

A Study of the Impact of Swarnajayanti Gram Swarozgar Yojana (SGSY) in Muzaffarpur District of Bihar with Special Reference to Katra Block- The Conclusion



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Abstract

Poverty is a complex phenomenon influenced by a large number of factors and which can be studied from many different perspectives. Poverty is defined in terms of income, expenditure and nutritional value (calorie intake). Absolute poverty is defined as a situation in which the individual's basic needs are not covered. Relative poverty is defined when a person is considered poor when they are in a clearly disadvantaged situation, either financially or socially, with regards other people in their environment. The traditional measures of poverty are based on the income perspective. Many countries adopt income poverty lines to monitor progress in reducing percentage of people below the poverty line. Despite so many studies and research on the definition of poverty and poverty line, poverty is still highly debatable issue throughout the world. There are also various measurement approaches to poverty in the world but no any method is universally accepted all the time and everywhere. Poverty is mainly subjective phenomenon but it is objective if it tries to address only basic necessity. Poverty is more of social marginalization of an individual, household or group in the community/society rather than inadequacy of income always to fulfil the basic needs.

Keywords: Swarnajayanti Gram Swarozgar Yojana.

Introduction

Poverty in India, as is the case in other countries, is measured in terms of the poverty line. Debate on poverty in India has remained mostly in the domain of economists. India has undertaken periodic assessment of the incidence of poverty right from 1950s. There have been a number of improvements and changes in the methodology for assessing the poverty lines used to estimate poverty and in gathering the information. Despite the various changes, the incidence of poverty measured by officially accepted measures remains at about a third of the population. The differences in approaches provide estimates of HCR in the range of 27.5% to around 80% of the population. By the measure of international poverty line of PPP\$ 1.25 per capita per day, the HCR is estimated at 41% in 2005. The latest World Bank assessment points out that India is home to the largest proportion of poor in the world. In India, poverty is a multi-dimensional phenomenon, with a bundle of economic, social, geographical, human, gender, and other deprivations. These diverse features of poverty have led to different strategies of poverty reduction.

The fact that the government has been formulating policies and programmes through five-years plans since independence. A review of the policies and programmes is undertaken during & at the end of each plan period while preparing plan documents. The special programmes to boost the agricultural production in late sixties certainly helped to raise the food production but the benefits were largely reaped by those who had necessary resources. Small and marginal farmers trailed behind, as they were not directly benefited by the Green Revolution. Thus to tackle the problems of the rural poor, the Integrated Rural Development Programme (IRDP) was introduced in 1979, with specific focus on the weaker sections of the society, particularly those living in poverty and to involve them in programme implementation. While the earlier programmes emphasized

on the delivery systems which suppressed self-reliance, there was good scope for people's initiatives to build up their economy with dignity. Heeding to the criticism, further changes were made in the programme during the Seventh and Eighth Plans (1985-1990 and 1992-1997 respectively). These included the linkage between infrastructure and employment schemes, designing of the programme as a credit based self-employment activity, rather than a subsidy distribution and decentralisation of programme implementation through District Rural Development Agency and block authorities. Several sub-schemes such as Development of Women and Children in Rural Areas (DWCRA), Training of Rural Youth for Self-employment (TRYSEM), National Rural Employment Programme (NREP), Jawahar Rojgar Yojana (JRY) were also launched to target the weaker section of the society. Despite efforts made over the past few decades, rural poverty in India continues to be significant. While the anti-poverty programmes have been strengthened in successive years and while, in percentage terms, poverty levels have reduced from 56.44% of India's population in 1973-74 to 32.27% in 1993-94, the number of rural poor has more or less remained static and is estimated to be about 244 million persons. 61st round of the National Sample Survey (NSS) estimates that the All-India poverty in 2004-05 was 28.7 per cent in rural areas, 25.9 per cent in urban areas, and 27.9 per cent overall. The goal of poverty alleviation programme should not aim merely increasing the income level of poor people but mainstreaming marginalized in the development process of the country. The country cannot claim economic growth when sections of the people are marginalized to the periphery of the society. Poverty alleviation programmes should address the issue of poverty from broader social and economic perspectives. But in spite of the massive development expenditures & increase in production recorded in various sectors, the socio-economic status of a vast majority has deteriorated continuously. The majority of the people have gained little benefits of five-years plans in our country. To achieve desired targets, the Indian government also needs to concentrate on agriculture and allied activities, research and development, infrastructural development and effective implementation of anti-poverty programmes.

The Eleventh Plan has focused on rapid growth which reduces poverty and creates employment opportunities, access to essential services in health and education especially for the poor, and equality of opportunity inclusive of women's empowerment, environmental sustainability, and good governance. Field experience states that despite government's effort to remove poverty by conceptualizing programs as IRDP, followed by modified SGSY, the programs met with very limited success. 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. SGSY was meant to be a holistic programme capable of bringing in integration which was found missing in the case of IRDP. It was hoped that as an integrated programme, SGSY would

contribute significantly towards poverty alleviation. Though clear evidence regarding the impact of SGSY is yet to emerge, but whatever the evidence available regarding the implementation of SGSY suggests that the impact story of SGSY cannot be far different from that of IRDP. SGSY in its design has made an attempt to integrate the different elements under a 'good governance' framework required for effectively implementing rural development project. It has recognized the need for bringing in a participatory approach both to make the project sustainable as well as to empower the poor. In order to ensure that the efforts do not get diffused or thinly spread, a cluster approach has been recommended in the selection of activities. Unfortunately, most of these good intentions seem to have remained only on paper as the emerging evidence from the practice points to a largely contrary scenario that what was considered. The group concept was introduced both to help in social mobilization of the poor as well as to take advantage of a proven method of savings and credit for the poor. The group concept under SGSY seems to be facing various kinds of problems. The meaning of target achievement in SGSY has come to be understood as forming as many SHGs as possible and then financing them. Little attention is paid towards facilitating processes that enable to form self-reliant SHGs as envisaged in the guidelines. Moreover, there is no clear appreciation of the concept among the government agencies involved, nor a sincere attempt made to involve NGOs which have proven ability in group formation. Coming to the issue of participation, there appears to be big gap in what is visualized and what is actually emerging. The participants are almost reduced to mere beneficiaries having no potential to contribute in the process of project formulation. The intent of participation approach itself appears doubtful and mere rhetoric.

