

REVIEWS

Impact of Differential Rates of Interest Scheme. O. P. Chawla, K. V. Patel and N.B. Shete. National Institute of Bank Management, Bombay (pp. 177 ; Price : Rs. 55/-)

The Government have been coming up with measures from time to time for enabling the economically and/or socially backward sections of the society to cross the poverty line. Physical and financial targets are set, viable schemes are evolved and funds earmarked especially for the financial upliftment of these sections on a priority basis. However, the impact of these measures on the weaker sections has not been felt to the extent commensurate with the efforts made by the Banks and other Governmental agencies. This would naturally raise the questions whether the financial support provided under these schemes is adequate enough to make them really viable and whether the benefits are accruing to the people for whom they are intended. These questions can only be answered by conducting empirical evaluatory studies sometime after the start of the schemes.

Professors O. P. Chawla, K. V. Patel and N. B. Shete of the National Institute of Bank Management, Bombay, have made an in-depth analysis of one of the many measures taken by the Government for the socio-economic upliftment of the weaker sections of the society. Their work intends to study the impact of Differential Rates of Interest (DRI) Scheme on the beneficiaries in improving their socio-economic conditions. For the

purpose of the study : "a field survey of DRI borrowers from 72 selected branches of 18 banks in 34 districts of 16 states was carried out. It yielded data on nearly 1600 borrowers. Detailed data on 4,300 borrowers, particularly on their repayment behaviour, was sent by 43 out of 72 branches. Top managements of 16 Public Sector Banks and 62 Branch Managers of 10 banks sent in their views on the working of the Scheme. Views of some non-DRI borrowers and a few RRB's and District Central Cooperative Banks on some operating features of DRI were also received."

Despite collecting a reasonably large amount of data the authors have not gone beyond tabular presentations which can only lead to drawing broad inferences that are more indicative than conclusive in character. They have not gone in for the application of statistical techniques like positing certain null hypotheses and testing for their significance. This may have been due to the heterogeneity of data and non-uniformity in the practices followed not only by different banks but also by different branches of the same bank. Some of these points have been highlighted in the book. (See, for example, the Chapters on 'Loan Characteristics' and on 'Repayment Behaviour').

The authors have taken considerable care and a lot of pains to summarise the data into a large number of Tables—82 Tables, to be more precise. After going through the book one would get the inevitable impression that the DRI Scheme has achieved less than

satisfactory results during the period under study, (i.e.) from December 1972 to March 1981. The over-due accounts have been increasing over time indicating that the schemes did not turn out to be viable as anticipated and/or there is a diversion of funds from the purpose for which they are intended and/or inadequate supervision and follow-up measures by the Bank staff. Small and petty trading community seems to be the only segment that derived the greatest advantage in the light of Repayment Behaviour.

The authors are to be congratulated for unearthing cases wherein the benefit of 4% rate of interest under the DRI scheme has been derived by ineligible people who do not satisfy any of the criteria for coverage under the scheme. Their number is approximated to be around 10% of the total number of beneficiaries under the scheme. The reviewer's feeling is that the number may be even much higher than 10% when we take into consideration the dubious nature of the so called 'Agricultural Labourer' section. During the course of study the reviewer has come across many instances wherein persons having sizeable land holdings (who cannot be regarded as 'small' or 'marginal' farmers) have been able to secure loans (and also subsidies) in the names of their spouses by categorizing them as 'Agricultural Labourers'. They have been able to 'manage' in getting certificates to the effect that the applicants do not possess any land from the village officials, who are not unaware of the fact that title deeds for the land are in the names of the husbands but not in the names of the applicants.

Two very significant points have been highlighted in the study that deserve the attention of the Government. First, the

definition of poverty line (in monetary terms) remained static for many years despite the inflationary situation prevailing in the country. There is, thus, a need for redefining the poverty line in monetary terms by pegging the same to the Consumer Price Index. As a result the poverty line gets an automatic upward revision with an increase in the CPI. Secondly, many of the so called 'Bankable' schemes framed long ago remain unaltered to date despite inflationary escalation in costs. Once the factor of inflation is reckoned with, many of the erstwhile bankable schemes may no longer retain their viability. The authors might have also suggested the application of Sensitivity Analysis before the sanctioning of funds by the Banks. For example, many of the Dairy Development Schemes that are originally considered to be viable had eventually turned out to be bad debts from the view point of the Bankers as the viability of the scheme was highly sensitive to milk yield which can get adversely affected by a variety of factors.

A few suggestions for improving the quality of the book are listed below :

- (i) The set of questionnaires administered to different groups should have been presented at the end of the book. This would have helped future researchers in the area.
- (ii) In the chapter on 'Objectives and Methodology' it has been mentioned (refer to page 9, Section C : Coverage of the study) that "Statewise, the least number (28) was interviewed from Haryana and the highest number (165) from Gujarat." The rationale for such a choice should have been explained in a few lines.
- (iii) On page 13 it was stated : "Even as regards borrower data received from

bank branches, information on certain items asked for was found to be either missing or inconsistent, and had therefore to be eliminated". A line about the nature of the information sought would have given the reader an idea about its importance in the context of the present study.

- (iv) Definitions of and/or explanations about the terms used in Table 3.9 on page 22 should have been provided. Table 2.10 on page 23 lists the Value of Assets (excluding land and house) possessed by borrowers. The nature of these assets is, however, not mentioned anywhere in the book. This could have been mentioned in a footnote.
- (v) Table 4.1 on page 34 indicates that Crop Loans were given to 4 Agricultural Labourers. Since agricultural labourers, by definition, are landless, an explanatory note as to how they could secure crop loans (given to farmers) would have clarified the position.
- (vi) In Tables 5.11 (page 71) to 5.14 (page 74) data for Loan Year IV were found to be missing. This may have been due to a typographical error.

Despite the above limitations the present work is a detailed empirical analysis made with a view to studying the impact of DRI scheme on the most backward sections of the society. This study will certainly enthrust others to undertake similar evaluatory studies which alone can throw light on the fruitfulness of the schemes, usually launched with a lot of fanfare, in terms of their end-use and eventual socio-economic upliftment of the weaker sections of our society.

N. K. Rao

Professor of Financial Management, I.I.M.C

Lectures on Applied Public Relations.
K. R. Balan. Sultan Chand and Sons, New Delhi, 1984, Rs. 35, pp. 508.

Moliere's *Le Bourgeois Gentilhomme* (The Would Be Gentleman) made a genuinely startled comment to his expensive philosophy tutor engaged to educate him: "Well, I'll be hanged! For more than forty years I've been talking prose without any idea of it; I'm very much obliged to you for telling me that."

The monumentally comprehensive book of Professor K. R. Balan evokes such a comment. In 508 closely printed pages he has covered every conceivable aspect of Public Relations. The need for and essence of public relations is something of which every person engaged in organised industry has always been aware. The imposing list of contents must make him aware that every moment of his business career brings hidden public relations challenges; every action of his has overt p. r. tones. By compiling this catalogue and covering each aspect assiduously in the fashion of an all-in note-book with which the Indian student is traditionally so familiar, Prof. Balan has also forced recognition of one other matter—namely, that Public Relations as an academic subject has now entered the fold of educational curriculum.

The main chapters cover (a) Theory and Practice of Public Relations, (b) Communications, (c) Tools and Media, (d) Mass Media, (e) Corporate Relations, (f) Public Relations at large, (g) Professional Code and finally (h) Appendices, covering a vast range of statistics, forms, statutory requirements, etc. Each chapter has a few pages on every conceivable angle under the broad umbrella.

The book is entitled as one sees "Lectures on Applied Public Relations". At a