

his point that financial institutions should do more of equity financing. It is also a meritorious point that at times interest rates charged might have been negative in real terms during periods of high inflation. That the unorganised, small entrepreneurial sector has not benefitted much by such institutional innovations is also a tenable criticism.

In the 'Interest Rates' chapter there seems to be an inadvertent imprecise statement that interest rates are influenced by fiscal policy (p. 221). The chapter on 'Corporate Finance Studies' is based very largely on periodic RBI surveys on the subject. It presents an organised picture of corporate sector financial performance. However, the author's observation that "the pattern of deployment of funds influences the capital efficiency", followed by "capital efficiency can be measured by the ratio of net fixed assets or current assets to total net assets" (pp. 255-256), seems to convey little meaning to the reader. The chapter on 'New Issue Market' is one of the best written chapters of the book. With respect to the future of Stock Exchanges in India, the reader would have liked to know the author's views about launching public sector company shares into the new issue market, as well as for getting them quoted on the stock exchanges on a widespread and consistent footing.

Dr. Avadhani's book is thus a useful compendium of the current features and highlights of the financial system of India. Lack of enough analysis should not come in its way of being considered a good first-entry work on the subject.

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Rural Development and Social Change.
J. M. Heredero. New Delhi, Manohar, 1977.

There are many people working for rural development and their approaches differ widely. The true meaning of rural development is helping the people to attain at least a minimal economic standard which would enable them to have the necessities of life. The aim of most of the studies on rural development is research-oriented, while the main aim of this work is education-oriented. The present approach to rural development is based on the understanding of rural society. It is also based on the understanding of education. It is not the formal education imported in the schools and colleges, which covers a very small fraction of man's reality. Education should enable a person to deal more effectively with others, with his work, and also with himself (his needs, his feelings, his motives, his past history). Thus, education means training the intelligence of the participants to deal effectively with these problems (p.7). Therefore, the approach to rural development here is to inculcate the non-formal education in to the rural people.

The objective of this project was twofold : (i) to help villages in their development and (ii) to study the effect on them of both material help and psychological education. The meaning of psychological education is to foster self-reliance and to heighten their achievement motivation. The aim of this education is the whole man : his feelings, needs, motives, his intelligence and, if necessary his spiritual powers. The ultimate purpose is to increase the participants' awareness and to prepare them to be more effective in dealing with other members of the community, and with their own work. Since

the work has dealt with farmers' education which has meant teaching them agricultural technology among other things.

With these broad objectives, a team of professors of Behavioural Science Centre, St. Xavier's College Ahmedabad headed by Prof. J. M. Heredero organized a series of training programmes for the small farmers in Gujarat for four years. Each course had provision for 30 participants. The training was fundamentally based on laboratory method. In rural development, team work is essential and thus emphasis was put on working as a team during training. The advantages of team work were mutual support and encouragement, the pooling of ideas, resources and creativity. T-group training also helps to resolve the interpersonal difficulties, work out personal problems and to find out the role which each member should play in the team.

In order to achieve the above mentioned objectives of the training programme, the following procedures were followed :

1. *Defreezing* : This means to break the shyness and suspicion of the participants. This was done by engaging them in external absorbing activities and also by asking them simple questions.

2. *Warm interpersonal support* : This was necessary to create a climate of trust between the participants and the trainers. To achieve this, the trainers adopted an uncritical attitude of acceptance and respect towards the participants.

3. *Faith* : The effort was to make them aware of their own latent powers and thereby increase their self-confidence. Thus, the trainers made them realise their ability to learn new things by making them repeat the lessons, by making them succeed in exercises.

4. *Cooperation* : To develop cooperative spirit in them, the first step was to clarify the meaning of cooperation and then it was tested in actual practice by engaging them in activities. A very effective method of doing this was to help the group to resolve existing conflict.

5. *Decision-making* : The trainers wanted to teach how to take decisions for themselves and for the village. This involved (a) giving them information mostly about agriculture, (b) information about banking, government schemes, agro-industries and (c) practical information about decision-making with suitable exercises to put into practice, which enabled them to prepare themselves for the 'final choice'.

6. *Final choice* : The participants were encouraged to set individual and group goals which were concrete and which had an element of calculated risk in them.

7. *Follow-up* : To ensure lasting success, emphasis was laid on the need of group support, relying on the group already formed and, if possible, enlarging it. Whenever necessary refresher courses were organised.

To sum up, I would mention, that most of the work on rural development has been aimed at research. But this book is certainly a departure from all that. Here the main aim is educational i.e. to inculcate non-formal education to the small farmers in rural development. This study also focuses on the participants, content, methods of the course, and need for that. I hope this will be a guidebook to organise action-oriented course to this end.

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