

143. Role of Commercial Banks in Promoting Rural Entrepreneurship in India

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Abstract

Commercial banks are the very significant financial institutions that are the backbone of all the economic activities in the country. They play an important role by providing credit to people by mobilizing savings and financing various economic related activities. These banks accept deposits from public and provide credits to the business firms and individuals in an economy.

Commercial banks' main goal is to offer range of financial services in the urban and rural areas. Major attention is provided to farmers, agro-enterprises, private individuals and MSME (Micro, Small and Medium enterprises).

This paper analyzes the role of commercial banks in promoting rural entrepreneurship using Business Correspondent (BC) model. This paper also identifies the various rural entrepreneurial activities sponsored by the commercial banks with special reference to State Bank of India in association with BC. It also tries to finally study the extent to which rural entrepreneurship is successful because of the support of commercial banks. The research would help in adopting various strategies for successful promotion of rural entrepreneurship.

The study aimed at evaluating the role of commercial banks in promoting rural entrepreneurship and it suggested that commercial banks contribute towards encouraging rural entrepreneurship. In conclusion it can be stated that commercial banks contribute towards improvement of employment opportunities, standards of living, innovation and development of rural areas. Rural