



CHAPTER – 3

RURAL DEVELOPMENT SCHEMES

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CHAPTER – 3

RURAL DEVELOPMENT SCHEMES

3.1 INTRODUCTION

The history of rural development can be traced back to the late nineteenth century, in the year 1866 an English lady by the name of Rachel Metcalfe brought Quaker Service to India with avowed objective of “Selfless Service” to human kind, the first of such acts by this Quaker and other Quakers were visible in the famines of 1895-96 and 1899-1900. The first attempt for rural development in India was made in 1885 with an ultimate objective of bringing immediate relief and development of rural areas in Baroda. In 1922, the Swaraj Ashram was established at Baroda by Magan Lal Gandhi. The Ashram aimed at preparing for non-cooperation, and the civil disobedience movement launched by the Indian National Congress under the leadership of Gandhi. The resolution for non-cooperation was passed earlier in September 1920 at Calcutta Congress under the president ship of Lala Lajpat Rai.

“Grow More Food” campaign was started in 1943 with a view to augmenting the level of food production through planning and implementation of short-term and long-term improvement programs in agriculture. The action of the Kisan Sabha under the leadership of the Communist Party worker Mrs. Godavari Parulekar in 1945, as an important step against exploitation in rural areas, for the first time, Adivasis made slogans against exploitation by landlords, moneylenders and contractors. As a result, the Government started to encourage formation of cooperative Labor Contract Societies for forest workers since 1947.

After independence, in September 1948 the first and the foremost “Pilot Project” was started in an area of 64 villages scattered in the vicinity of Mahewa, located at a distance of about 8 miles from the Headquarters of Etawah district. In the year 18th April 1952, the Bhoodan Movement was started under the leadership of Vinoba Bhave. The aim of the movement was to acquire land through donation from individual landowners and distribute it fairly among the landless families. Similar kinds of movements like “Gramdan

and Shramdan” were also started in the direction of rural development during this period. The first Five Year Plan conceived the National Extension Service (NES) was started in 1952 by the Government of India with the establishment of 55 Community Development Projects across the states in the country. The Panchayat or the village council was the basic institution in the three-tier scheme of Panchayat Raj. The village council had the overall responsibility of carrying out the major functions as follows:

- (a) drinking water supply
- (b) sanitation
- (c) maintenance of public street, local roads, drains, culverts, etc.
- (d) lighting of village streets
- (e) maintenance of land and cattle records and vital statistics
- (f) supervision of primary schools
- (g) welfare of backward classes.

In the field of rural development, we notice that the cooperative movement made the most remarkable progress and the number of cooperative societies rose to about 35,000 by the end of 1963. But members of these societies never took keen interest in making the societies a great success.

Any strategy for rural development must involve the people themselves and their institutions at all levels. The need for revitalizing Panchayat Raj Institutions has, therefore, been recognized as an instrument for participative planning and implementation of various development programs at grassroots level. The Ministry is constantly endeavoring to empower the Panchayat Raj Institutions in terms of functions powers and finance. The Gram Sabha being potentially the most significant institution for participatory democracy and decentralization, it has been decided to observe 1999-2000 as the “Year of Gram Sabha”.

3.1.1 CONCEPT OF RURAL DEVELOPMENT

The concept of ‘Rural Development’ was born in the context of agriculture, and it remained, for a long time, coterminous with agriculture India. The royal commission on agriculture (1928), for instant, provides this kind of interpretation to the ‘rural development.’

Definition of Rural Development

Some of these definitions are given above:

The World Bank

Rural development is a strategy to improve the economic and social life of specific group of people, the rural poor, including small and marginal farmers, tenants and the landless.

Robert chambers

Rural development is a strategy to enable a specific group of people, poor rural women and men, to gain for themselves and their children more of what they want and need. It involves helping the poorest among those who seek a livelihood in rural areas to demand and control more of the benefits of rural development.

Ensminger

Rural development seeks to involve a process of transformation from traditionally oriented rural cultural towards an acceptance and reliance on science and technology.

