EVALUATION OF HIMACHAL PRADESH GRAMIN BANK IN EMPOWERING RURAL PEOPLE IN HIMACHAL PRADESH

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ABSTRACT*: In the near future, Rural India is going to become a biggest market of the world and it is transforming like anything. Rural development as an emerging trend is about to explore possibilities in the rural India. In our country about 70% of the population lives in rural areas in states like UP, MP, Bihar and Orissa where rural population varies from 80 to 90%. . This paper reports on the findings of an exploratory research whose main purpose was to investigate impact o of Himachal Pradesh Gramin Bank on the socio-economic lives of people in Himachal Pradesh. The study sought to establish whether bank empowers the poor and reduces poverty. The study was conducted through the use of pre tested interview schedule randomly distributed to the beneficiaries in three districts of the state selected for study. The study reveals that there is a positive relationship between credit and socio-economic lives of the rural people in Himachal Pradesh. It was found out loan has resulted in transformation of life style, reduction of poverty and increase in social interaction.*

Keywords: , Beneficiaries , Empowerment , Himachal Pradesh Gramin Bank RRB's.

The Regional Rural Banks have been growing in importance since their inception in 1975 as special institutions playing a catalyst role in the development of rural areas. They have been playing a significant role in financing the weaker sections of the community in the rural areas and also in inculcating banking habit among rural masses. Regional Rural Banks were set up with a view to developing the rural economy by providing credit and other facilities, particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs. Being local level institutions, RRBs together with commercial and co-operative banks, were assigned a critical role to play in the delivery of agriculture and rural credit. In Himachal Pradesh, Himachal Pradesh Gramin Bank ,sponsored by Punjab National Bank came in to existence with the amalgamation of two RRBs viz. Himachal Gramin Bank, Mandi and Pravatiya Gramin Bank, Chamba, vide Government of India Notification dated 15th November 2013 under section 21 of the RRBs Act, 1976 with its Head Office at Mandi. The area of operation of the bank is spread over to 12 districts of Himachal Pradesh.

Socio-Economic Impact Assessment (SEIA)is the systematic analysis used to identify and evaluate the potential socio-economic and cultural impacts of a proposed development on the lives and circumstances of people, their families and their communities. If such potential impacts are significant and adverse, it can assist the developer, and other parties to find ways to reduce, remove or prevent these impacts from happening. SEIA can identify and distinguish numerous measurable impacts of a proposed development but not every impact may be significant. The people who are impacted, directly or indirectly, have a say in whether impacts on valued socio-economic components are significant. While SEIA tends to focus on the avoidance of adverse impacts, SEIA also provides a forum for planning how to maximize the beneficial impacts of a proposed development. Beneficial impacts can include:} a better standard of living due to increased access to employment, business opportunities, training and education (greater access to and from a community and} increased funding to improve social infrastructure and cultural maintenance programs

Need of the Study

Himachal Pradesh has a rural economy and most of the people are agrarian. About 90 percent people of Himachal reside in rural areas. In this context, present study is relevant because to evaluate the impact of RRBs credit on the various sectors of the economy where commercial banks could not reach in remote areas. The study also became essential to know whether the finance of Himachal Pradesh Gramin Bank has helped   rural people in improving their living standard . The study intends to provide an in-depth understanding of credit system and provides an insight how far the existing system of Himachal Pradesh Gramin Bank has been able to achieve its objective.

.The present paper has discusses the impact assessment of bank credit on socio and economic development of the people in Himachal pradesh. The main highlight of the paper was to identify and discuss the variables of social and economic impact and how they are assessed while every impact assessment study, achieve such results that portray a picture i.e. closest to reality. This holds in particular true for social and economic assessment of rural people in Himachal Pradesh after availing credit from Regional Rural Banks.

Objectives of the Study

Present paper which mainly focuses on the role of the Himachal Pradesh Gramin Bank in the upliftment of the People of Himachal Pradesh . It aimed at to understand the invaluable contribution of the bank in transformation the lives of the people. Hence the objective of present study is to assess the impact of bank on socio-economic development of Rural People.

Research Methodology.

The objective of the present study is to analyze the impact of Himachal Pradesh Gramin Bank on the socio economic development of people. The study is mainly based on primary data. The primary data relating to socio economic background, employment generation and land infrastructure etc were collected from 600 sample beneficiaries i.e. 200 sample beneficiary each from three districts namely : Mandi, Kangra and Chamba by direct personal interview method.

