

Book Review**Micro Finance for Rural India Institutional Arrangements and Policies****Medha Dubhashi*****Author : Surajit Kumar Bhagowati****Publisher : New Centenary Publication, New Delhi India, 2013****Pages : 184**

The book, in addition to Micro Finance, covers chapters on Rural India, Agriculture India, Rural Industries in India, Credit Needs of Rural Population, Rural Cooperative Credit Societies, Regional Rural Bank and Kisan Credit Card. This book is an attempt to understand the working of institutions engaged in providing rural finance and policies of the government towards financial inclusion. It also deals with institutional arrangement and policies in the following chapters:

The First Chapter on Rural India gives an overview of the constitutional provisions and institutional set up for rural development. It describes the structure of the Ministry of Rural Development (MoRD) and its various constituencies like Council for Advancement of People's Action and Rural Technology (CAPART) an autonomous organization under MoRD to promote voluntary action towards implementation of projects. Another arm of MoRD is the District Rural Development Agency (DRDA) which is principally the organ at the district level to manage and oversee implementation of Anti Poverty Programmes of MoRD.

An important scheme is the Rural Infrastructure Development Fund (RIDF) set up under NABARD in 1995-96 to provide loans to State Governments for expeditious completion of ongoing rural infrastructure projects. Other programmes like Bharat Nirman Programme for Rural Infrastructure, Provision of Urban Amenities in Rural Areas (PURA), other schemes are covered to give an idea about important rural infrastructure and livelihood opportunities. There is also mention of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005 to enhance the livelihood security of unorganized workers of rural areas by guaranteeing 100 days of wages of employment in financial year to a rural household.

The Swarnajayanti Gram Swarojgar Yojana (SGSY) is a major programme for self-employment of rural poor started on 1st April, 1999 after restructuring of Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA) and Million Well Scheme (MWS). Eventually the SGSY was restructured as National Rural Livelihood Mission (NRLM) to function in a mission

*Former Professor, VAMNICOM, Pune

mode for target-based delivery and time bound delivery of results. It aims at reducing poverty through promotion of diversified and gainful self employment under NRLM. Self Help Groups are promoted to ensure financial inclusion by facilitating all savings accounts for its beneficiaries. As a sub-component of NRLM, Mahila Kisan Sashaktikaran Pariyojana (MKSP) was announced to recognize the centrality of women in agriculture, by which women learn and adopt appropriate technology and farming systems.

The rural industries which include Micro, Small and Medium Enterprises (MSMEs) and provide livelihood to marginalize people. The MSME sector contributes to indigenous knowledge and entrepreneurial skills for the sustenance of livelihood. Other areas covered in this chapter are rural housing, Indira Awas Yojana (IAY), Rural Transport and Communication Telephone and Electrification, Rural Water Supply, Rural Health and Family Welfare, Rural Sanitation and Cleanliness, Rural Social Justice of disadvantaged all groups in rural India.

The Second Chapter dwells on agriculture in India, Ministry of Agriculture, and its various schemes for agriculture development. The important aspect covered by the author is the agricultural price policy, food subsidy and public distribution system. The author also touches upon Gender Issues in Indian Agriculture where rural women form the most important productive resource and yet are not considered as farmers which has kept them away from the development programmes in agriculture and allied sectors and thus neglecting the productive role of women. Consequently, development of technologies has not reached women. The National Gender Resources Centre in Agriculture. (NGRCA) was set up during 2004-05 to reflect national commitment of empowerment of women through strategy of mainstreaming and agenda setting. A para is also devoted to Climate Change and Indian Agriculture. However, it appears that not much justice has been done to this topic. Such an important issue should have been covered at great length.

The Third Chapter is on Rural Industries in India. As with the earlier pattern the author covers a number of institutes and programmes like Mahatma Gandhi Institute for Rural Industrialisation (MGIRI) which evolved from the Jamanalal Bajaj Central Research Institute in Wardha, set-up for extension and training programmes for village Industries. However, with setting up of MGRI in October 2008 to provide science technology and management inputs to Khadi and Village Industry, Rajiv Gandhi Udyami Mitra Yojana (RGUMY), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Credit Link Capital Subsidy Scheme for Technology Upgradation, Credit Guarantee Fund for Micro and Small Enterprises (CGT-MSE). The other sectors covered are Handloom, Powerloom, Handicrafts, Silk and Sericulture, Wool and Coir Industry, Khadi and Village Industry, Khandi and Village Industries Commission (KVIC).

The Fourth Chapter is credit needs of rural population which covered issues on rural indebtedness causes and consequences source of credit for farmers and problems of rural finances. Micro credit with other societal problems such as capitalism, commercialization of microfinance, and high interest rates. To increase loan disbursement, business incubation, mentoring support, skill development services are essential

The Fifth Chapter is on Rural Credit Cooperative Societies gist of the history of cooperatives, three-tiered structure of cooperatives in India. The Primary Agricultural Cooperative Societies are at the base of the structure and are found in villages. Almost every village has a PACS. These primary societies are linked to the District Central Cooperative Banks. These DCCBs lend to PACS at a nominal rate of interest. The DCCBs are linked to the State Cooperative Banks or Apex Banks. This chain or linking of Cooperatives from Primary to Apex helps in strengthening the Cooperative structure. However, in recent times, some states are opting for two tier structure by eliminating the middle level,

The sixth chapter covers Regional Rural Banks and their issues and workings. The RRBs were established in 1975 under the RRB Act ,1976; with a view to developing the rural economy by providing for the purpose of development of agriculture, trade and commerce and industry As a result 5 RRBs were set up on 2nd October, 1975, Gandhi Jayanti. The RRBs were established on the recommendation of the Narasimha Committee on rural credit. It suggested that the RRBs would be suited to provide the needs of rural areas. They would bridge the credit gaps in rural areas and reduce regional imbalance.

Finally, in chapter 7 the author deals with Micro Finance, SHGs and NABARD.

Chapter 8th is the Kisan Credit Card scheme. In a bid to provide term loans for agricultural needs of the farmers, Indian banks introduced the KCC scheme in August 1998. The model of KCC scheme was prepared by NABARD that met the recommendations of RV Gupta Committee One fails to find relevance of this in the context of Micro Finance.

Chapter 9th is credit flow to micro and small and medium enterprises and given action of the various working groups on flow of credit to this sector and the policy package. The RBI has been critically reviewing the flow of institutional credit to MSMEs from time to time. Banks are to consider setting targets for growth in MSME advances to the MSME sector. Enhancement of composite loans limit for MSME. Incorporating credit requirements in identified clusters in banks annual credit plans. Adequate publicity by banks to various schemes/facilities.

Conclusion

The book has information and theoretical discussions which are useful for resource persons and practitioners in this sector as they may get some useful knowledge about the overall agriculture economy of the country's institutions & programs.

However, it is a short fall of the book that it does not include the features, functioning of SHG, Livelihood Program and Role of ICT to Micro Finance. Moreover, it does not have any data on SHG.

Financial Inclusion is a need of the hour, as a large segment of low-income people, have scarce access to formal financial services. As a result, many of them must depend on money lenders. NABARD started the Self-Help Group lending on a pilot basis in 1992. The programme encourages rural poor into SHGs for building their capacities to manage their own finances. More literature on Self Help Groups and Microfinance will help for better dissemination of knowledge

