswamy, T.
1978. 'Unemployment', Khadi Gramodyog, XXIII, No.11, p.568.
- Joshi, N.C.
1977 'Challenge of Rural Poverty', Kurukshetra, XXVI, No.8, p.17.
- Jain, R.P.L.
1978 'Cottage and Small Scale Industries', and New Government Policy', Khadi Gramodyog, XXIV, No.12, p.571.
- John, P.
1974. 'Rural Banks', Rural India, XX, No.8, p.210.
- Kehal, H.S.
1975. 'Unemployment - The Biggest Challenge', Khadi Gramodyog, XXI, No.10, p.416.
- Krishnamurthy, K.
1977 'Rural Banking', Rural India, XXI, No.9, p.128
- Madan, G.R.
1966 Indian Social Problems. New Delhi. R.N. Sachdev, pp.251, 267.
- Mukherjee, D.
1978 'Need for Developing Rural Economy', Rural India, XXXX, No.8, p.114.
- Naidu, P.K.
1977 'Rural Industries', Kurukshetra, XXVI, No.8, pp.7-13.

- Ornald, J.
1976. 'Rural Credit for the Small Man', Rural India, XIV, No.7, pp.96-97.
- Patel, A.R.
1978. 'Planning for Rural Employment', Kurukshetra, XXVI, No.21, pp.15-17.
- Prasad, A. and Vishwanath, T.
1973. 'Problems of Indian Villages', Kurukshetra, XIV, No.9, pp.19-21.
- Prasad, K.N. and Rao, B.
1973. 'Small Scale Industries', Khadi Gramodyog, XIV, No.8, p.208.
- Rao, Y.A.
1978. 'Collection of Statistics of Khadi and Village Industries', Khadi Gramodyog, XXV, No.2, p.128.
- Radha krishnan, K.P.
1978. 'Poverty and Unemployment', Khadi Gramodyog, XXV, No.2, p.125.
- Rao, L. and Reddi, C.
1977. 'Role of Small Scale and Cottage Industries in Rural Reconstruction', Khadi Gramodyog, XXIII, No.6, pp.296-298.
- Singh, T.
1970. Poverty and Social Change. New Delhi, Patwardhan, pp.17, 18.
- Subramaniam, C.
1975. 'Integrated Rural Development', Kurukshetra, XX, No.2, pp.21, 23.
- Subramaniam, T.R.
1978. 'Unemployment and Khadi and Village Industries', Khadi Gramodyog, XXIV, No.4, p.240.

- Sharma, T.
1976
- 'Commercial Banking and Khadi and Village Industries', Khadi Gramodyog, XXII, No.4, p.220.
- Sivaraman, C.P.
1977
- 'Not money But New Attitudes, New approaches, Attention to Detail Personnel Development', Yojana, XXI, No.22, pp.12-13
- Srinivasan, T.S.
1978
- 'Subsidiary Occupations', Kurukshetra, XXII, No.10, pp.12-13
- Sundaram, K.P.M.
1976.
- Money, Banking, Trade and Finance. New Delhi, Sultan Chand and Sons, pp.5-99 to 5-100.
- Sivathanupillai, M.
1974.
- Elements of Statistics. Bombay, H.R. Davar for Progressive Corporation Private Ltd, pp. 23-26.
- The Banker,
1974.
- 'Role of Commercial Banks', XXI, No.9, p.16.
- The Banker,
1975
- 'Banks and Small Business', XXII, No.6, p.37.
- Varma, J.C.
1978.
- 'Guaranteed Income for Rural Poor', Khadi Gramodyog, XXIV, No.8, p.422.
- Venkateswaran, K.
1978.
- 'Strategy for Rural Employment Potential, Khadi Gramodyog, XXIV, No.5, p.275.
- Varghese, J.
1977
- 'Poverty in India', Social Welfare, XXIV, No.7, pp.20-21.

A P P E N D I C E S

APPENDIX I

Questionnaire for Bank Officials

A STUDY OF THE INCOME GENERATING PROJECTS UNDERTAKEN BY THE RURAL WOMEN WITH THE FINANCIAL ASSISTANCE FROM BANKS

- 1. Name of the Interviewer :
- 2. Name of the Interviewee :
- 3. Name of the Bank :
- 4. Location :
- 5. What are the various schemes for which your bank is giving loans?

6. Are you giving loans for the welfare of the rural poor?

Yes No

7. If Yes.

S.No.	Villages Adopted	Types of loans given	Year of starting this scheme	No. of Beneficiaries	Security

8. Are the loans repaid regularly?

Yes

No

If no reasons.

9. What methods do you adopt to recover the loan amount from the irregular persons?

10. How do you ensure that the loans obtained are utilised for the purpose for which they were applied for?

11. Do you have special schemes to help rural women?

12. How do the women come to know about the loans and about your bank?

13. What is your opinion on the following?

1. Women are more regular in repaying loans.

2. Women definitely utilise the loans for the purpose for which they are got.

14. Any other remarks:

APPENDIX II

A Schedule to find out the income generating projects
undertaken by women in the rural areas

1. Name of the Interviewer :
2. Name of the Interviewee :
3. Name of the village :
4. Address :
5. Family Background :

No.	Names of the family members	Relation to the head of the family	Age in years	Educa- tion	Occupa- tion	Income/ month Rs.

6. Details regarding loan:

Name of the Bank	Loan amount in Rs.	Purpose	Time taken to repay the first instalment	Mode of repayment
				Weekly Monthly Quarterly

7. Channel of repaymentThrough Agents Repaying the amounts in banks Money order Others

8. Sources of Information Regarding Loans

Neighbours

Friends

Newspapers/magazines

Others
(Specify)

9. Rate of interest

10. Suggestions of the beneficiaries.