CHAPTER - 6
FINDINGS AND CONCLUSIONS

6.1 MAJOR FINDINGS

6.2 OBSERVATION REMARKS

6.3 SUGGESTIONS

6.4 CONCLUSIONS
6.1 Major Findings

Having examined the hypothesis through Chi² application following outcomes are important to note.

1. The first hypothesis that banks are found more conducive to upper income in respect of advances is found significant.
2. Second hypothesis the bank's show much inclination for advances towards agriculture stands valid.
3. The third hypothesis that banks are found less interested for advances towards entrepreneurs is found in significant.
4. The forth hypothesis that banks are found less prone towards financial inclusion is found in significant.
5. The fifth hypothesis that co-operative banks have easier and soft approach in advances than nationalised banks is found in significant.
6. The sixth hypothesis that professional work culture is found less conducive to promote rural network is found in significant.
7. The seventh hypothesis that rural banking is found more progressive for various financial services stands invalid.
8. The eights hypothesis banking administration is found more dynamic towards implementation of government programme is found in significant.

6.2 Observation Remarks

Having visited the villages of various blocks of the district and having interacted with several people across different groups, remarks based on the same are as under.
1. Banking in general has undergone considerable changes across the district. Though there is found large variations in respect of service attitude and realization in general there is falling of satisfaction.

2. In some corners of farming community there is discontent or dissent for banking operations. But having visited in practice and interacted with people at grass root it appears that there is actually a need to probe into utilization of disbursed funds. Some banking officials in confidence confirm to the fact that the traditional attitude of misutilization of loan funds still prevails in the villages. Few dynamic farmers also have subscribed to the view that there is no problem of inadequancy of funds. The real problem is with regard to utilization and not the disbursment croap loan as reported in many villages is grossly misutilized. The hidden fact is that a kind of political nexus has resulted into misallocation of funds. As part of the visits in several villages the inner circle confirmed the belief that the current trends for disbursment towards agriculture is found one and half or twice than the actual expected.

3. Banking circles express concern over the repaying capacity if more fund is disbursed towards agriculture. Currently too in many a cases because of unproduction utilization of funds there is found delay or irregularity in repayment. Banking circles and some dynamic farmers subscribed to the view that had the productive utilization increased farmers would have been benifitted more than what they have gained presently.

4. It was found that there was grumbling some where in manufacturing sector with regard to banking advances approach. Few of the small medium scale manufacturers showed dissent regarding the procedures. When examined and interacted with banking sector, it was however felt that there is legitimate proceduring for obtaining finance.
Considering the viability norms, the documents required are found minimum.

5. Banking circles clearly hold the view that they are bound to follow strictly guidelines and norms fixed by RBI. On the other hand planning commission suggests liberal finance towards various needy sections. It is in this context district level co ordination committee works out the plans frames the policies towards financing various sections. There prevails some missing gaps at banking level. The inner circles expressed the view that real feedback is not received or provided at the co ordination meetings as a result of which actual purpose in all respect is not met with by the banks.

6. During the field visits it was observed that there is found lack of dynamism amongst different groups of beneficiaries. Institutional regidities and hierarchy is found to have crucial role in respect of keeping pace with changes.

   It was observed that a group of beneficiaries in Maliya, Lodhika, Padadhari, Jasdan is found less dynamic in respect of adaptability to change. While on the other hand beneficiaries centered around Rajkot, Morbi, Gondal, Dhoraji are found more active alert and dynamic towards change. Hence they largely enjoy an edge over the beneficiaries of remaining blocks.

   It is found that in general literacy along with infrastructure work as bottlenecks besides institutional approach for adaptability to change.

7. Finance in general appears to have played adequate role towards aggregate development of the district. A degree of difference observed between the blocks of the district is not largely due to lack of finance. It is neither the amount nor the pattern. Funds flow in the direction as per the pattern as per the plans. Hence fund is not issue. Crux of the problem lies in the mindset of the people. It is clearly found the the undue political
intervention and undue dependence on political entrepreneurs. People at large and targeted groups in particular are handicapped by attitude financing pattern would not be successful without positive mindset. Therefore the targeted groups need to keep a little distance with the political entrepreneurs. It is felt that the targeted groups need to work out the requirements as per their non capacity. They also need to have a sense of accountability. It is this sense of accountability which is lacking amongst targeted groups which has kept them little far from the development.

