



# Chhattisgarh Gramin Bank and its Impact on Tribal Economy – A Case Study

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*Chhattisgarh Gramin Bank<sup>(1)</sup> (CGGB's) was established by the notification dated 30<sup>th</sup> June 2006 issued by ministry of finance, Govt. Of India, exercising the power vested, under Regional Rural Bank etc. 1976 (21 of 1976) sub section 1 of section 23, amalgamation by three erstwhile Regional Rural Banks sponsored by State Bank of India in Chhattisgarh State namely Baster kshetriya Gramin Bank, Bilaspur Raipur kshetriya Gramin Bank and Raigarh kshetriya Gramin Bank etc. Present study analyses the impact of CGGB on Tribal Economy.*

**Keywords : Tribal, Gramin Bank**

## Introduction

Interestingly but sadly the anthropologists, sociologists, social workers, administrators and such people who have been involved with the tribes and their problems either on theoretical plane or on practical grounds are still not on the same wave length regarding the concept and the definition of their subject Arthur wilke, et al (1979)<sup>(2)</sup> puts the problem in proper perspective by station that for year ambiguity has stalked India's official portrait of tribal people, from 1917 through the 1931 census, for instance the nomenclature referring to tribes under went successive modifications, involving primarily change in descriptive adjectives such as "aboriginal" or "depressed classes", by the 1941 census these qualifying adjectives were dropped a practice continued after independence with the adoption of the notion of schedule tribes or as they are commonly called, Adivasi such standardization did not, however, remove all ambiguity.

## Goals of Tribal Development

The goals of tribal development in India were best summarised in Nehru's foreword to verrier Elwin's book on NEFA as follows:

1. People should develop along the lines of their own genius and we should avoid imposing anything on them we should try to encourage in every way their own traditional arts and culture.
2. Tribal rights in land and forest should be respected.
3. We should try to train and build up a team of administration and development some technical people from outside will no doubt be needed specially in beginning, but we should avoid introducing too many out side into tribal territory.
4. We should not over administer these areas or over whelm them with multiplicity of schemes. We should rather work through and not in rivalry to their own social and cultural institution.
5. We should guide results not by statistics or the amount of money spent but by the quality of human character that is involved.

## Objective of the Study

The objectives of the present study are as follows :-

1. to examine the impact of Chhattisgarh Gramin bank's on loans in increasing income of the borrowers.
2. to study the role of the bank in creating employment opportunities through various schemes.

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3. to examine the role of the bank in increasing the employment, income and living standards of the borrowers.

## **Methodology**

The study is based on field survey of 149 schedule tribal families 25 schedule cast families and 146 other families thus total 320 families drawn from selected 3 branch of Chhattisgarh Gramin Bank kanker, Gramin bank charama and Gramin bank dudhawa also of North Bastar in Tribal area of Chhattisgarh. In the connection of this study under the selected out of sampled banks following scheme are working for improving to beneficiaries are Kishan Credit Card, Krishi Yantri Karan, Krishi Sawdhi Rin on form Jal Prabandhan Yojana, Varsha Jal Sangrahan Yojana, Krishi Sambandhi Kriyaklap, Shakambhari Yojana, Swarn Sahayata Samooch ko Vittposhan, Swarn Jayanti Gram Swarojgar Yojana, Home Loan, Swarojgar Credit Card Yojana, Vyavsay Samridhi Yojana, Vyaktigat Rin, Upbhog Rin.

Out of above schemes nine schemes were selected for evaluating and find out the impact of banks in these scheme three scheme are very impact able such as:- (1) Kishan credit card yojana, (2) krishi sawdhi rin, (3) Swarojgar credit card yojana etc.

## **Socio-Economic Profile of Sample**

The pace of development of a society is largely dependent on the socio economic condition of the people, besides economic condition, tradition and motivation of the society play a predominant role of developing the economy. There fore, the direction and pace of development from place to place and society to society. In order to have a better and clear understanding of the role played by the CGGB's in tribal rural development a brief socio-economic analysis of the prominent characteristics of the borrowers was felt necessary.

