

RURAL BANKING IN WEST BENGAL: AN EMPIRICAL STUDY

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ABSTRACT

Rural masses are not aware about banking facilities. Banks provide credit to marginal farmers and small businessmen for the improvement of rural economy. The infrastructure of rural banking system is very poor. The number of bank branches in rural areas is not adequate. The people of remote areas face difficulties in availing banking services. Rural banking system can replace money lenders in rural areas. The study is based on primary and secondary data. Primary data has been collected from the state of West Bengal. Secondary data has been collected from journal articles. In this paper, an attempt has been made to find out various aspects of rural banking.

KEYWORDS: Rural, Bank, Rural Masses, Rural Areas.

Introduction

Customer satisfaction is the main concern of banks to survive in the competitive environment of banking sector. Banks emphasize to increase the banking habits among rural masses. Banks should increase the number of branches in rural areas. The employees of banks must be properly trained so that they can serve the customers of rural areas properly. Regional rural banks play an important role in the development of rural economy (Karunakaran, 2020). The number of bank branches in the remote areas of rural India is inadequate. The people of remote areas cannot avail banking services easily. Many people in rural areas are not aware about banking facilities. Banks should take proper steps to increase awareness among rural masses regarding banking facilities. Rural economy plays vital role in the development of the country. Banks play significant role in the development of rural economy. Indian economy is based on agriculture and rural economy is the prime factor of Indian economy (Kher, 2013). The objective of the study is to find out various aspects of rural banking.

Literature Review

Rural poverty may be reduced by increasing the numbers bank branches in rural unbanked areas (Burgess and Pande, 2005). Rural banking indicates the financial institutions in rural areas for the betterment of rural society (Singh, 2020). The purpose of Regional Rural Banks is to develop the economy of rural India. Rural banks assist in the development of financial activities in the rural areas (Deb, 2020). Regional Rural Banks were established to increase rural savings and to enhance the banking habits among rural masses (Tagariya and Panchal, 2016), Rural India generate immense revenue for the country. Money lenders exploit small businessmen and farmers in rural India. Rural population are not able to avail banking services (Nandini et al., 2021). Regional Rural Banks were established to develop the economy of rural areas by providing credit to small farmers, small entrepreneurs and artisans (Barot and Japee, 2021). Rural banking system requires up-gradation in India (Kumar, 2018). Rural banking is helpful for low income families. Rural banking is adopting advanced technology which allows the customers to avail banking services easily (Parmar et al., 2013). E-banking

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is replacing traditional banking system in rural India. Customer awareness is essential for the success of banking sector (Puttaswamy, 2018). Rural development plays major role in overall development of economy. Rural banks emphasize on agricultural sector (Dhanraj and Kumar, 2016). Rural masses face difficulties in availing finance from banks (Pandi, 2019). Many rural people have mobile phones but they are not availing banking services (Mohapatra et al., 2020).

Methodology

The study is based on primary data and secondary data. Primary data has been collected from the state of West Bengal. The sample size is 100. 65% of the respondents are male and 35% of the respondents are female.

Data Collection and Data Analysis

Rural masses are not aware about banking facilities:

Agree : 53%

Disagree : 47%

53% of respondents agree and 47% of respondents disagree.

Banks have inadequate number of branches in rural areas:

Agree : 81%

Disagree : 19%

81% of respondents agree and 19% of respondents disagree.

Rural masses face difficulties in availing banking services:

Agree : 64%

Disagree : 36%

64% of respondents agree and 36% of respondents disagree.

Banks play significant role in the development of rural economy:

Agree : 71%

Disagree : 29%

71% of respondents agree and 29% of respondents disagree.

Marginal farmers and small businessmen are benefitted from banking system:

Agree : 78%

Disagree : 22%

78% of respondents agree and 22% of respondents disagree.

Rural banks can replace money lenders in rural areas:

Agree : 86%

Disagree : 14%

86% of respondents agree and 14% of respondents disagree.

Conclusion

Rural masses are not aware about banking facilities. Banks provide credit to small farmers and businessmen to develop rural economy. Banks should increase the number of branches in rural areas. Many rural customers are facing difficulties in availing banking services. Bank employees are not always able to understand the need of rural masses. The infrastructure of banks in rural areas is very poor. Rural customers face difficulties due to poor infrastructure of banks. Rural banking system plays important role to develop rural economy.

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