3.2 OBJECTIVE OF RURAL DEVELOPMENT

The rural developments have the following main objectives:

1. Providing certain social goods and services in term of social and economic infrastructure.
2. Increasing the income of every rural family and to see that those who below the poverty line are enable to income above that line in coming years.
3. Creation of additional employment opportunities is rural areas.
4. It is essentially concerned with the improvement of the living standards of low income population living in rural areas on a self-sustaining basis through transforming the socio-spatial structure of their production activities.
5. It implies a road based re-organization and mobilization of the rural masses so as to enhance their capacity to cope effectively with the daily tasks of other lives and with changes consequent upon this.

6. Improvement of service of rural masses in the process.
7. Improvement of know-how which is to be implemented to the rural people to infuse in them a sense of pragmatism in the process of development.

3.3 NEED AND IMPORANCE OF RURAL DEVELOPMENT

Rural development is a national necessity and has considerable importance in India because of the following reasons.

1. To develop rural area as whole in terms of culture, society, economy, technology and health.
2. To develop living slandered of rural peoples.
3. To develop infrastructure facility of rural area.
4. To develop rural institutions like panchayat, cooperatives, post, banking and credit.
5. To develop entertainment and recreational facility for rural mass.
6. To minimize gap between the urban and rural in terms of facilities availed.
7. For the sustainable development of rural area.
8. To develop and empower human resource of rural area in terms of their psychology, skill, knowledge, attitude and other abilities.
9. To develop leadership quality of rural area.
10. To provide financial assist to develop the artisans in the rural areas, farmers and agrarian unskilled labor, small and big rural entrepreneurs to improve their economy.
11. To improve scopes of employment for rural mass.
12. To develop rural industries through the development of handicrafts, small scale industries, village industries, rural crafts, cottage industries and other related economic operations in the rural sector.
13. To restore uncultivated land, provide irrigation facilities and motivate farmers to adopt improved seed, fertilizers, package of practices of crop cultivation and soil conservation methods.
14. To improve rural people's participation in the development of state and nation as whole.

15. To solve the problems faced by the rural mass for their development.

3.4 ROLE OF NABARD IN RURAL DEVELOPMENT

NABARD is an apex institution accredited with all matters concerning policy, planning and operations in the field of credit for agriculture and other economic activities in rural areas. It is an apex refinancing agency for the institutions providing investment and production credit for promoting the various developmental activities in rural areas. It takes measures towards institution building for improving absorptive capacity of the credit delivery system, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions, training of personnel, etc. It co-ordinates the rural financing activities of all the institutions engaged in developmental work at the field level and maintains liaison with Government of India, State Governments, Reserve Bank of India and other national level institutions concerned with policy formulation. It prepares, on annual basis, rural credit plans for all districts in the country; these plans form the base for annual credit plans of all rural financial institutions. It undertakes monitoring and evaluation of projects refinanced by it. It promotes research in the fields of rural banking, agriculture and rural development.

3.5 RURAL DEVELOPMENT SCHEMES OF SATARA DISTRICT CENTRAL CO-OPERATIVE BANK

The board of director of Satara District Central Co-operative Bank takes into consideration the global market situation and the present India's economic strategies and provides loan to farmers as well as the other members of the society such as farm workers, business man, working people, and unemployed men, business woman. Bank has five times awarded by NABARD for the best work. Bank has number of schemes which think only about the socio economic development. Bank has brought flexibility in loan disbursed procedures and aims. It takes precaution in easy and immediate loan supply.