Sample Design

In the present study multistage sampling has been followed in order to select the district, administrative block, panchayats and villages. Three districts and two administrative block from each district have been selected on the basis of concentration of maximum number of bank branches. From each administrative block five panchayats and from each panchayats two villages have been selected on the basis of maximum number of loanees who have taken loan from bank.

Thus total sixty villages from three districts have been selected and from each village ten respondents who have taken loan from bank has been selected randomly. Thus the sample size in the present study is six hundred.

Tools for analysis

To evaluate the impact of bank credit on the borrowers demographic variables have been considered. In order to find out the impact of bank credit on the empowerment of rural people multivariate analysis has been used. Raw data obtained from six hundred respondents have been purified and reduced through factor analysis on SPSS and the principal component analysis [PCA] with varimax rotation which minimized the number of items with high loading on one factor thereby, enhancing the interpretability of the factors through KMO measure of sampling adequacy.

TABLE 1
Demographic Profile

District	Chamba		Kangra		Mandi		Total	
Category	No.	Percentage	No.	Percentage	No.	Percentage	No.	Percentage
General	58	(22.13)	124	(47.32)	80	(30.5)	262	(43.67)
Scheduled caste	80	(51.94)	14	(09.09)	60	(38.9)	154	(25.66)
Scheduled tribe	62	(43.66)	32	(22.53)	48	(33.80)	142	(23.67)
OBC	00		30	(71.42)	12	(28.57)	42	(7)
Education qualification	No.	Percentage	No.	Percentage	No.	Percentage	No.	Percentage
Below matriculation	22	(34.3)	16	(25)	26	(10.67)	64	(10.67)
Matriculation	132	(45.83)	58	(29)	98	(34.02)	288	(48)
Senior secondary	42	(20.1)	102	(49.03)	64	(30.7)	208	(34.67)
Graduate	04	(10)	24	(60)	12	(30)	40	(6.67)
Annual family income Rs (000)	No.	Percentage	No.	Percentage	No.	Percentage	No.	Percentage
50-100	32	(55.17)	4	(6.89)	22	(37.9)	58	(9.077)
100-150	110	(49.54)	32	(14.41)	80	(36.03)	22	(37)
150-200	34	(13.7)	142	(57.25)	72	(29.03)	4	(41.3)
200-250	24	(33.33)	22	(30.5)	26	(36.11)	36	(12)

Source: Data collected through schedules

Demographic profile of the respondents of the district under study i.e.Chamba, Kangra and Mandi presented in table 1. Table 1 reveals that out of the total sample respondents 43.77percent belong to general category where as 25.7percent and 23.7 percent belong Scheduled caste and scheduled tribe categories respectively. Among the general category respondents, 47.3 percent are from Kangra district in comparison to 30.5 percent from Mandi and 22.1percent from Chamba district. Where as among the scheduled caste respondents, more than half of the respondents are from

Chamba district alone. As far as Scheduled tribe respondents are concerned, 43.7 percent are from Chamba district in comparison to 33.8percent from Kangra and 22.5 percent from Mandi district.

Analysis of table further reveals that out of the total sample respondents, 48percent are matriculate, 34.7percent are +2, 10.7percent are below matriculation and only 6.7percent are graduate. Among the respondents having qualifications below matriculation, 40.6 percent are from Mandi district in comparison to 34.4 percent from Chamba and 25 percent from Kangra district. Respondents possessing matriculation as qualification, 45.8percent respondents are from Chamba district, 34percentarefrom Mandi and 20.1 percent from Kangra district. .Among the graduate respondents, 60percent are from Kangra district, 30 percent from Mandi and 10 percent from Chamba district.

Analysis of table further reveals that out of the sample respondents, 41.3 percent have annual family income between Rs. 1,50,000-2,00,000, whereas 37percent have annual family income between Rs 1,00,000 to 1,50,000. There are only 12.9 percent respondents who have annual family income above Rs 2, 00,000. Among the respondents with annual family income between Rs 1, 00,000 to 1, 50,000 49.5percent are from Chamba district, where as36 percent are from Mandi and 14.4 percent from Kangra district. Among the respondents whose annual family income is between Rs. 1,50,000 to 2,000,00, 29 percent are from Mandi district in comparison to 23.7 percent from Kangra and 13.7 percent from Chamba district.

Result and Discussion

To meet objectives of the study, factors analysis has been used which in return helped in identifying the factor responsible for empowering the rural people Factor analysis is a technique which uses all the variables simultaneously. It helps in extracting common variables in to one place. To measure the responses of select variables from respondents 5-point Likert scale has been employed in questionnaire.

