

CHAPTER - VII

BANKS AND EMPLOYMENT PROMOTION.

A. Introduction

B. Performance of selected rural branches of Bank of Maharashtra in Kolhapur district.

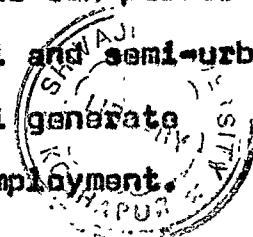
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: BANKS AND EMPLOYMENT PROMOTION :

A. INTRODUCTION :

After nationalisation banks are entrusted with social responsibilities. They have now been called upon to play a developmental role and assist the Government in the effective implementation of socio-economic programmes aimed at solving the various problems posed before the country. Unemployment is one of such problems. The problem is more acute in rural areas where agriculture still remains the main occupation and the employment opportunities therein are not only inadequate but also seasonal. Industrial employment is very poor. The village people are, therefore, migrating in large number to the cities for earning their bread. This flight of people from rural to urban areas has created many problems - social as well as economical. Hence for solving the problem of unemployment in the country, the employment promotion programme is undertaken by the Government through the Banks.

Banks are required to associate actively with employment promotion programme. The aim of the programme is to create employment opportunities especially in rural and semi-urban areas so that flight of population from rural to urban areas can be arrested. Banks can perform their role in promoting employment in rural and semi-urban areas by financing such projects which will generate employment and persons to undertake self employment.



**B. PERFORMANCE OF SELECTED RURAL BRANCHES OF
BANK OF MAHARASHTRA IN KOLHAPUR DISTRICT :**

1. BALINGE BRANCH :

This branch has been financing under 'Employment Promotion Programme' right from its opening. From the Table VII-I it is observed that the finance under the programme recorded more than 113 fold increase between 1977 and 1981. In absolute terms, the finance increased by 8.97 lakhs from Rs.0.08 lakhs in 1977 to Rs.9.05 lakhs in 1981. The number of borrowal accounts increased from 2 to 28 during the same period. The finance increased especially during the years 1980 & 1981. At the end of Dec.1980 the finance stood to Rs.5.62 lakhs which was 14 fold more than that at the end of Dec.1979.

Again at the end of Dec.1981 it increased by Rs.3.38 lakhs and amounted to Rs. 9.05 lakhs.

Table : VII-I

**Balinge Branch's finance under Employment
Promotion Programme : 1977 to 1981.**

(Rs. in lakhs)

As on	Number of borrowal accounts.	Amount Outstanding.
31-12-1977	2	0.08
31-12-1978	8	0.14
31-12-1979	10	0.40
31-12-1980	26	5.62
31-12-1981	28	9.05

2. BIDRI BRANCH :

This branch is also financing under the 'Employment Promotion Programme'. However upto the year 1979 the financing was not much significant. But it started increasing from the year 1979. At the end of Dec.1979, the branch financed 9 such borrowers with an outstanding amount of Rs. 2.35 lakhs. (Table VII-II) At the end of Dec.1980, the number of borrowal accounts was 13 with an outstanding amount of Rs. 2.51 lakhs. At the end of Dec.1981, the position improved still further and the number of borrowal accounts stood at 23 and the amount outstanding was Rs. 2.84 lakhs.

Table : VII-II

Bidri Branch's finance under 'Employment
Promotion Programme' 1979 to 1981.

(Rs. in lakhs)

As on	Number of borrowal accounts.	Amount Outstanding.
31-12-79	9	2.35
31-12-80	13	2.51
31-12-81	23	2.84

3. BAMBAVADE BRANCH :

The branch's finance under 'Employment Promotion Programme' is shown in Table VII-III.

Table : VII-III

Bambavade Branch's finance under 'Employment Promotion Programme' 1978 to 1981.

(Rs. in lakhs)

As on	Number of borrowal accounts.	Amount Outstanding.
31-12-1978	5	0.20
31-12-1979	N.A.	N.A.
31-12-1980	18	1.45
31-12-1981	20	2.05

From Table VII-III it is observed that the branch's finance increased from Rs. 0.20 lakhs in 1978 to Rs. 2.05 lakhs in 1981. Thus it recorded more than 10 fold increase during the period 1978 and 1981. The number of borrowal accounts also increased from 5 to 20 during the same period.

4. SENAPATI KAPASHI BRANCH :

The information regarding, finance under the 'Employment Promotion Programme' was not available for the years 1977 and 1978. At the end of Dec. 1979, the branch financed 60 such borrowers with an outstanding amount of Rs. 0.82 lakhs (Table VII-IV). In the year 1980, the finance increased and at the end of Dec. 1980 it stood at Rs. 1.44 lakhs, the number of borrowal accounts being 97. At the end of Dec. 1981, the number of borrowal accounts was 96 with an outstanding amount of Rs. 1.37 lakhs.

Table : VII-IV

Senapati Kapashi Branch's finance under 'Employment Promotion Programme' 1977 to 1981.

(Rs. in lakhs)

As on	Number of borrowal accounts.	Amount outstanding.
31-12-1977	N.A.	N.A.
31-12-1978	N.A.	N.A.
31-12-1979	60	0.82
31-12-1980	97	1.44
31-12-1981	96	1.37

5. GHUNAKI BRANCH :

This branch was also actively associated with the 'Employment Promotion Programme'. Table VII-V shows the branch's finance under the Programme during the period from 1977 to 1981.

Table : VII-V

Ghunaki Branch's finance under 'Employment Promotion Programme' 1977 to 1981.

(Rs. in lakhs)

As on	Number of borrowal accounts.	Amount Outstanding.
31-12-1977	N.A.	N.A.
31-12-1978	N.A.	N.A.
31-12-1979	44	2.64
31-12-1980	52	3.36
31-12-1981	61	3.22

The data regarding finance for the years 1977 & 1978 was not available. At the end of Dec.1979, the branch financed 44 borrowers with an outstanding amount of Rs.2.64 lakhs. At the end of Dec.1980, the number of borrowers increased to 52 and the outstanding amount to Rs.3.36 lakhs. At the end of Dec.1981, the number of borrowal accounts was 61 with an outstanding amount of of Rs.3.22 lakhs.

From the preceding information, it is clear that the branches under study have actively participated in the implementation of the 'Employment Promotion Programme' in rural areas. However considering the intensity of the problem of unemployment, they should increase the finance under the 'Programme' in the years to come.

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