Bank also provides loan to businessman, and employed people for the amenities such as freeze, washing machine, T.V., mixer, stitching machine, Xerox, furniture, two wheelers, four wheelers, crash credit loan, over draft loan, house loan, house repairing loan etc. as per the NABARD's plan bank

provides loan to all plants through Krishi Bank Kisan Credit Card scheme. Bank has provides loan for high-tech farming and in this way bank tries to improve the agricultural condition in Satara District. Green house, drip sprinkler and pipe line irrigation comes under the high-tech farming and bank provides for it middle and long term loan. These facilities help to living standard of famers as well as they complete governments Santa Gadgebaba Swachhata Abhiyan. Bank also gives gold loan with limit of Rs. 0.50 lakhs to 1.00 lakhs and interest rate is decreased. Above all schemes are affordable for all types of consumers. Bank has runs all NABARD schemes in Satara district through farmers group and self help group. These NABARD scheme helps to bank to achieve its aim to improve socio-economic condition of farmers and women in Satara district. The bank has provides a loan for all things as well as it takes attention to the returns of it. The bank provides loan for the foods of cattle's in the drought area and the rate of interest on that loan is only 4% rather than provides a loan for water to survive the fruits garden in the drought area.

3.6 PURPOSE WISE SCHEMES

1. Self- Helps Scheme

It is necessary to form self-help groups to facilitate loans, advances and other banking facilities in a manner to eradicate poverty of peasants, landless, artisans, women's down trodden etc. bank has formed rules and policy to make financial assistance to self-help groups through primary agriculture credit society within minimum documentation.

2. Farmer Niwas Scheme

Satara District Central Co-operative Bank provides loan to the members of Vikas Seva societies for erection of house through the Shetkari Niwas Schemes.

Bank provides loan for farmer Niwas Scheme up to Rs. 7.50 lakhs. Interest rate is 10.5%. Repayment period is 15 years.

3. Gramin Souchalaya Scheme

Public cleanliness and availability of water closet is the vital need of rural population. Taking into consideration the necessity of water closet the bank has decided to finance for the same and prepared the necessary project report. Bank take part and support the Government sponsored scheme "Gramin Swachhata Abhiyan" by successful implementation of Rural Sanitary Program at rural area it gives for loan Gramin Souchalaya credit limit is Rs.6,500 to Rs.21,600. Repayment period is 7 years.

4. Sheep farming

Sheep are mainly reared for milk and meat purpose. Apart from these wool and compost are the additional sources of income. Bank provides loan for sheep farming is Rs.14,351 lakhs to Rs.52,064 lakhs. Repayment period is 5 years.

5. Goat farming

In rural area, where the cattle and buffalo farming is not possible due to lack of green fodder, the goat farming should be preferred.

6. Bhagyalaxmi Scheme

In rural areas, majority people use woods for cooking. As it cause to deforestation and increasing in environment pollution. In view to avoid inconvenience of rural residential, bank is providing loans for 'Bio gas connection'.

7. Gramin Godown Scheme

The main purpose of Rural Godown/Warehouse is to store agricultural produce carefully and safely, when market rate is down at that time farmers store their agricultural product e.g. jawar, wheat, soyabin, maize, bajra etc. in Rural godown. For this purpose our bank also gives loan, for warehouse construction. Loan sanction limit is Rs.1875/M.T. The loan sanction limit is depends upon the storage capacity of godown. Minimum Loan is sanctioned for 100 M.T. capacities and maximum loan sanction limit is up to 1000 M.T. capacity.

8. Gold Loan Scheme

The bank provides gold loan. Gold loan scheme credit limit is Rs.2,00,000 for individual. Repayment period is 1 year.

9. Governmental Scheme

In the present year through Swarn Jayanti Gram Swayam Rojgar Yojana. Bank has recommended Rs. 26.05 lakhs loan for 568 members of self-help group which are below the poverty line. The bank distributes Rs.24.69 lakh loans among 167 members.

10. Sericulture

Sericulture is one of the important agro-based industries with great potential to create employment opportunities in rural sector. Silk has great demand for export. The soil and climatic conditions in the district are favorable for Mulberry cultivation. Bank finances Rs. 72000/- for one acre mulberry cultivation along with establishment of rearing unit of silk worms for cocoon harvesting.

11. Sugar Industry

Bank provides loan for sugar industry.

