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**PLANNING AND IMPLEMENTATION OF SGSY
(SWARNJAYANTI GRAM
SWAROGGHARYOJANA) IN MIZORAM**

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Planning and Implementation of Sgsy (Swarnjayanti Gram Swaroggharyojana) In Mizoram

Lalkhawngaiha

Research and Teaching Assistant, School of Continuing Education, Indira Gandhi National Open University, New Delhi

Abstract – The implementation of SGSY at grass root level is very tardy. It usually takes one to three years for SHGs to get just first grading after the formation of SHG. To reach up to the level for being eligible for credit assistance and subsidy takes even more time. On an average 40% SHGs of total formed till date gets defunct. The SHGs getting credit assistance range from 5% to 25% only. Thus working at this pace SGSY objective of bringing SHG members from APL to BPL within three years can never be achieved. The financial services provided to the SHG, most crucial for their upliftment is in complete shackles. The attitude of banks towards them and policy is completely pessimistic. The training provided to the SHGs is also in dismal state. The marketing support to be provided to the SHGs is almost absent. Though enough work has been done in terms of formation of SHGs but due to tardy and cumbersome implementation process many SHGs have become defunct.

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INTRODUCTION

Programme for self-employment of the poor has been an important component of the anti-poverty programmes implemented through government initiatives in the rural areas in India. The Swarnjayanti Gram Swarozgar Yojana (SGSY) is the major on-going programme for the self-employment of rural poor at present. The programme was started with effect from 01.04.1999 after review and restructuring of erstwhile Integrated Rural Development Programme (IRDP) and allied programmes namely Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Toolkits in Rural Areas (SITRA) and Ganga Kalyan Yojana (GKY), besides Million Wells Scheme (MWS). The earlier programmes are no more in operation with the launching of the SGSY.

The basic objective of the SGSY is to bring the assisted poor families (Swarozgaris) above the Poverty Line by providing them income-generating assets through a mix of bank credit and governmental subsidy. The programme aims at establishing a large number of micro enterprises in rural areas based on the ability of the poor and potential of each area. The brief details of the programme are indicated in the following paragraphs.

BACKGROUND OF SGSY

The SGSY is a self-employment programme that became operational in April 1999 after restructuring and combining the Integrated Rural Development

Programme (IRDP) with other allied programmes. SGSY aims to bring assisted poor families above the poverty line by supporting income-generating activities through a combination of bank credit and government subsidy. An important change from the IRDP approach was the shift away from supporting individuals towards the formation of Self-Help Groups (SHGs) and organizations of the poor at the grassroots through a process of social mobilization. Community action and group dynamics are expected to transform outcomes and also make banks recognize the rural poor as credit-worthy and financially accountable units. Assistance under SGSY is given in the form of credit by the banks with a back-ended subsidy by the government. Emphasis is laid on the development of micro-enterprises with effective forward and backward linkages to ensure best returns on investment. Of the benefits, 50 per cent are reserved for SCs/STs, 15 per cent for minorities, and 3 per cent for differentlyabled people. In addition, 50 per cent of the groups formed in each block are expected to be exclusively for women who will account for at least 40 per cent of the swarozgaris.

The SHG-Bank Linkage (SBL) approach involves the formation of SHGs (mainly of women). These women regularly save money, which is placed in a local (generally public sector) bank account. Many studies have shown that creation of a safe avenue for savings (on which interest is earned) is an attractive feature of SHGs, which has led to significant promotion of savings. The SHGs have a set of by-laws devised and agreed to by the members

themselves. These include rules for monthly savings, lending procedures, periodicity and timing of meetings, and penalties for default. Meticulous accounts and records are maintained. The SHGs function like small banks. The groups lend money to their members. After a certain period (six months to a year) of disciplined functioning, an SHG becomes entitled to a loan from the bank where it has an account.

PLANNING AND SELECTION

The objective of the Swarnjayanti Gram Swarozgar Yojana (SGSY) is to bring the assisted poor families (Swarozgaris) above the Poverty Line by ensuring appreciable sustained level of income over a period of time. This objective is to be achieved by inter alia organising the rural poor into Self Help Groups (SHGs) through the process of social mobilization, their training and capacity building and provision of income generating assets. The SHG approach helps the poor to build their self-confidence through community action. Interactions in group meetings and collective decision making enables them in identification and prioritization of their needs and resources. This process would ultimately lead to the strengthening and socio-economic empowerment of the rural poor as well as improve their collective bargaining power. The poverty line varies from State to State. As per the latest (1999-2000) estimates of the Planning.

