



Role of Commercial Banks in Socio-Economic Development of Scs and Sts (A Study with Special Reference to Tahdco Schemes in Tamil Nadu)

KEYWORDS

Scheduled Castes, Scheduled Tribes, Commercial Banks, TAHDCO Schemes

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ABSTRACT *Scheduled Castes and Scheduled Tribes are two groups always collectively struggling by various socio-economic victims such as discrimination, disabilities, untouchables practice, treatment of impure and polluted community, inequality etc. which are all refers the socio-economic disabilities. This paper reveals the role of commercial banks in socio-economic development of SC/STs in Tamil Nadu through TAHDCO schemes. For this purpose selected bank tie up schemes were discussed with help of Secondary data and finally conclude the results.*

Introduction

Scheduled Castes and Scheduled Tribes are two groups always collectively struggling by various socio-economic victims such as discrimination, disabilities, untouchables practice, treatment of impure and polluted community, inequality etc. which are all refers the socio-economic disabilities. In the post independent period, Government of India taking lot of efforts to uplift these weaker section by providing Special Central Assistance (SCA) and designed Scheduled Castes Sub Plan (SCSP) and Tribal Sub Plan (TSP) as an umbrella strategy. In Tamil Nadu, SCSP and TSP implemented through TAHDCO. The welfare schemes of TAHDCO designed for financial assistance to individual and Self help Groups with combination of subsidy and Commercial Bank loans. The Commercial Banks play a vital role in providing financial assistance jointly with Tamil Nadu Adi Dravidar Housing and Development Corporation Ltd (TAHDCO) for the socio-economic development of Scheduled Casts (SCs) and Scheduled Tribes (STs) in Tamil Nadu. TAHDCO is offering Land Purchase and Development Scheme (LSDP), Economic Assistance (EA) to Individual and Self Help Groups and Self Employment Programme for Youth (SEPY) to establish income generating activities. Under these schemes the financial assistance provided by TAHDCO up to 25% as subsidy on total project cost subject to a maximum sum of Rs.2, 25,000 and the balance provided by Commercial banks as loan. These schemes designed exclusively for the benefit of SCs/STs who are living below poverty line and their income below Rs.1, 00,000. Commercial banks make inclusive growth of SCs/STs in the field of agriculture, education, housing, entrepreneurial activities etc. through providing financial assistance. This paper examines the selective bank tie up schemes of TAHDCO and the socio-economic changes of SCs/STs.

Scheduled Castes and Scheduled Tribes in Tamil Nadu

Scheduled Castes and Scheduled Tribes comprise 20% and 1% respectively in the total population of 7, 21, and 47,030 as per 2011 census. The SCs notified by 76 castes and STs notified by 36 castes as per the Scheduled Castes and Scheduled Tribes Order (Amendment) Act, 1976. Among these castes SCs dominant by five major castes namely Adi Dravidar, Palan, Parayan, Chakkiliayan and Arunthathiyar and STs dominant by four castes namely Malayali, Iruar, Kattunayakan and Kondareddis. The spread of education according to the 2001 census, 63.2% of SCs aged above 7 years are literate and 41.5% STs aged above 7 years are literate which is less than the whole state literacy rate of 73.5%. The Work Participation Rate of SCs and STs are 48.1% and 54.9% respectively which is higher than the 44.7% of the state population as whole. Majority of SCs and STs People engaged in agricultural activities (Cultivators and Agricultural labourers), house hold industry, industry labourers, scavengers, bounded primary

leather workers, cart pullers, civic sanitation workers etc. these occupations gives less income to them therefore they struggle to meet their day to day needs. Due to this majority of SCs and STs are live below poverty line and forced to live outside upper castes residential places with unhygienic conditions over a long period of time. InTamil Nadu, TAHDCO offering various schemes to uplift these weaker sections through various welfare schemes with financial assistance.

Tamil Nadu Adi Dravidar Housing and Development Corporation Ltd (TAHDCO)

TAHDCO was incorporated in the year 1974 under the provisions of the Companies Act, 1956. Initially TAHDCO deals the construction activities for the downtrodden Adi Dravidars and building houses to them and Latter became to functioning as a Scheduled Caste Development Corporation (SCDC) with 51 % share capital owned for Tamil Nadu Government and 49% share capital owned for Central Government. The corporation starts its functions by full-fledged to taking care the duty of uplift the SCs/STs population who are living below poverty line. The socio-economic development of SCs/STs is mainly focused by the corporation through implementing the welfare programmes which providing financial assistance to set up income generating activities and also providing skill development trainings. Through these activities, need based formulation and implementation making by the corporation to improve better standard of living of SCs/STs with help of Special Central Assistance and State assistance. The following schemes has the combination of TAHDCO subsidy and Commercial Banks loan Land Purchase and Development Scheme

To improve the SC/ST people's socio-economic status and increase the land holding size of SC/ST people in the State. TAHDCO implementing this scheme for SC/ST women who are in the age group between 18 to 55 years and their family income have bellow one lakh and also they do not have any agricultural land previously. Under this scheme the applicant's occupation should be agriculture and their family members should not availed under any schemes of TAHDCO so for. Through this scheme TAHDCO providing 30% as subsidy and arranged the balance amount as loan from banking institutions. The special features of the scheme are 100% exempted from stamp duty and 75% concession in registration fee. The final output of this scheme is creating wealth as agricultural land and it bring socio-economic status among the community and beyond the community. The corporation also provides electricity and minor irrigation facilities to improve the agricultural productivity.