12. Dairy Venture Capital Fund

This scheme provides a loan to farmers to purchase hybrid cows and buffalos from other state. Bank provides loan for Dairy venture capital fund is Rs.3 lakhs. This scheme applies only Karad, Patan, Phaltan, Khandala, Jawali, Mahabaleshwar and Wai.

Rural Development Schemes

(Rs. In lakhs)

Rural Development Schemes		2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
1) Self-Help-Group	Sanctioned Loan	6.78	20.88 (207.96)	53.00 (153.83)	65.35 (23.30)	260.56 (298.71)	206.78 (-20.64)	239.76 (15.95)	877.13 (265.84)	261.47 (-70.19)	352.70 (34.89)
	Disbursed Loan	5.44	18.88 (247.06)	44.13 (133.74)	59.09 (33.90)	243.65 (312.34)	177.28 (-27.24)	163.81 (-7.60)	833.93 (409.08)	154.83 (-81.43)	219.96 (42.07)
2) Farmer Nivas Scheme	Sanctioned Loan	234.35	365.84 (56.11)	440.50 (20.41)	827.43 (87.84)	1,973.07 (138.46)	2,918.38 (47.91)	1,166.80 (-60.02)	1,249.34 (7.07)	2,410.67 (92.96)	5,297.34 (119.75)
	Disbursed Loan	135.66	294.90 (117.38)	325.33 (10.32)	559.46 (71.97)	1,580.75 (182.55)	2,381.78 (50.67)	1,215.47 (-48.97)	898.82 (-26.05)	1,458.21 (62.24)	3,577.73 (145.35)
3) Gramin Shauchalay Scheme	Sanctioned Loan	27.12	26.81 (-1.14)	62.35 (132.56)	52.00 (-16.60)	2,202.99 (4136.56)	3,368.47 (52.90)	662.31 (-80.34)	218.35 (-67.03)	155.49 (-28.79)	27.56 (-82.28)
	Disbursed Loan	7.23	35.76 (394.61)	34.20 (-4.33)	33.13 (-3.16)	956.29 (2786.48)	2,775.70 (190.26)	778.36 (-71.96)	162.08 (-79.18)	100.18 (-38.19)	45.57 (-54.51)
4) Sheep Farming	Sanctioned Loan	17.33	4.96 (-71.38)	25.40 (412.10)	31.94 (25.75)	26.26 (-17.78)	27.60 (5.10)	30.50 (10.51)	33.40 (9.51)	32.45 (-2.85)	35.75 (10.17)
	Disbursed Loan	27.63	2.23 (-91.93)	10.82 (385.20)	16.82 (55.45)	25.69 (52.73)	23.43 (-8.80)	25.60 (9.26)	28.53 (11.45)	29.63 (3.86)	33.45 (12.89)
5) Goat Farming	Sanctioned Loan	6.01	0.25 (-95.94)	28.30 (11220.00)	41.49 (46.61)	69.29 (67.00)	72.15 (4.13)	71.00 (-1.59)	75.60 (6.48)	79.65 (5.49)	81.53 (2.23)
	Disbursed Loan	26.35	1.97 (-92.68)	15.26 (674.62)	37.09 (143.05)	69.48 (87.33)	69.60 (0.17)	70.75 (1.65)	72.61 (2.63)	77.45 (6.67)	80.55 (4.00)

