

An Evaluation of Swarna Jayanti Swarojgar Yojana on Poverty Alleviation of East Champaran District



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Abstract

The Integrated Rural Development Programme (IRDP) later converted into Swarna Jayanti Swarojgar Yojana (SGSY) has been devised to revolutionise rural life by bring about socio- economic transformation in the rural areas. It covers, output , employment , health , education , transport , commerce, power supply , water control , political and social tensions. Thus , problem to be studied by us as to how far the IRDP/SGSY is successfully implemented since its inception for the benefit of target group below poverty line in Bihar in general and district of East Champaran in particular. Finally, the some measured have been suggested on the basis of which effectiveness in implementation of the Swarna Jayanti Gram Swarojgar Yojana can be improved in terms of quality of lending, coverage, productivity and generation of additional employment and income for the benefit of the rural poor.

Keywords: SGSY, Bank, SHG, BPL.

Introduction

The SGSY is a self –employment programme launched with effect from April 1, 1999. The programme is a revamp of the erstwhile Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self Employment (TRYSEM), Development of Women & Children in Rural Areas (DWCRA), Supply of Improved Toolkits to Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY), Million Wells Scheme (MWS). SGSY is holistic Scheme covering all aspects of self-employment such as organization of the poor into Self Help Groups, training, credit, technology, infrastructure and marketing. The scheme will be funded by the financial institutions, Panchayat Raj Institutions, District Rural Development Agencies (DRDAs), Non Government Organization (NGOs), technical institutions in the district; will be involved in the process of planning, implementation and monitoring of the scheme. NGO's help may be sought in the formation and nurturing of the Self Help Groups (SHGs) as well as in the monitoring of the progress of the Swarozgaris. Where feasible their services may be utilized in the provision of technology support, quality control of the products and as recovery monitors cum facilitators. The scheme aims at establishing a large number of micro enterprises in the rural areas. The list of Below Poverty Line (BPL) households identified through BPL census duly approved by Gram Sabha will form the basis for identification of families for assistance under SGSY. The objective of SGSY is to bring assisted family above the poverty line within three years by providing them income generating assets through a mix of bank credit and Government subsidy.

Objective of the study

1. To assess the extent of employment generation and income in selected area.
2. To study the overall impact of the SGSY on the socio- economic condition of the rural poor.
3. To how far the SGSY is successfully implemented since its inception for the benefit of target group below poverty line.

Methodology

The study has been made on the basis of data and information collected both from primary and secondary sources. Secondary data and information would be collected from the publication of Reserve Bank of India , Manual , Annual Action Plans , District Credit Plans and publication of different nationalized banks and District Rural Development Agencies. For collecting primary data and information questionnaire will be structured

and canvassed among the 100 beneficiaries under SGSY scheme from five blocks (Motihari, Turkaulia, Harsidhi, Paharpur, Areraj) of East Champaran district and officials who are associated with implementation of the SGSY during the period of 2008-09.

Self-Help Groups (SHGs) through SGSY

Poverty alleviation, which was an intrinsic component of SHGs, there were a number of development initiatives and schemes for the generation of self employment in rural areas for many decades. The objective of the Swarnjayanti Gram Swarozgar Yojana (SGSY) is to bring the assisted poor families (Swarozgaries) by ensuring appreciable sustained level of income over a period of time. This objective is to be achieved by inter alia organizing 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. Under SGSY, SHG may consist of 10 to 20 persons. Only one member in the family can avail of SGSY of which 75 per cent would be in the form of group loan. Every aspect of enterprise promotion namely credit, subsidy, skill training, management training, technology and marketing are taken care of. The programme takes care of the problems of women. It is an innovative programme to promote SHGs of people living below the poverty line, and to promote the establishment of micro enterprises in rural areas which ought to yield a monthly income of Rs. 2000 per family within three years through the process of social mobilization, training and capacity building and provision of income generating assets. Thus, an attempt has been made in this paper to analyze the impact of SGSY Scheme on employment generation, income, socio-economic condition and successful implementations of target group below poverty line in East Champaran district.

Table: The details of the grant-in-aid to Bihar under SGSY is as follows:.