Financial Assistance schemes to individuals

In this scheme, financial assistance provided by TAHDCO to

SC/ST individual for starting any viable income generating economic activities including entrepreneur development activities. Under this scheme, the financial assistance provided by 30% as back end subsidy subject to maximum sum of Rs.225000 and the balance amount arranged as bank loan including minimum 5% of promoters contribution in the project cost. This scheme applicable all individuals belonging to SC/ST in the age group of 18 to 55 years having an annual family income of less than one lakh. At the time beneficiaries selection process, TAHDCO giving preference beneficiaries having prior experience and desire knowledge in the entrepreneurial activities preferably asset creation projects. Through this scheme government not only aims to at poverty eradication but to improve the status of SC/ST people from labour to entrepreneur. This scheme also provides financial assistance to for establish Petrol, Diesel and LPG retail out-

lets from 2012-2013.

Self Employment Programme for Youth (SEPY)

SEPY is implemented exclusively for the educated un-employed youths in the age group of 18 to 35 years. Under this scheme in each district, a set of self employment ventures are identified in accordance with the local potential. This scheme intensively trained and escorted in obtaining financial assistance and in starting and running the ventures sustainable over a period of time. Financial assistance for starting self employment ventures is provided for a maximum project cost of Rs.7.50 Lacs in which 30% of the project cost subject to maximum of Rs.225000/- is the subsidy from TAHDCO, promoters contribution is 5% and the balance is arranged as loan from banks. This scheme extended to Siddha Doctors, MBBS and Post Graduate Doctors who wish to setup their own clinic.

Table No. -1

TAHDCO Subsidy and Bank Loan disposal details for the period from 2005-06 to 2012-13

Schemes/Year		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Total
LP&D Scheme	No. of Beneficiaries	622	2259	742	973	1298	658	178	76	6806
	Subsidy (Rs. in lakhs)	555.70	562.51	343.71	345.63	392.16	244.18	90.85	57.39	2592.13
	Bank Loan (Rs. in lakhs)	574.88	617.92	351.09	443.89	445.45	259.66	223.80	133.91	3050.81
FA to Individuals Scheme	No. of Beneficiaries	8720	17048	6491	5814	6209	2464	4035	4395	55176
	Subsidy Rs. in lakhs)	865.29	1603.54	719.73	659.16	759.64	386.03	3308.59	3951.15	12253.13
	Bank Loan Rs. in lakhs)	1598.15	2534.17	1192.55	1288.32	1476.25	1781.71	6861.47	9219.35	25951.97
SEPY Scheme	No. of Beneficiaries	686	1813	932	804	832	1018	1056	964	8105
	Subsidy Rs. in lakhs)	210.25	418.34	193.62	180.90	195.51	253.30	1183.28	1127.56	3944.76
	Bank Loan Rs. in lakhs)	627.16	1420.00	710.17	777.15	813.91	1610.09	2576.94	2864.30	11607.72

Source: <http://www.tahdco.com>

From the above table it is clear that TAHDCO and Commercial Banks released to SCs/STs a sum of Rs. 2592.13 lakhs as subsidy and Rs.3050.81 lakhs as loan for 6806 beneficiaries to improve the land holding of SCs/STs and to enhance their socio economic status in the state through income generation under the scheme Land Purchase and Development during the period from 2005-2006 to 2012-2013. The table also shows that a sum of Rs. 12253.13 lakhs as subsidy and Rs.25951.97 lakhs as loan released for 55176 beneficiaries under the scheme Financial Assistance to individual including Entrepreneur Development programme for starting any income generating activity like establishment of shops, purchase of Lorries, Tractors, Power Tillers, Tourist Cars, Mini-Lorries, Auto-Rickshaws, Mini-Dairy, Power Laundry, Tailoring and Chappal making etc., and a sum of Rs. 3944.76 lakhs as subsidy and Rs.11607.72 lakhs as loan released for 8105 beneficiaries under the scheme Self Employment Programme for Youth to commence ventures sustainable over a period of time during the same period.

It is observed from the above that CBs released a sum of Rs.40641.50 lakhs to SCs/STs for their socio-economic development during eight year period from 2005-2006 to 2012-2013. It indicates that CBs play an important role in socio-economic development of SC/STs. The CBs are pillars of economic prosperity and finance to purchase of land that most important primary sector of the country i.e. agriculture and help in increasing the capacity of asset building of SCs/STs.

Conclusion

It is clear from the above discussion that Commercial Banks distributed about Rs.40641.41 Lakhs for 70087 SCs/STs beneficiaries for the last 8 years period from 2005-2006 to 2012-2013 under Land Purchase and Development, Economic Assistance to Individuals including Entrepreneurs Development Programme and Self Employment Programme for Youth schemes. Commercial Banks finance to weaker sections and increase the capacity of SCs/STs in income generation and asset building ultimately they improve their socio-economic status.

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