6) Bhagyalaxmi Scheme	Sanctioned Loan	60.48	4.16 (-93.12)	4.50 (8.17)	1.17 (-74.00)	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	Disbursed Loan	56.83	4.16 (-92.68)	3.25 (-21.88)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7) Gramin Godown	Sanctioned Loan	--	--	25.53	19.43 (-23.89)	1.88 (-90.32)	12.87 (584.57)	3.15 (-75.52)	3.15 (0.00)	11.29 (258.41)	3.15 (0.00)	6.29 (258.41)	7.60	10.30 (-8.77)					
	Disbursed Loan	--	--	20.40	19.43 (-23.90)	2.56 (-90.32)	10.34 (584.84)	6.86 (-75.52)	6.86 (0.00)	6.29 (258.41)	6.86 (0.00)	6.29 (258.41)	7.60						
8) Gold loan Scheme	Sanctioned Loan	--	1,893.00	1,800.00 (-4.91)	2,340.00 (30.00)	2,550.00 (8.97)	2,920.00 (14.51)	3,340.00 (14.38)	3,555.00 (6.44)	3,983.00 (12.04)	3,555.00 (6.44)	3,983.00 (12.04)	4,520.00 (13.48)						
	Disbursed Loan	--	1,730.00	1,750.00 (1.16)	1,788.00 (2.17)	2,444.00 (36.69)	2,810.00 (14.98)	3,158.00 (12.38)	3,450.00 (9.25)	3,860.00 (11.88)	3,450.00 (9.25)	3,860.00 (11.88)	4,120.00 (6.74)						
9) Governmental Scheme	Sanctioned Loan	--	--	--	22.77	11.33 (-50.24)	32.85 (189.94)	14.30 (-56.47)	11.30 (-20.98)	26.05 (130.53)	11.30 (-20.98)	26.05 (130.53)	23.30 (-10.56)						
	Disbursed Loan	--	--	--	9.79	14.35 (46.58)	9.30 (-35.19)	12.23 (31.51)	14.76 (20.69)	24.69 (67.28)	14.76 (20.69)	24.69 (67.28)	28.79 (16.61)						
10) Sericulture	Sanctioned Loan	--	--	--	3.98	2.10 (-47.24)	2.96 (40.95)	18.65 (530.07)	25.45 (36.46)	11.60 (-54.42)	25.45 (36.46)	11.60 (-54.42)	14.80 (27.56)						
	Disbursed Loan	--	--	--	4.38	1.05 (-76.03)	2.96 (181.90)	14.12 (377.03)	22.82 (61.61)	10.84 (-52.50)	22.82 (61.61)	10.84 (-52.50)	11.81 (8.95)						
11) Sugar Industry	Sanctioned Loan	--	--	--	956.00	1,350.00 (41.21)	1,410.00 (4.44)	1,110.00 (-21.28)	723.00 (-34.86)	750.00 (3.73)	723.00 (-34.86)	750.00 (3.73)	560.00 (-25.33)						
	Disbursed Loan	--	--	--	944.00	1,101.00 (15.17)	1,176.00 (6.81)	976.00 (-17.01)	688.00 (-29.51)	688.00 (0.00)	688.00 (-29.51)	688.00 (0.00)	400.00 (-41.86)						
12) Dairy Venture Capital	Sanctioned Loan	--	--	--	--	--	125.56	15.24 (-87.86)	30.30 (98.82)	40.34 (33.14)	30.30 (98.82)	40.34 (33.14)	12.89 (-68.05)						
	Disbursed Loan	--	--	--	--	--	46.70	6.96 (-85.10)	7.65 (696.88)	20.16 (163.53)	7.65 (696.88)	20.16 (163.53)	7.20 (-64.29)						

3.7 Analysis of rural development schemes

Table no.3.1 shows that the amount of loan sanctioned and disbursed by Satara District Central Co-op. Bank for Rural development schemes under study during 2001-02 to 2010-11.

1) Self-Help Schemes:

From the above table it seems that the amount of self-help schemes. Because bank provides loans to the self-help groups after the 6 months of its establishment. Initially loans were provided on the capital accumulate and only after the number of groups were less but after the response it started increasing.

Satara District Central Co-op. Bank sanctioned loan for self-help schemes was Rs.6.78 lakhs in accordance with that disbursed of loan was Rs.5.44 lakhs in 2001-02. In 2010-11 bank sanctioned loan have Rs.352.70 lakhs in accordance with that disbursed of loan have Rs.219.96 lakhs.

The highest amount of sanction and disbursed loan is Rs.877.13 lakhs and Rs.833.93 lakhs in 2008-09.

2) Farmer Niwas:

This table shows that the position of farmer niwas loan during the period of 10 years.