S.No.	Name of the District	Amount of installment being Released (Rs. in lakhs)
1.	East Champaran	793.46
2.	Bhabua	250.41
3.	Bhagalpur	372.60
4.	Nadwah	257.77
	TOTAL	1674.24

Source: Ministry of rural development of India, Feb, 2011

Employment generation after joining the SGSY scheme

Table: Size of Employment Generated By SGSY In Different Income Classes

Income –wise classification (as per month in Rs.)	No. of beneficiaries	Average *	Average **
Below 2000	52	255	203
2000-4000	28	260	262
4000-6000	12	223	217
6000 and above	08	265	212
Total	100	251	224

*Mandays generated within the family

**mandays generated with regard to hired hands

Size of employment generated is measured in terms of average man days within the family and hired hands in four income classes in order to identify the principal beneficiaries of the SGSY scheme. Regarding average man days of employment created within the family, it has been found to vary from Rs.223 to a maximum of Rs.265 as shown in above table. The highest average man days of employment has been found among the income group Rs.2000-4000 followed by the income class Rs.6000 and above. Employment generated among other family members on hire basis has been found to vary between Rs.203 man days and Rs.262 man days. The average number of man days generated with hired hands has been found to be highest among the income class Rs.2000-4000 followed by the income class of Rs.4000-6000.

Problems and Prospects

There was some weakness of the SGSY such as complaints of corruption and malpractice, overwhelming bias towards animal husbandry more particularly milch cattle, lack of supply of raw material and marketing facilities etc. Despite the above shortcoming, the planning commission decided to continue the IRDP during the Seventh Plan, considering the Sixth Plan period as a period of trial. The programme was continued to aim at the poorest among the poor having an annual household income of Rs.4800, which was substantially lower than the out of income or Rs.6400 at the poverty line levels. Greater care was to be exercised in the selection of beneficiaries and notice was to be exercised in the selection of beneficiaries and notice was to be taken of other loopholes. The detailed household survey with the maximum involvement of the local community, was to be carried out with the dual objectives of identifying those who required supplementary source of income, to achieve economic viability, and second, those in the lowest starts of the poverty group, who have not been approached so far. The survey was to be accompanied by a process of registration of poor families with the objective of identification, of target group households for the IRDP / SGSY and other poverty alleviation programmes. Although SGSY needs that the beneficiaries should be selected from the poorest groups below the poverty line. It has so

happened that in quite a few states a sizeable number of beneficiaries selected belong to the category of small and marginal farmers. The percentage of such beneficiaries varies from state to state and is sometimes as high as 30 per cent. Studied about the distribution of individual subsidies for the creation of productive assets have indicated that a system of brokerage and widespread corruption has emerged. There are other miscellaneous problems which hamper the implementation of the SGSY in East Champaran. The people are illiterates. The majority of the people are illiterate, ignorant traditionally reluctant. They are unable to understand the significance of these programmes launched by the government. SGSY has been deemed to be an instrument for accelerating the pace of rural development. however , some problems like less percolation of benefits to the poor section , misclassification of the poor , widespread corruption , a few people raised before the poverty line , defective role of bureaucracy and other institutions, inadequate financing by financial institutions under SGSY , neglect of consumption needs , high lending rates of institutional agencies , delayed payment of loan , laxity in realization of outstanding loans , and book adjustment , misapplication of loans under SGSY , competition with private agency, lack of adequate remittance facility and other miscellaneous problems hamper the implementation of SGSY in East Champaran .

Suggestion

We should take into consideration geophysical and demographic features of the area, economic activities, socio- economic infrastructure and a review of ongoing programme and their impact on the socio- economic conditions of the people. The government should to make changes for policy level Based on the results of this research study the following recommendations have been made:

Formation of SHGs may involve training or community development skills. Training packages must be evolved for entrepreneurship development to enable rural women as successful business managers and sustaining micro-enterprises.

1. Training centers should be set-up to impart skill training on handloom weaving, tailoring, sewing, embroidery and food processing.

2. Ensure affordable and adequate childcare and family-friendly employment policies which allow parents to reconcile caring and work.
3. SIDBI, NABARD and other organizations should evolve proper mechanism for monitoring, supervision, direction; appraisal and evaluation of self help promotion institutions.
4. More research should be carried out to assess the impact of micro-credit through SHG's.
5. To promote small savings and women's active and positive role in economic process, ensuring their right to decision making and due share in economic development benefits. Ensure full participation of women in the policy making process.
6. Participation of poor in formation, implementation and monitoring of the programmes affecting the poor is a necessity.
7. There is a need for Policy makers to recognize the potential of microfinance services to support investment and growth in key sectors of economic development and hence to contribute significantly to state economic growth.
8. Provision of health care is another contributory factor for poverty alleviation.

Conclusion

It is evident from the study of East Champaran district that SHGs have been playing a vital role in the empowerment of below poverty line families. This is an important institution for improving the life of women on various social and economic components. But various evaluation studies have established that despite their being shortcoming /deficiencies in the planning, implementation and monitoring of the SGSY, there has been a positive and significance change in the rural areas because of SGSY and such other poverty alleviation programmes.

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