An over whelming majority of the borrowers in all the sample branches were male (about 78%) and only a small percentage were female (about 28%) young (up to 35 year) and middle aged (36-45 year) people constituted 75 percent of the borrowers, hence the study was restricted to a great percentage of young and middle age group borrowers.

Most of the sample families in the study area were large in size with family units of 4-8 members and extended on to the joint families in composition which accounted for 73.8 %Of the borrowers.

Broadly speaking education plays a unique role in the process of development particularly in tribal society to spread knowledge and awareness among them. The level of education of the sample borrowers was as high as 69%. This high literacy rate may be due to the fact that education is provided free at primary levels.

It was found that the average size of landholding was very small in the survey area and a majority (39%) of the borrowers reported small holding (1 to 2 hect) and 30% had marginal holding( less than 1 hect) followed by 20% having semi medium(2 to 4 hect) and 9 % having medium(4 to 10 hect.) holding, However, 2% of the borrowers fall under landless category. The choice and combination of cropping pattern largely depends on factors like physiography, soil, climate condition, irrigational status, economic setup etc. The cropping pattern was found to be not uniform in the study area. Both the Jhumming pattern and selected agriculture systems were practised and the main crop cultivated were paddy, maize, wheat, millet, sugarcane, pulses, fruits ( Water melon, mango, lemon, banana, ) and miner forest product.

Agriculture, horticulture and forestry were the prominent sources of livelihood of the borrowers in the study area, particularly in remote areas. There were wide variations, regarding principal and subsidiary. Occupations among the beneficiaries. The overall picture indicated that agriculture and horticulture were main occupation of a majority of borrowers while transport service, handicraft, small business etc. Were subsidiary activities of livelihood However, it was observed that the occupational pattern of the borrowers has been changing very fast to various activities.

The process of rural development largely depends upon the community banking habit which influence the money flow to the rural economy. It was observed that the banking habit of the beneficiaries was very insignificant out of 320 borrowers, 70% reported that they opened an account with CGGB only for getting

loan, However, beneficiaries of small business and service sector reported better banking habits. The saving habit of the beneficiaries was also found to be very poor, The reasons for lack of saving habit as reported were insufficient income and long distance to bank branches.

## Impact on Principal Occupation

Due to the lack of proper utilisation of resources or not applying of scientific process in production results in unemployment. It is found that the income level in the rural areas was low and the primary objective of the banks is to support the rural people by providing credit to raise their level of living.

Table -1 indicate that 54 out of the sample borrowers(10%) reported themselves unemployment before availing of loans. Thus, the financial of the CGGB helped the rural borrowers to solve their unemployment problem and underemployment problem to a large extent by creating new employment opportunities in the survey areas. There were 76 sample borrowers who principal occupation was agriculture. But in the post-loan period, the borrowers changed their occupation and 17.10% agriculturists reflected other occupations. Among the principal occupation of tribal borrowers, percentage of change between pre-loan period and post loan period was highest in transport and other services occupation. 28 sample borrowers who principal occupation was horticulture in pre-loan period but after post loan period increase the borrowers no. 39, it is found in the study that the CGGB has taken steps to create opportunities for better utilisation of available manpower through programmer of horticulture, animal husbandry.

There were 68 sample borrowers whose principal occupation was fishery. But the post loan period the borrowers changed their occupation and 19.11 percent fishery reflected other occupations. Small business with percentage of 50.38 comes next followed by poultry with a percentage of change of 50.00. These impressive change in the principal occupations of tribal borrowers reflect appreciable performance of the CGGB in generating employment opportunities as well as in converting unpaid domestic workers into income earners in the study areas. It was found that the activities financed by CGGB became the main occupation of the majority of rural borrowers during post loan period.

**TABLE 1**  
**Change of Principal Occupations and Economic Activities.**

Principal occupation	Pre -loan period	Post- loan period	% of change
Agriculture	76	63	-17.10
Horticulture	28	39	39.28
Poultry	32	48	50.00
Fishery	68	55	-19.11
Small business	42	64	52.38
Unemployed	54	51	-55.56
Total	320	320	

Source:- Primary data.

