

RURAL CREDIT COOPERATIVES IN INDIA: RESPONSES TO REFORMS

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ABSTRACT

Rural credit cooperative system in India is world's largest rural financial systems. During the past over hundred years, these credit cooperatives have witnessed many successes and failures. For a long time, cooperatives have been plagued by numerous problems such as undue government interference, poor governance and management, high overdues and lack of deposits, financial indiscipline and accumulating non-performing assets. In response to that, a nationwide reform and revival exercise was initiated by the Government of India in 2004. This paper examines the responses to these reforms at the country level as well as at grass-root level credit societies.

KEY WORDS: Rural Credit Cooperatives, Rural Financial Systems, Grass-Root Level Credit Societies.