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## ROLE OF BANKING SECTOR IN SOCIO-ECONOMIC DEVELOPMENT OF TRIBAL PEOPLE

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### ABSTRACT

*The banking department considers the fundamental part of the economic power of tribal and rural people. In India, saving money system has a common system of saving money branches and there are numerous types of facilities available to the common man. One of the real measures of the nation's economic development and money related development is the sound performance of its banks. The Reserve Bank of India defines and implements the financial outlook is the financial reforms in India. The banking sector has strengthened India's economic growth to an extent. After independence, the real issue with tribal and rural creditors is to increase institutional financing, with the aim of reducing the share of indigenous budgetary offices like lenders. Most of the tribal and rural areas are poor and depend on agriculture. To facilitate the implementation of the credit component of the tribal and rural poor, the Government of India advanced the tribal and rural tribal and rural banks. Managing accounts in tribal and rural India assumes a significant part of the tribal and rural economy. The letter attempts to think about the implementation of regional tribal and rural banks, commercial banks, investment banks and private sector banks, which, as an essential part of the tribal and rural address, are examining and illustrative. Use helpful information.*



**KEY WORDS :** *nation's economic development , tribal and rural economy.*

### INTRODUCTION

According to the Reserve of India (RBI), India's savings money division has been adequately promoted and many are managed. Budget and economic conditions are much better than other countries on the planet. Credit, market and liquidity opportunity tests recommend that Indian banks are strong and have a strong position in 201. The worldwide recessionary capital in the world depends on the good development of Indian development, and as a spirit of positive thinking taken by the administration towards the revival of modern development; new RBI solutions can go a long way in helping this limit. Residential Accounts India Open area banks, tribal 56 Tribal and rural tribal and rural banks, 1589 Urban accredited banks, despite having useful credit foundations, create Indian accounts that manage their accounts. Banks in the public sector control about 80 percent of the market, leaving private offers for private peers. The Standard Poor estimates that credit growth will increase from 1 to 6-201 percent in the financial year of FY-6, which will be less than 2 percent compared to the second 50 percent of Fiscal-financial year's 50 percent. Of late, we have seen that the world economy is going through some situations as a means of emergency crises, money and budgetary institutions are responsible for the emerging economies of the world and there is a Eurozone emergency. The pace of improving the Indian savings money industry over the past decade has been exceptional. This is evident from the high velocity of credit expansion; Increasing the profitability and efficiency of banks in prepared markets reduces inefficient resource depletion and keeping the spotlight on

the Indian economy is a commitment to make money dynamic and concrete. Indian banks have begun to change their development outlook and closely evaluate their potential for the economy to wane.

### **INDIAN BANKING SYSTEM POLICIES:**

Due to the geographical, social and trademark novels, India's saving money is not the same as in different countries .Indian population, different cultures are many parts of this country and there are inconsistencies in salary as well. Similarly, the expansion of the population spread among the tribal and rural and urban provinces is supported by the urban area .These features reflect the shape and structure of the Indian savings money box .The administration has been subjected to different plans for centralization at different times, with specific goals to meet further needs. The banks of the Reserve Bank of India have made rules for banks in India. Banks have so far been bound to the outskirts of India as they need to meet residential commitments. The essential decades of the nineteenth century include the basic foundations of the State Bank of India, when the Bank of Calcutta, later renamed the Bank of Bengal, was developed on June 2, 1806. The Bank of Bengal was one of three banks of the Presidency; the other two were the Bank of Bombay and the Bank of Madras. Each of the three banks of the Presidency was united as a business entity and was the result of famous sanctions. These three banks were found to be perfect in paying paper money up to 1861when, through the Paper Currency Act, this benefit was accepted by the Government of India. January 1 - January 21 - The Presidency Banks consolidated and renamed the Imperial Bank of India a new contract for the sale of merchandise. Imperial Bank of India has yet to become a business entity without government involvement. According to the game plan of the State Bank of India Act 1955, the Reserve Bank of India gained enthusiasm by controlling the Imperial Bank of India. On July 1, 1955, the noble Bank of India was transformed into the State Bank of India in 1953, this organization approved the State Bank of India (Assistant Bank) Act. This resulted in SBI's eight State Bank partners with SBI subsidiaries, which were located with the royal states, between September 1959 and October 1960, between centralization and operational assumptions. It was purchased in the initial five-year plan for the improvement of tribal and rural India. The government coordinated these banks in the framework of State Bank of India to expand tribal and rural areas. In 1963 SBI consolidated with State Bank of Jaipur and State Bank of Bikaner. SBI has bought neighboring banks in exchange. The first Bank of Bihar (1911) was acquired by SBI in 1969 'and consolidated its 28 branches.