SGSY lays stress on the cluster approach. What this means is that instead of funding diverse activities, each block should concentrate on a few select activities (key activities) and attend to all aspects of these activities, so that the Swarozgaris can draw sustainable incomes from their investments. These key activities should preferably be taken up in clusters so that the backward and forward linkages can be effectively established. This would facilitate not only monitoring but more importantly provision of various services required by the Swarozgaris.

Selection - The success of SGSY will therefore depend, to start with, on the choice of activities. The key element is that the choice of activity should be based on the local resources, the aptitude as well as the skill of the people. It is also necessary that the products have ready market.

PREPARATION OF TASK REVIEWS

The project report should also include the balancing infrastructure that needs to be provided and the costs involved. The district level committee should ensure that it is well within the limits of the money that is likely to be available under SGSY infrastructure. Care should be taken to avoid any attempt to create infrastructure for line departments without concomitant benefit to Swarozgaris. The test of SGSY will be in additional incomes accrued to Swarozgaris, the additional infrastructure being only an enabling factor. The project report should specifically include a chapter on the levels of investment required at individual

Swarozgari's level or by a group. The economics for group lending should be shown distinctly from that of individual lending. The Project report shall be prepared for each activity and for each block separately. The project report should indicate that whether the key activity selected is for individual or group or both. The economics should also be clearly spelt out for each of these. The economics should indicate the details of investment required, the details of returns, the repayment schedule and the net income accruable to the Swarozgari.

The line departments have an important role to play in the entire exercise, for they will be responsible for implementation and monitoring of respective sectoral activities. SGSY would need a very close collaboration between the implementing agencies and the line departments. Presently, this is lacking or at least is not taking place to the desired extent. This collaboration must start with the identification of key activities and preparation of project reports. The line departments will be responsible for planning and creation of the infrastructure required for making the key activities successful. In addition, once the bank has sanctioned the loan, the line departments must ensure that all facilities including technical guidance are provided to the Swarozgris. The line departments may also verify whether the Swarozgaris have the necessary skill requirement and take steps to train them. The line departments should also satisfy themselves about the quality of training that is being imparted. They should assist the DRDAs in ensuring that the Swarozgaris are duly trained in appropriate institutions. It shall be their responsibility to monitor the progress and whether Swarozgaris are able to derive the expected levels of income. In other words, the line departments must recognize that promotion of self-employment in their sector is as much their responsibility as that of DRDAs/Panchayati Raj Institution/Banks and it should be an integral part of their day-to-day functioning.

SALIENT FEATURES OF SGSY

The Swarnjayanti Gram Swarozgar Yojana (SGSY) is a major self-employment scheme launched in April, 1999 after restructuring and combining the IRDP with allied programmes i.e. TRYSEM, DWCRA, SITRA, GKY, MWS. It has been designed as a holistic self-employment scheme aimed at providing sustainable income to rural BPL families through income generating assets / economic activities so as to bring them out of the poverty line. It is a process oriented scheme involving processes like organization of the rural poor (BPL) into Self-Help Groups (SHGs) through social mobilization, capacity building & training, provision of revolving fund, making available credit and subsidy, technology, infrastructure & marketing. Each process has a bearing on the successive process. The SGSY is trying to achieve social mobilization through formation of member owned, member controlled and member managed institutions of the poor in the form of Self Help Groups (SHGs).

SWARNAJAYANTI GRAM SWAROZGAR YOJANA (SGSY) IN MIZORAM

The objective of SGSY is to bring the assisted poor families (Swarozgaris) above the poverty line by ensuring appreciable increase in incomes over a period of time. This objective is to be achieved by inter-alia organizing the rural poor into Self Help Groups (SHGs) through a process of social mobilization, their training and capacity building and provision of income generating assets through a mix of bank credit and government. SGSY is restructured as National Rural Livelihoods Mission (NRLM) to implement it in a mission mode for targeted and time bound delivery of results. NRLM recognizes that the poor people have the potential to come out of poverty with proper handholding, training and capacity building and credit linkage. It will be a demand driven approach. The NLMs during their visits to the villages were required to assess the implementation of SGSY/NRLM, interact with the SHGs members and report on the issues and problems faced by them.

Coverage - NLMs have covered 37 villages in the non intensive blocks of 5 districts.

Coverage under Regular Monitoring 2013-14 Phase-I- SGSY - Mizoram	
Districts	5
Blocks	14
Villages	37

416 SHGs have been formed under SGSY since inception in these villages and out of them 39% i.e 163 of them has turned dormant/ defunct.

