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in relation to increase in employment, income and assets were .1896, .2725 and .2758 respectively. All the coefficients were significantly different from zero at the probability level of 5 per cent. Though the elasticity coefficients of the subsidies on employment, income and assets were positive, they were not very encouraging.

CONCLUSION

It may be concluded that the pilot projects launched by the TDA in the tribal district of Bastar have produced favourable impact on employment, income and asset formation of the beneficiary families. The non-beneficiary families also witnessed some gains in these spheres due to overall development of the area. The elasticities of subsidies/grants were also found to be significant. However, there exists scope to widen employment and income opportunities of the tribal families by altering certain programmes. It was observed that more than 25 per cent of the expenditure was incurred on the establishment of poultry units, but not even one gave any return. The reason for the failure of the programme has to be probed and if sufficient conditions for scientific management of poultry units are not created the programme be kept in abeyance. In the beginning, attempts should be made to develop the agricultural sector alone. Expansion of irrigation facilities and distribution of seeds, fertilizers and pesticides would go a long way to expand employment and income opportunities.

Two other features of the programme are also disheartening. First, despite an increase in the budget of minor irrigation by Rs. 30 to 40 lakhs, none of the projects was completed in time. Secondly, there has been considerable diversion of the resources from the productive to non-productive uses.⁶ One would anticipate better results in future if some of the weaknesses are removed.

IMPACT OF PROGRAMMES ON TARGET GROUPS—CASE STUDY OF A REGIONAL RURAL BANK

L. K. Mohana Rao*

The Rural Credit Review Committee (1969) aptly pointed out that the weaker sections of the rural sector are out of the purview of co-operatives. The Banking Commission (1972) recommended the establishment of Rural

6. "Tribal Development", *Economic and Political Weekly*, Vol. XV, No. 27, July 5, 1980 pp. 1115-1116: The advance Report of the Comptroller and Auditor General of India for the year 1978-79 revealed that much money was spent on several unapproved works and schemes relating to construction of office buildings and rest houses for all of which funds from development projects were diverted.

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Banks to take care of the credit needs of the weaker sections. The detailed framework of the establishment of Rural Banks was given by the working group (1975) under Chairmanship of Shri M. Narasimham. With the objective of providing finance to target groups of rural areas, Regional Rural Banks (RRBs) were established under the Regional Rural Banks Act, 1976. Sri Visakha Grameena Bank (SVGB), with its headquarters at Srikakulam is covering three districts, *viz.*, Srikakulam, Vizianagaram and Visakhapatnam and so far it stood first in the country in deposit mobilization, notwithstanding the fact that Srikakulam is a backward district. An attempt is made to examine the performance of Sri Visakha Grameena Bank with reference to the stated objectives. The reference year for the study is 1978-79.

Objective of the Study

The main objective of the study was to assess the impact of the Rural Bank finance on (a) distribution of gains, (b) cropping pattern and (c) assets of different categories of beneficiaries engaged in different activities.

Methodology

Two branches of SVGB, namely, Kalingapatnam and Rajam are selected. Kalingapatnam branch represents irrigated area and Rajam branch unirrigated area. The beneficiaries of the two branches are arranged into different strata—agricultural labourers, marginal farmers, small farmers, and artisans and traders. Ten per cent sample has been selected from each branch on the basis of stratified random sampling technique (37 from Kalingapatnam and 40 from Rajam), comprising all categories of beneficiaries. A schedule designed for this purpose was canvassed among the sample borrowers.

RESULTS

The beneficiaries of dry region obtained loans amounting to Rs. 39,845 and those of irrigated region Rs. 26,000. Agricultural labourers accounted for a greater share of the loans advanced in the dry region (35.6 per cent) while artisans and traders secured maximum amount (42 per cent) in the irrigated region. The average borrowing per member is relatively high in the dry region (Rs. 996.12 in the dry region and Rs. 702.70 in the wet region).

Utilization of Loans

The impact of the programme on the beneficiaries is conditioned by the way the loans are utilized by them. It is observed that 100 per cent of the loans are utilized for productive purposes in the irrigated areas and above 98 per cent in the unirrigated areas. This may be mainly due to the efficient and effective supervision exercised by the Bank staff.

IMPACT OF SVGB LOANS

As already stated, the impact of the loans on the beneficiaries is analysed with respect to (a) distribution of gains among different target groups of the beneficiaries, (b) shift in the cropping pattern in favour of more remunerative crops and (c) acquisition of assets.

Distribution of Gains

To analyse the impact of SVGB loans on the distribution of gains the following model is used:

Let Y_{ia} be the income derived from the activity 'a' of ith category and I_{ia} be the investment in ath activity of ith category.

$I_{ia} = B_{sia} + B_{nia} + O_{ia}$ where

B_{sia} = borrowings from SVGB,

B_{nia} = non-institutional loans and

O_{ia} = own funds

The return on ath activity of ith category is defined as

$S_{ia} = Y_{ia} - I_{ia}$

Net return = $K_{ia} = S_{ia} - R_{ia}$

where R_{ia} is the interest to be paid on institutional and non-institutional loans.

The rate of return (r_{ia}) on investment is defined as: $r_{ia} = \frac{K_{ia}}{I_{ia}} \times 100$.