8. Development if perceived in terms of inclusion it appears that banking institutions have not proved them inclusive in that respect. Between the blocks and within the blocks there prevail a large group without banking network. This lack of banking connectivity is likely to work as hinderence towards inclusive growth. It is observed that in view of keeping pace with the typical development tasks, inclusion is ignored a little. There prevails a fear conscious amount banking people in respect of viability. This fear concers leads to have slow initiation towards achieving inclusion. Also on other hand - largely lacking initiatives from excluded groups restrict move towards inclusion. A large group of marginals do not find it worth to have any sort of banking connectivity for want of minimum transactions as expected usually. No frill account holds more quantitative dimensions than qualitative hence it does serve the purpose in actual.

6.3 Suggestions

Having examined quantitative aspects of banking finance towards development ad quanlitative approach and based on interactions with the concerned groups, a suggestive framework is provided here to enquire into and redesign the plan process.
A. Private sector banks are still choosy in services. They need to be proactive towards meeting the rural needs. They need to be more prone to rural settings. It is in this context that Junior-middle level officers particularly at private banks need to be more trained accordingly. Instead of exclusive professional approach they need to inculcate a little professional approach towards the tasks. Informalization a little and more intimacy shall add to the capacity of private banks. Private banks' current approach to have liaison may temporarily helpful to fulfill the stipulated programmes but this may not be a long term solution to have self strength of the banks.

2. Co-operative bank officials on other hand need to be more professional. Too much of localisation and political interventions seem to have made co-operative finance too liberal. What appears quantitatively sound with co-operatives does not seem strengthening from quality point of view. Co-operatives have clear edge over all other banking professionals hence they instead of making the groups crippled, they need to inculcate amongst the targeted groups a spirit of self dependence. Co-operatives in this regard should initiate more towards making beneficiaries aware of productive and effective utilization of finance availed from the banks.

3. Banking professionals should initiate towards inclusion with appropriate intervention of NGOs. Self Help Group are found least penetrating in the district. Banks should initiate towards prone to self help groups. In fact positive intervention in this respect shall turn into positive externalities for banks and community. Rajkot district officials may learn a little in this respect from the practices applied by banks in Western Godavari district of Andhra Pradesh. (NABARD, Report)

4. There is felt need for effective presence of civil society at least at block level. Such Civil Groups may be formed of beneficiaries and non
beneficiaries, civil society may come up with informal intervention with the banking officials. Such interventional approach in turn is likely to have appropriate planning of credit plan and more importantly may weakened the undesirable nexus leading to corrupt practices.

In no case banks should go beyond cost applications. It is lending that banks usually prepare the cost of cultivating while in practice funds disbursed is significantly more than the cost of cultivation. This actual ground reality must be acknowledged appropriately by the authority to avoid further misallocation of funds.

5. Govt. of Gujarat has pretty long successful experience of intervention of CED (Center for Entrepreneurship Development) D.I.C. keeps constant co ordination with banks. It is learnt that this interventional approach is found more significant in urban and metro areas. Here there is a room for the banks to co ordinate with CED and should have pro active more liberal approach towards rural entrepreneurship and retailing.

Rural entrepreneurship and actailing has plenty of scope through which self employment is generated. This may add to the capacity building programms. District bank authorities may seek the expertise assistance from the NABARD officials.

**Conclusions**

Banking sector in general appears to have played effective role in shaping the development of district in aggregate. There is found plenty of scope to add the development strength and sustainability through assisting. Self employment projects. Secondly sectoral inequality and rural urban gap need to be filled at the earliest. Considering the micro level apprehensions. There is plenty of opportunity to examine the impacts and validity of the programmes through undertaking independent
block level research and also to have a comparative look through appropriate research.