Social Mobilization - In 51% sample villages only upto 50% of the BPL poor have been mobilized into SHGs. In 3% villages visited none of the BPL poor have been mobilized into SHGs. 73% villages have only upto 50% SC/ST members mobilized into SHGs and in 11% villages all of the SC/ST households is the part of SHGs

Status of SHGs - 94% of the SHGs in the visited villages were following 'Panchasutras' (Regular Weekly Meetings, Regular Savings, Inter Loaning, Regular Repayment, and Regular Record Keeping). 29% of the SHGs have had a leadership change during last 3 years. 2% of the groups functioning in these villages are not having bank accounts. 54% SHGs all over the State are not assisted by trained and dedicated book keepers whereas the same was applicable to higher percentage in Kolasib (88%) and Lunglei (98%). 89% of SHGs have received training in group norms/management and 95% on Skill development and economic activities. 94% SHGs have

received revolving fund and 92% have been linked to bank credit. 45% of the SHGs have been admitted to interest subsidy on bank loans at least once.

All members in 94% of the SHGs were contributing regularly in the savings as reported by their member interviewed by NLMs. 99% of the SHG members interviewed reported that they lend funds amongst the members of their groups and 99% of the members regularly pay back. All the members in 61% SHGs were aware of simple banking procedures and processes where in 30% SHGs have only office bearers aware of these processes. Members' awareness on book keeping and record management was weaker. 63% SHGs had all their members and 27% SHGs had only their office bearers aware of book keeping and record management.

Training/ Assistance provided by External CRPs -

Only 75% SHGs interviewed reported receiving training/assistance from External Community Resource Persons (CRPs) and 73% of them felt that this helped them to a large extent in formation/revival of their SHG. All the SHGs in Lunglei have received training / assistance from External Community Resource Persons (CRPs).

GP's Role in monitoring & supporting the SHGs -

Gram Panchayats can play a very proactive role in monitoring the progress of the SHGs formed in their villages and can provide the much needed support to them however the same was not visible in visited villages. As per NLMs in 41% villages the GPs were involved to a large extent, in 46% villages the GPs were involved only to some extent in monitoring and supporting SHGs. In 14% villages the GPs were not at all involved.

CONCLUSION AND SUGGESTIONS

SGSY is a holistic programme covering all aspects of self-employment for rural BPL population. But at implementation level it has serious problems as per the findings of the study. Due to these problems it could not achieve the desired results. Though it covers all the aspects of poverty alleviation programmes which earlier programmes lacked, but failure of implementing agencies to work efficiently and in tandem with each other has ultimately led to near failure of the scheme. The issues faced are at almost all the stages of the scheme ranging from group formation, grading, training, and selection of economic activity, late and inadequate credit to marketing support. The objective of SGSY is to bring the rural BPL families (Swarozgaris) above the poverty line by ensuring appreciable increase in income on a sustainable basis through creation of self-employment opportunities through a mix of credit and subsidy within a span of three years. But many SHGs could not get credit even after three years.

Moreover, the activity selected either lacked in backward integration or forward integration or in some cases even both.

It may be concluded that although the performance of the SGSY has improved since its inception, albeit gradually, yet a great deal remains to be done. The SGSY has not yet been able to take off in the State as per the guidelines and stated objectives. The knowledge about the scheme and its components was limited. Very small proportion of beneficiaries and non-beneficiaries could tell the different components of scheme. Even some of the officials of the Rural Development Department and Financial Institutions in the State were not fully aware about various components of the scheme as well as their responsibilities in implementing the scheme. Lack of commitment of officials, their inability to mobilize the self-help groups and illiteracy among rural women were some of the reasons for poor performance of the scheme. The main observations and suggestions are given below:

1. In self-employment programmes, care should be taken at the time of selection of beneficiaries. Only those beneficiaries who have the potential to start and manage the economic activity should be covered under the scheme

2. Marketing of produce of SHGs and individual beneficiaries is reported to be the major problem. The State Govt. has neither played any direct role in the marketing the products of SGSY beneficiaries nor it has facilitated in marketing of the goods produced by the beneficiaries

3. The guidelines of the scheme envisage roping in NGOs under SGSY, on the premise that they have a better institutional capacity to carry out the process of social mobilization. But, the government agencies were reluctant to enter into a partnership with NGOs. Hence, it was observed that no NGO has so far been involved, which needs to be addressed as early as possible. Besides NGOs, participation of Universities and Research Centres in monitoring and evaluation of programme should be encouraged.

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