

Chapter - IX

CONCLUSIONS AND SUGGESTIONS

CONCLUSIONS

On the whole, though there might be limitations with respect to the functioning of the Land Development Bank in the Gadhinglaj Taluka, the data collected and analysed show that the Land Development Bank has had an important positive impact on the lives of sample members. The very fact that general agricultural and living improvements have been generated through the loaning facilities of the Land Development Bank should be a fillip to the efforts of the Land Development Bank in this taluka region. The working of the Land Development Bank can be further streamlined and made more effective through implementing some of the suggestions made here ^{as} under . ion f

SUGGESTIONS

i) The Land Development Bank has made commendable progress in reaching out to the rural areas for bringing about long term changes for the better. However, the study has shown that very few advances were made for the purpose of setting up gobar gas plants in the rural areas. The energy needs of the rural folks are met by in part, burning of 'cowdung' cakes. This practice leads to a substantial loss of an important, perhaps the best of its ~~kind~~ input for increasing agricultural production.

Setting up of greater number of gobar gas plants will be able to supply energy as well as important organic fertiliser.

ii) The funds at the disposal of the Land Development Bank, Gadhinglaj are limited and they should therefore, be utilised more efficiently for productive purposes. The study has indicated that a number of loans (to 5 percent of the respondents) were made to meet festivity expenses such types of loans do not come under the perview of the Land Development Bank. If the loans were advanced on the basis of applications for agricultural improvements then it implies that proper monitoring and supervision are lacking. A method should be evolved whereby proper and continuous monitoring of the loan use is undertaken. *

iii) This leads to the suggestion that the Land Development Bank should not function as a loaning agency alone but should act as a catalyst of revolutionary change in the rural areas by helping inculcate better "all round habits."

iv) Loan applications have to pass through various stages which involves delays. The necessity of supplying various documents and the filling in of a number of forms becomes cumbersome and a misance leading to potential borrowers shieing away from Land Development Bank. In fact the chief causes of delay in sanctioning loans by the Land Development Bank lie in a) incomplete applications with relevant documents missing, b) lengthy and time-consuming procedures, c) the local managing committees have no

power to sanction loans beyond a particular limit, etc. Since the rural populace is chronically illiterate and ignorant, such cumbersome practices and requirements 'frighten' them.

v) Many of the sample members found it difficult to use the loans properly, and had finally ended as defaulters because they did not have any idea as to how best to utilise the loan money. They probably needed technical assistance and guidance. The Land Development Bank could provide some measure of advice on proper utilisation of loans, e.g. method of use of fertilisers for which the loan is sanctioned. This could be done by proper liason with related bodies or concerns.

vi) Since there were a number of defaulters, the resources/ of the Bank would be adversely affected, and thus its efficacy in meeting its aims and objectives would be adversely affected. Thus the Land Development Bank, Gadhinglaj, should make earnest efforts to keep its overdues within manageable limits particularly to enable them to fulfil their leading targets.

vii) The study has revealed that the Land Development Bank, Gadhinglaj, has been losing potential customers due to the 'uncooperative' attitude of the Bank's personnel. In order to ease this type of image, preferential treatment to LDBs officials under training programmes organised for senior and middle level officials

should be encouraged. Further grants for establishing and running internal facilities for the training of junior staff should be instituted.

viii) The Land Development Banks have to follow NABARD norms. Any scheme introduced by any Land Development Bank must receive sanctions from NABARD. However, such schemes validity remains for three years. However, NABARD's sanction is generally received very late, and by then the Land Development Bank then has to remain satisfied with the ongoing schemes and with the status of 'credit' banks. Such procedures ought to be altered so that newer schemes can be introduced by the Land Development Banks, including the Gadhinglaj branch.

ix) It has been observed that the loans for horticulture etc. have not been large in number. In fact, allied agricultural activities can form a substantial part of ~~an~~ subsidiary source of income, particularly to the small and marginal farmers. In order to encourage such allied activities, the subsidy rate should be enhanced.

x) The performance of the credit institutions cannot be judged merely from the quantum of loans disbursed but has also to be seen from the qualitiveness of such advances and prompt repayment of loans due by instalments. Unfortunately the inability of banking and credit institutions to secure repayment of loans in posing a

serious problem. Due to lower eligibility, there has been a steepfall in the quantum of loans advanced by some of the development banks in recent years.