TABLE 2

Descriptive Statistics

Variable	N	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistics	Std. Error	Statistic	Statistic
Improvement in health & household hygiene	600	1.00	5.00	4.0000	.02911	.50416	.254
Improvement in family relation	600	1.00	5.00	4.1400	.03924	.67966	.462
Improvement in family matters	600	1.00	5.00	4.2300	.03794	.65717	.432
Assisting family members in financial matters	600	1.00	5.00	4.0600	.04262	.73816	.545
Improvement in confidence	600	2.00	5.00	3.8633	.03085	.53442	.286
Decisiveness	600	2.00	5.00	3.9000	.02853	.49411	.244
Independence in mobility	600	1.00	5.00	4.0133	.04353	.75391	.568
Freedom of expression	600	2.00	5.00	3.8367	.04103	.71064	.505
Transformation in life style	600	2.00	5.00	3.8900	.03192	.55280	.306
Reduction of stress	600	2.00	5.00	3.8767	.03313	.57378	.329
Sense of autonomy	600	1.00	5.00	3.8100	.03630	.62866	.395
Mingling with other	600	2.00	5.00	3.9333	.03448	.59728	.357
Enhancement in interaction in different social group	600	1.00	5.00	4.0133	.03864	.66931	.448
Enhancement in source of income	600	1.00	5.00	4.0400	.03829	.66322	.440
Reduction in poverty	600	1.00	5.00	3.9400	.04441	.76922	.592
Improvement in living standard	600	1.00	5.00	3.9633	.04178	.72370	.524
Improvement in skill & abilities	600	2.00	5.00	3.8333	.03591	.62197	.387
Increase in land holding	600	1.00	5.00	3.9800	.04222	.73124	.535
Increase in production	600	1.00	5.00	3.9767	.03386	.58646	.344
Benefit from various govt schemes	600	2.00	5.00	3.9833	.04314	.74716	.558
Valid N (listwise)	600						

Table 2 manifests, the descriptive statistical analysis for factor empowering the rural people. It depicts the value of mean, statistical deviation, skewness for 20 variables. Highest mean score was found for the statement related to improvement in family matters followed by improvement in family relations. Further, Standard deviation shows maximum variation in responses pertaining to statement reduction in poverty.

TABLE 3

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.805
Bartlett's Test of Sphericity	Approx. Chi-Square	7093.990
	Df	190
	Sig.	.000

Table 3 depicts the result of Kaiser-Meyer- Olkin measure of sampling adequacy and Bartlett's test of sphericity. Kaiser-Meyer- Olkin measure is 0.805 which implies the adequacy of sample and appropriateness of factor analysis. Another test of Bartlets test of sphericity which shows the relationship among variables. Hence it has been observed that the value of Bartletts test of sphericity has been found 0.000 which is less than 0,005 which means that null hpothesis is rejected and correlation matrix is not an identity matrix.

Total Variance

Table 4 interprets the total variance which determines the quantity of factors and this is done by using Eigen values which is greater than one. Eigen values compute the variation calculated by each factor.