The results of the analysis of the composition of investment revealed that though SVGB is pumping a considerably high proportion of investment into the unirrigated region, it is the major source of finance to all categories apart from their own funds. In the case of agricultural labourers SVGB's finance formed three-fourth of the investment made by them. On the other hand, almost the entire investment of agricultural labourers are met by the SVGB in the dry region.

Coming to the rate of return on investment, it is observed that the rate of return is relatively high in the irrigated region (39 per cent). Further, the analysis reveals that the rate of return of small farmers in the irrigated region is high (42 per cent) while that of agricultural labourers is low (15 per cent). It clearly indicates that the gains are distributed in accordance with the possession of assets, that too in the irrigated areas. Further, the gains are most favourable to the categories where the loans are provided in the form of assets, such as milch cattle to agricultural labourers in the unirrigated areas. For instance, the same agricultural labour category is provided with cash loans for small business purposes in the irrigated areas where the rate of return is too low. So we can conclude that even among the target groups the distribution of gains is positively associated with the assets either owned by them or created by the loan of the beneficiaries.

Moreover, it is observed that the impact of non-institutional advances* on the rate of return is minimum and can be treated as insignificant. On the

* To assess the impact of non-institutional advances on the rate of return, interest payments on the loans are calculated at the existing institutional interest rate.

whole, by eliminating the impact of non-institutional advances the rate of return has been increased by around one per cent in both the regions. So it implies that it is not the rate of interest but the availability of loan which has significant impact on income.

Cropping Pattern

The changes in the cropping pattern not only depends on the availability of loans but on other factors like irrigation, soil type, relative profitability of the competing crops, etc. For instance, in the irrigated areas, irrespective of the profitability of commercial crops, the farmers grow paddy. In relation to this it is observed that there are no significant changes in the cropping pattern in both the regions. But, there is a considerable shift from traditional varieties to high-yielding varieties and a significant change in the intensity of cropping. Prior to the loan from SVGB, the intensity of cropping in this region was 1.00 in both the marginal and small farmer categories, whereas it is 1.39 and 1.51 respectively after borrowing.

Acquisition of Assets

With a view to examining the impact of RRB's finance on the acquisition of assets, the total value of the assets are computed before and after the SVGB finance. On an average, the proportional increase of assets in the unirrigated region is more (7 per cent) than that of the irrigated region (4 per cent). Moreover, the acquisition of assets is more in the category of artisans and traders of irrigated (27.7 per cent) and unirrigated areas (24.8 per cent) and agricultural labourers of unirrigated areas (26 per cent). Moreover, the loans provided for these beneficiaries are in the form of assets, viz., milch cattle, *pan* shops, etc. It implies that the acquisition of assets is more in the categories where loans are provided in the form of asset itself.

CONCLUSIONS

It can be concluded that, given the coverage, Sree Visakha Grameena Bank is functioning well in meeting the credit requirements of the target groups. The rate of return in all the activities is considerably high except in small business activity of the irrigated region. Though agriculture yields a good rate of return in both the regions, it is relatively high in the irrigated region, which shows the impact of irrigation on incomes. In the allied activities, dairying has a good rate of return in the unirrigated regions.

Though the RRB's finance does not have any significant impact on cropping pattern, there is a considerable increase in the intensity of cropping in both the regions.

Similarly, on an average, the impact of *grameen* bank finance on assets is quite insignificant, but certain categories of these target groups have recorded a considerable increase in the asset values.

Suggestions

1. Milk is one of the most nourishing food and the supply of milk is inadequate to meet the minimum requirements of our population. Since the

profit rate in this activity is high, the Rural Banks in India should take necessary steps to foster the supply of milk by giving top priority to dairying in allied activities.

2. At present the Bank is following differential interest rate policy while advancing loans to different purposes irrespective of the relative economic position of the beneficiary. For instance, agricultural labourers in the un-irrigated region are obtaining credit at 11.75 per cent interest for dairying, while those in the irrigated region are securing loans at 16 per cent for small business. So the RRBs should take necessary steps to solve this type of problem and they have to discriminate among different categories, but not for different purposes by considering the relative economic positions.

3. Finally, as evident from the analysis, the profit rate of the agricultural sector in the irrigated areas is high. In order to avoid the risk factors, the RRBs have to concentrate much on long run developments by providing credit to medium-term irrigation development projects.

PROGRAMMES AND STRATEGIES FOR THE DEVELOPMENT OF ARTISANAL FISHERIES IN NIGERIA

A. F. Mabawonku*

This paper attempts to appraise Nigerian government development programmes and policies of a neglected part of its economy. Specifically, attention is focused on the causes of the so-called neglect of fisheries in Nigeria in the early days of economic development in the country and the problems of the sub-sector. These issues are covered in section I of the paper. Section II deals with the types of government programmes and policies addressed specifically to artisanal fisheries and section III appraises the achievement of public policies over the years.

I

PROBLEMS OF ARTISANAL FISHERIES IN NIGERIA

An examination of artisanal fisheries reveals a number of problems some of which are internal to the industry while others arise as a result of the inaction of the various governments of the country since the colonial period. In any subsistence economy a general characteristic is low level of earnings relative to the needs of the population. For an agrarian population a number of reasons could be adduced but for a fishing settlement with abundant resources such a phenomenon is difficult to explain. This is especially true when it is discovered that in the same environment (especially in the coastal areas) commercial and shrimping fisheries make high profits and are able to increase their investment, as well as hiring many of the peasant fishermen to operate

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