The farmer niwas loan increased from Rs. 135.66 lakhs to Rs. 3,577.73 lakhs during 2001-02 to 2010-11. The highest growth rate of sanction and disbursed loan is 138.46% and 182.55% in 2005-06.

3) Gramin Shauchalay Scheme:

This table shows that the bank provide loan for Gramin Shauchalay scheme has also increased and decreased during the last 10 year 2001-02 to 2010-11. The maximum amount of sanctioned and disbursed loan is Rs.3,368.47 lakhs and Rs. 2,775.70 lakhs in 2006-07. The highest growth rate of sanctioned and disbursed loan is 4136.52% and 2786.48% in 2005-06.

4) Sheep Farming:

This table shows that bank provide loan for sheep farming increased constant from 2001-02 to 2010-11. In the year of 2001-02 the amount of

disbursed on loan is Rs.27.63 lakhs and in 2010-11 it is increased up to Rs.33.45 lakhs. The maximum growth rate is 385.20% in 2003-04.

5) Goat Farming:

This table shows that the position of goat farming loan. The amount of goat farming loan also increased during the study period. The amount of goat farming disbursed loan increased from Rs.26.35 lakhs in 2001-02 and Rs. 80.55 lakhs in 2010-11.

6) Bhagyalaxmi Loan Scheme:

This table denote that the Bhagyalaxmi loan scheme. Satara District Central Co-op. Bank sanctioned loan for Bhagyalaxmi scheme was Rs.60.48 lakhs in accordance with that disbursed of loan was Rs.56.83 lakhs in 2001-02. The bank did not provide loan for Bhagyalaxmi scheme since last 6 years.

7) Gramin Godown Scheme:

This table shows that bank has started provide loan for Gramin godown scheme in 2003-04. Bank sanction loan for gram in godown scheme was Rs.25.53 lakhs in accordance with that disbursed of loan was Rs.20.40 lakhs in 2001-02. The amount of loan for Gramin godown scheme in 2010-11 bank sanction loan have Rs.10.30 lakhs in accordance with that disbursed loan is Rs.7.6 lakhs.

8) Gold Loan Schemes:

Satara District Central Co-operative bank provides loan under gold loan scheme is also increased during the period of 10 years i.e. 2001-02 to 2010-11. Because there is no such formality or paperwork to mortgage the gold so the loan on gold were increased. The number of borrowers was increased as the rate of gold was increased. The highest amount of sanction and disbursed loan is Rs.4, 520.00 lakhs and Rs.4, 120.00 lakhs in 2010-11. The maximum growth rate is 36.99% in 2005-06.

9) Governmental Scheme:

This table shows that loan for governmental scheme were increasing constantly during study period. Satara District Central Co-op. Bank sanctioned loan for governmental scheme was Rs.22.77 lakhs in accordance with that

disbursed of loan was Rs.9.79 lakhs in 2001-02. The maximum amount of governmental scheme is Rs.28.79 lakhs in 2010-11.

10) Sericulture

This table shows that the amount of sericulture, in 2001-02 sanctioned and disbursed loan is Rs.3.38 and Rs.4.98 lakhs. Banks provide loan for sericulture is the sanctioned and disbursed loan is Rs.14.80 and Rs.11.81 lakhs in 2010-11.

11) Sugar Industry:

This table shows that the position of sugar industry loan during the study period. The bank started provide loan for sugar industry 2004-05. The maximum amount of sanction and disbursed loan is Rs.1, 410.00 lakhs and Rs.1, 176.00 lakhs is 2006-07.

12) Dairy Venture Capital Funds:

This table shows that position of dairy venture capital fund loan is in 2006-07 to 2010-11. The highest amount of dairy venture scheme was 46.70 lakhs in 2006-07.

CONCLUSION

It has been that Satara district central co-operative bank has played very consequence role in rural sector. This bank has also financially helped rural people with various schemes i.e. self-help scheme, sugar industry, sericulture etc. the bank also finance for weaker section.

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Website:

➤ www.nabard.org