ROLE OF RURAL FINANCING CHANNELS IN ECONOMIC DEVELOPMENT OF RURAL AREAS OF HIMACHAL PRADESH

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ABSTRACT

As per the published figures of World Bank (2014), 68% of Indian population lives in rural areas. People in rural areas have very limited access to the funds. They have very limited professions with which they can earn their livelihood. Agriculture remains their most favourable profession, followed by allied services. India cannot become a developed country till the time we have a robust system in place which can assure economic upliftment of people who are living in these rural areas. Indian governments have acknowledged this fact and are always trying to find out the various channels which can provide financial assistance to these people. Cooperative banks, Regional rural banks, commercial banks and now even microfinance institutions are trying to finance these areas so that rapid economic growth can be achieved. Through this study effort has been made to assess to what extent these banks have helped the Indian population. Commercial banks have been excluded from this study as they are not exclusively meant for rural population. State of Himachal Pradesh has been chosen to study the various channels which are available and effort has been made through primary survey to judge whether the population has been benefitted from the availability of these channels. A sample of hundred beneficiaries each of three major rural financing channels operating in Himachal Pradesh i.e. Himachal Pradesh State Co-operative bank Ltd., Kangra Central Co-operative Bank Ltd. and Himachal Pradesh Gramin Bank was chosen from the rural areas of the state. This study will help the banks to understand how their loan granting procedure can be improved with the help of the feedback of the beneficiaries.

KEY WORDS: Rural Financing, Economic Development, Rural Financing channels etc.

REFERENCES