Table explains all the factors extracted from the analysis along with their eigen values , percentage of variance and cummulative variance of the factor and the previous factors. Table reveals that the first four factors have Eigen values more than 1. First factor account for 55.662 percent of variance, second factor accounts for 8.807 percent of variance, third factor accounts for 6.393 and fourth factor accounts for 5.920 percent of the variance and the rest of the factors are insignificant.
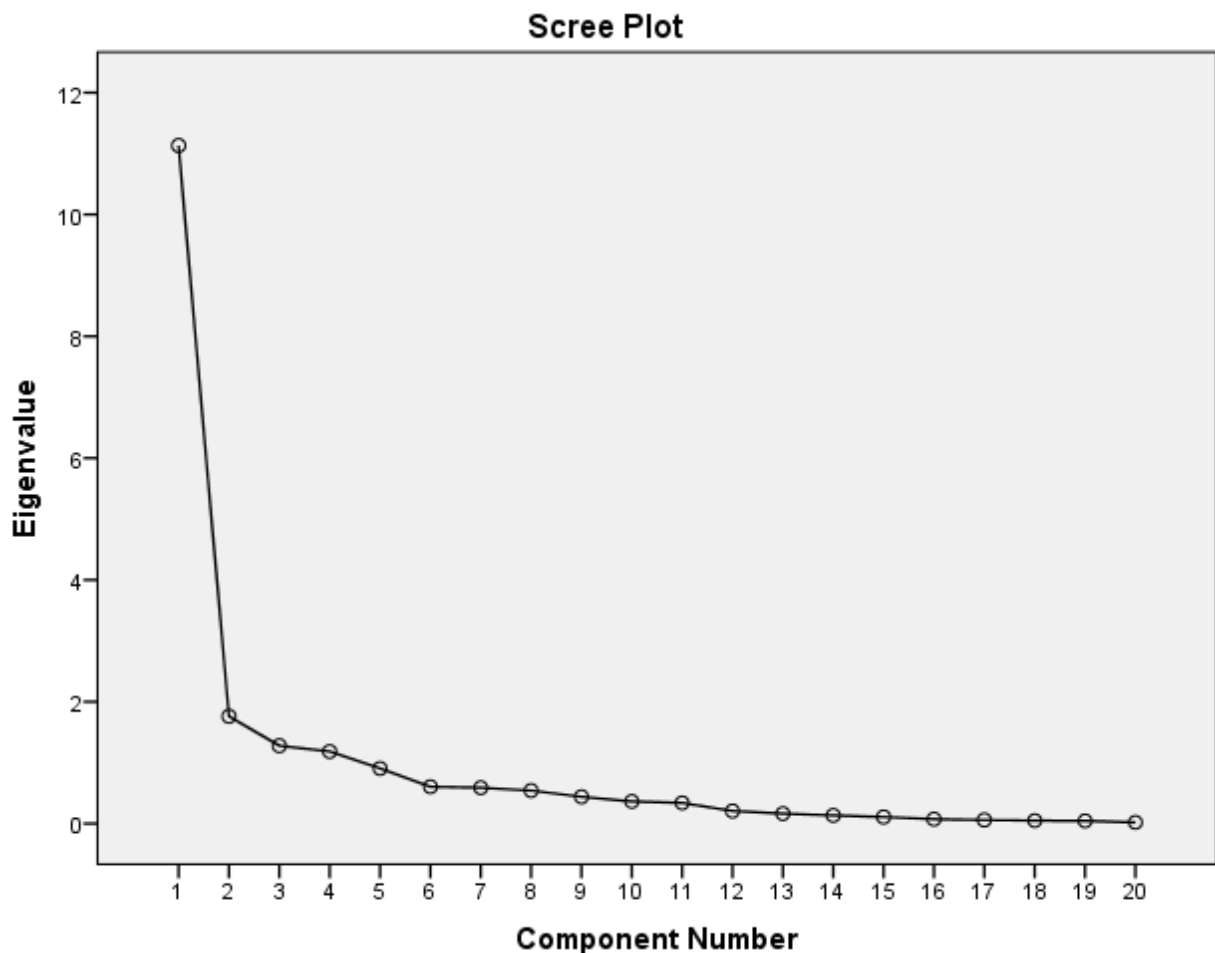
TABLE 4

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Improvement in health & house hold hygiene	11.132	55.662	55.662	11.132	55.662	55.662
Improvement in family relation	1.761	8.807	64.469	1.761	8.807	64.469
Improvement in family matters	1.279	6.393	70.862	1.279	6.393	70.862
Assisting family members in financial matters	1.184	5.920	76.782	1.184	5.920	76.782
Improvement in confidence	.905	4.525	81.307			
Decisiveness	.605	3.023	84.330			
Independence in mobility	.588	2.940	87.271			
Freedom of expression	.542	2.709	89.979			
Transformation in life style	.440	2.202	92.182			
Reduction of stress	.363	1.815	93.997			
Sense of autonomy	.341	1.705	95.702			
Mingling with other	.206	1.031	96.733			
Enhancement in interaction in different social group	.164	.820	97.553			
Enhancement in source of income	.134	.672	98.225			
Reduction in poverty	.108	.540	98.765			
Improvement in living standard	.073	.364	99.129			
Improvement in skill & abilities	.060	.298	99.426			
Increase in land holding	.050	.249	99.676			
Increase in production	.045	.223	99.899			
Benefit from various govt schemes	.020	.101	100.000			

Scree Plot

Scree plot which is a graphical presentation of eigen values shows the four factor which have Eigen values greater than one. Graph depicts that curve begins to flatter between fourth to fifth factor. So , four factors have been retained i.e. factors related to personal, family , economic and social empowerment of the respondents through bank credit

Figure 1

Component Matrix

The result of component matrix has been analysed in table 5. Component matrix uses factor extraction method which further helps in extracting the combinations of variables that explains the greatest amount of variance. Only the factors having Eigen values greater than one is retained. Therefore table depicts four factors which have extracted higher the value of loading.