### **OVERVIEW OF INDIAN BANKING SYSTEM:**

In the same way, the bank was instrumental in institutional reform and helped establish institutions such as Deposit Insurance and Credit Guarantee Corporation, Unit Trust of India, Industrial Development Bank of India, National Bank of Agriculture and Rural Development, Discount and Finance. Indian Auditorium to create a budget framework for tribal and rural areas. After liberalization, the bank's concentration on monetary policy, bank supervision and regulation, and the ability to monitor the payments system and create financial markets have been centralized. In the 50s, the government of India, under the leadership of the first Prime Minister Jawaharlal Nehru, devised an economic plan in the center to focus on agriculture. This organization nationalized the business banks and added 3 companies. Of course, the banking companies in the light of the law maintained a national bank control as a key aspect of RBI. In addition, the National Bank was requested to assist with financing the loan. As a result of a bank crash, RBI was asked to create a store protection framework and perform a screening.

NABARD has been established as a Crop Development Bank with an order to encourage credit for the development and improvement of agriculture, small scale industries, bungalows and municipal businesses, handicrafts and other tribal and rural artifacts. It is also mandated to assist all other unified economic exercises in the tribal and rural areas, coordinated and practical tribal and rural reforms and safe conservation of the tribal and rural areas. Leaving their share of tribal and rural success as helpers, NABARD relies on renewing tribal and rural lending organizations, realizing or making progress in institutional

development, and evaluating, examining and examining consumer banks. NABARD has successfully acquired various developments in tribal and rural credit societies. Some of these developments are: Establishment and connection of Savings Group, Farmer's Club, Rural Infrastructure Development Fund, Watershed Development, Kisan Credit Card and District Rural Industries Project. RRB in India is a fundamental part of the tribal and rural credit institutions of the country. The Government of India established the Regional Rural Banks (RRBs) on October 2, 1975. First, on October 2, 1975, 5 RRBs were established, supported by Syndicate Bank, SBI, Punjab National Bank, United Commercial Bank and others. United Bank of India's capital distribution is half of the central government, 15% of the state government and 35% of the backed bank, NABARD. The bank's mission is to create tribal and rural economies by providing credit and store offices for numerous types of agriculture and other beneficial activities in the tribal and rural areas. Similarly, offices have been given to minor and neglected tribes, farm labourers, tribal and rural artisans and other small business perspectives in the tribal and rural areas, while the RRBs are acknowledging a fast pace for the development of tribal and rural areas.

### **ROLE OF CREDIT IN TRIBAL ECONOMY:**

One of the essential weaknesses that tribal sees in changing their parcels is the loss of institutional credit. Credit is not only fundamental in our country's present-day agriculture, but especially in agricultural farming. As the native tribes depend on agriculture for their profession, the improvement of the rural areas of the birth area will facilitate the general development of the tribal people. The basic obstacles to the modernization of traditional farming in the congenital area are the lack of sufficient credit. Credit is needed to meet the social and economic needs of the unborn. Income Tribal requires credit for two reasons for production and non-production reasons. Loans are included to buy inputs for productive reasons, for example, fertilizer, livestock, agricultural implements, etc... and permanent changes to the land, for example, and throwing wells, ploughing land and so on. In addition to what they received for useless purposes, for example, the Relationship Union, births, encouragement, family support for litigation, and other things to celebrate.

Before the presentation of independence and order in India, the inborn socially and economically remained the opposite. After independence, there have been impressive changes in the economy of the tribal. By introducing high-income taxonomy (HYV) innovation in tribal zones, they began to find new innovations in agriculture. They learned the importance of important information sources, such as fertilizers, pesticides, bug spraying, etc. The government is setting up various financial institutions to meet the credit needs of the tribal farmers and to keep them from catching lenders. Commercial banks started establishing their branches in remote tribal areas through their branch development strategies. Also, the need for inborn farmer's credit has increased due to creating awareness about the advanced process of production in agriculture. The importance of credit is more important now than congenital improvement.

### **CONCLUSION:**

The development of tribal and rural economies is fundamental with a specific end goal to guarantee balanced economic development. Different questions posed to tribal and rural areas, for example, ignorance, absence of basic government of power, cleanliness; with sufficient credit offices, drinking water can be overcome. The actions taken by the Reserve Bank for the establishment of regional rural banks and other such banks in order to save money in tribal and rural India have been a blast for these provinces. In the present examination, part of the RRB in tribal and rural credit societies is scattered. Tribal and rural credit societies include need department and unnecessary department. Both departments have been hugely successful in making progress. Despite the difficulties, the banks have not been released at all, yet there is ample opportunity to get a handle on these banks. The present study shows that tribal are less informed about various financial products and practices.

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