## Impact On Employment

It is already said that the level of economic activity in tribal areas is very low. Therefore, it is found in the study that the CGGB has taken steps to create opportunities for better utilisation of available manpower through programmes of horticulture, animal husbandry and other new fields of occupations. Two aspect of employment generation are highlighted in the present study. They are generation of new employment opportunities for the previously unemployed and generation of additional employment for the underemployed. To measure the impact of CGGB credit on reducing underemployment and unemployment, required data had been collected from the beneficiaries about average number of days of their employment per month and average number of house worked per day in the occupation for which loans were taken both before they availed of the loans and the year of survey.

**TABLE -2**  
**Employment and Activities of Respondent.** (Employment in manday)

Activity	No. Of days (per household)		
	Pre-loan period	Post-loan period	Increase in employment
Agriculture	180	206	26(14.45)
Horticulture	163	192	29(17.79)
Poultry	84	190	106(126.19)
Fishery	115	175	60(52.17)
Small business	160	304	144(90.000)
Other	168	303	135(80.35)A

Source:- Primary data.

Table – 2 indicates that among all the other services sector the bank loan had generated additional employment. In the pre-loan period a borrower was employed for 168 days in this sector and at the time of survey. Such employment was estimates to 303 day a year. The next sector where a large extent of additional employment is credited, was the small business this activity, employment mandays increased from 160 days to 304 days with an increase of 90.00 percent employment days. Among others to poultry, fishery and horticulture activities also, employment days increased by 126.19, 52.17 and 17.79 percent, respectively. However, in agriculture activity banks created an insignificant additional employment compared to other activities, from the survey it is found that the additional employment created by the bank loans are mostly in non-agricultural sector and the business oriented. This creation of additional employment has to generation of income in the rural household and enables the members of households to participate in income earning activities.

### Impact on Annual Income

From the previous discussion it is observed that the bank loan has a positive impact on income generation of the borrower. Here an attempt has been made to quantify this effect from direct information on income collected through the present field study. However, accurate estimation of income is difficult as most of the borrowers do not maintain proper financial records of their businesses. Therefore, the tabulated data may not depict an accurate picture.

**Table-3**  
**Purpose-wise Annual net income and incremental income earned by respondent.**

(Amount Rs)

Activity	Total Beneficiaries	Average Net Income Per Beneficiaries		Average Incremental income per Beneficiaries	%of increase
		Pre-loan period	Post- loan period		
Agriculture	63	1045	1284	239	22.87
Horticulture	39	2240	2980	740	33.03
Poultry	48	2320	3052	732	31.55
Fishery	55	1520	2072	552	36.31
Small business	64	1780	2585	805	45.22
Other	51	1640	2480	840	51.21
Total Beneficiaries	320	1725	2440	715	41.44

Source :- Primary data.

Table-3 shows that the borrowers average income increased substantially in the post-loan period. Average incremental income per beneficiary after receiving the loan was Rs. 715 i.e. an income of 41.44 percent. Purpose wise, the increase in net income was observed in all the activities during the post-loan period. The highest increase in the average incremental income per borrower was found in the other service sectors. The average annual incremental increase in this sector was estimated at Rs. 840. It shows an increase of 51.21 percent. Similarly, the small business also shows a very encouraging amount of average incremental income per borrower with 45.22 percent. Average incremental income of the borrowers engaged in fishery loans was Rs. 552 and incremental income of the borrowers engaged in horticulture was Rs. 740 followed by poultry raising. However, for the borrowers who took loans for agriculture their receivable income increased only marginally Rs. 239. This may be due to continued use of primitive methods in agriculture in the study areas. It can be concluded from the above discussion the CGGB's loan has helped the sample borrowers in raising their level of income and thereby in improving their economic condition.

## **Conclusion**

At last it appears important that CGGB provide a strong base for development of tribal area wherefrom enormous possibilities generate for development. From the study it was observed that the CGGB's loan played an important role in improving the economic conditions of the borrowers. The Chhattisgarh Gramin Bank was found to be a major source of information as well as credit for the rural people living in far flung rural areas. It helped the rural poor in enabling them to take up economic activities by providing credit through simple procedures at a lower rate of interest. The CGGB's finance has significantly contributed in the increase of annual income of the borrowers and generating employment in various activities.

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