Table 5

Component Matrix

Variable	Component			
	1	2	3	4
Transformation in life style	.857	.014	.091	-.311
Reduction of stress	.842	-.042	-.206	-.053
More independence in mobility	.835	-.221	-.082	.029
Improvement in skills	.826	-.313	.202	.234
Freedom of expression	.814	-.298	-.221	-.107
Improvement in confidence	.804	-.352	.157	.165
Decisiveness	.799	-.162	-.371	-.120
Sense of autonomy	.797	-.029	-.203	.276
Improvement in family relation	.793	.262	.111	-.148
Improvement in family matters	.787	.213	.198	-.337
Improvement in health	.782	-.288	.294	.348
Assisting family in financial matters	.753	-.053	-.455	-.186
Reduction in poverty	.735	.150	-.064	.034
Enhancement in source of income	.722	-.052	-.239	.119
Improvement in living standard	.693	.271	-.038	-.337
Increase in land holding	.682	-.082	.317	.380
Increase in production	.674	.584	.046	.170
Benefit from govt . schemess	.610	.538	.414	-.030
Mingling with other	.580	-.205	.398	-.361
Increase in social interaction	.362	.629	-.296	.419

Extraction Method: Principal Component Analysis.

a. 4 components extracted.

Rotated Component Matrix   Table 6

Rotated Component Matrix

Variable	Component			
	1	2	3	4
Transformation in life style	.846	.115	.246	.148
Reduction of stress	.830	.262	.226	.092
More independence in mobility	.767	.405	.243	-.038
Improvement in skills	.695	.349	.341	.189
Freedom of expression	.632	.524	.276	.066
Improvement in confidence	.606	.368	.161	.256
Decisiveness	.587	.504	.137	.369
Sense of autonomy	.459	.323	.386	.322
Improvement in family relation	.281	.876	.221	.085
Improvement in family matters	.406	.804	.253	.036
Improvement in health	.142	.763	.249	.230
Assisting family in financial matters	.449	.749	.243	-.026
Reduction in poverty	.377	.237	.779	.110
Enhancement in source of income	-.039	.275	.756	.431
Improvement in living standard	.541	.325	.664	.017
Increase in land holding	.386	.286	.652	.275
Increase in production	.468	.053	.640	.192
Benefit from govt . schemess	.221	.382	.609	-.319
Mingling with other	.175	.026	.066	.868
Increase in social interaction	.201	.233	.513	.684

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 9 iterations.

Table 6 which exhibits the result of rotated component matrix has reduced the number of factorson which thr variables have high loading and have clubbed twenty variables into four variables which have been   extracted and are categorised in to Personal, Family , Economic , Social factors.

Variables which have been loaded on first factor i.e. personal empowerment include Transformation in life style, Reduction of stress ,More independence of mobility, improvement in living standard, freedom of expression, improvement in confidence level, decisiveness, sense of autonomy. The variables which are loaded on factor2 i.e. Family Empowerment include improvement in family relation, empowerment in family matters, improvement in health and household hygiene and assisting in financial matters. third factor i.e. Economic Empowerment include reduction in Poverty, enhancement in source of income, improvement in living standard, Increase in land holding employment generation, benefitted from various govt. scenes. Factor 4-i.e. social empowerment has following variables: mingling with other and enhancement in interaction with different social group.

Conclusion

The main findings on the basis of factor influencing empowerment of rural people. It has been revealed that Transformation in life style, Reduction of stress , More independence of mobility are most important variables that influence the empowerment through bank credit. Analysis of total variance reveals that the first , second , third and fourth factor accounts for 55.662 percent , 8.807 percent 6.393 and 5.920 percent of the variance and the rest of the factors are insignificant. Scree plot reveals that four factors are significant, as the curve begins to flatten between fourth and fifth factor. Further component matrix shows that on loading of twenty variable , four factor extracted. Rotated component matrix shows that only four factors which are extracted through factor analysis are personal empowerment, family empowerment , economic empowerment and social empowerment. Variables which have been loaded on first factor i.e. personal empowerment include Transformation in life style, Reduction of stress ,More independence of mobility, improvement in living standard, freedom of expression, improvement in confidence level, decisiveness, sense of autonomy. The variables which are loaded on factor2 i.e. Family Empowerment include improvement in family relation, empowerment in family matters, improvement in health and household hygiene and assisting in financial matters. third factor i.e. Economic Empowerment include reduction in Poverty, enhancement in source of income, improvement in living standard, increase in land holding, employment generation, benefitted from various govt. schemes. Factor 4-i.e. social empowerment has following variables: mingling with other and enhancement in interaction with different social group.

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