The proposal to rope in NGOs under SGSY is based on the premise that they have better institutional capacity to carry out the process of social mobilization. What is required to be seen is how this collaboration is working and would it really make a difference in implementing the poverty alleviation programmes. The evidence, however, suggests that this envisaged process under SGSY does not seem to be working the way it should be. The time has come when the policy makers should realise that any Micro finance programme is not like a "Fire and Forget" kind of missile. The efficient general and managerial practices reflected in matured financial discipline in saving and lending behaviour is an integral part of successful running of a Self Help Group. As a consequence of that, the GOI decided to modify SGSY as NRLM later. To make programme successful and to achieve its objectives, the significant need is to delink the facility of capital subsidy from bank credit. The mission behind the new approach is "To reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots institutions of the poor." The Mission also aims at covering all the BPL families under SHGs in a phased

manner and to bring them above poverty line in the course of next 7 to 8 years.

The performance of SGSY scheme in Bihar has also met same fate as this scheme has done throughout the country. But it is not proper to say that performance of the scheme has been dismal throughout the nation. There are various states of the country where SGSY has done better. But in the case of Bihar, not only this scheme but almost all the poverty removal programmes did not perform according to expectations. Knowing Bihar is the poorest state of India after Orissa, there is always great relevance of such type of scheme. Reasons are not very different behind the poor performance of the programme than that of India. From top level to bottom level, all are responsible for poor performance. So, the government needs to take various measures to make successful such type of programme and also to give special focus for monitoring and administering the scheme.

This research work intends to find out the impact of SGSY scheme on rural poor in Katra block of the Muzaffarpur district. The study was intended to evaluate the implementation and impact of the SGSY programme in Katra block of the Muzaffarpur district on the basis of information and data surveyed in the Block. A total of four panchayats in Katra block, and 114 members of various SHGs were covered with different methodological tools such as questionnaires, interviews; survey and etc. The sample consisted of 15 SHGs surveyed in the four panchayats of Katra block. The 15 SHGs comprised mostly womens. The caste groups of members are divided into General Caste 8 percent, Scheduled Castes 44% Other Backward Castes 32% and Muslims 16%). The names of the panchayats are Changel, Nagwara, East Yajuar and Lakhanpur. The success rate of the SGSY Scheme in terms of monetary turnover in the sample area has been very poor. Intended benefits of the SGSY Scheme only partially reached the sample Swarozgaris in the block due to a number of weaknesses in design and implementation. Strengths of the Scheme, however, were visible in its social impact which included group dynamics, confidence in working alone, status and dignity. Animal Husbandry and Agriculture related occupations were dominant SGSY activities. Traditional activities were given the priority in the sample area. The SGSY has not contributed significantly in the change in the level of income of the beneficiaries. The reason could be several. The foremost reason was being that there has been no infrastructural facility or any other kind of support to the SHGs to start a viable micro-enterprise. Most of the beneficiaries were encouraged to go for individual works (remember it is in contradiction with the spirit of programme as it focuses on group approach), specially buying a cow or buffalo. This promoted nothing but corruption as several respondents showed their existing live stocks as purchased under SGSY. When a new asset was not created at all, how would it generate any fresh stream of income? Officials have been selecting beneficiaries often based on erroneous list. There may be three plausible reasons for it: (I) they are eager to show the scheme a success. (ii) They get

bribe for it, and the (iii) the beneficiaries somehow fooled the officials about their economic conditions and surreptitiously entered the BPL list. Women have showed greater enthusiasm in the making of SHGs and these SHGs were vibrant too. But conclusion about the relation between gender and significant change in income can be drawn only after a more detailed analysis. On the basis of above discussion the following suggestions are recommended regarding the improvement and successful implementation of the SGSY scheme:

1. SGSY scheme is a largest self-employment scheme in our country based on micro finance concepts. It has been found that the knowledge about the scheme and its various aspects is not known and not easily understood by majority of the SHGs members. Therefore, there is a need to create awareness about the scheme.
2. In such type of scheme, selection of beneficiaries is very much important. Those people should be given priority that who are literate and having the potential to start and manage the economic activity as a member of SHGs.
3. It is suggested that the banks should directed to provide loan to majority members of SHGs without much trouble. As loan is the key to start any economic activity.
4. It was reported by most of the SHGs/beneficiaries that the present ceiling of loan amount was very low and the interest rate charged was very high for BPL category of beneficiaries. Hence, there is need to enhance the loan amount time to time.
5. The Self Help Groups have restricted their activities only to the extent of acquiring loans and release of revolving funds. Some of the groups had initially started economic activity, but abandoned it later. The concerned authorities should monitor the performance of the scheme on regular basis. It was found that officials are very indifferent to monitor the progress of the scheme.
6. The overall performance of the sample SHGs in terms of administrative capability, financial management and availability of marketing facility was observed to be very poor. Lack of training, faulty planning to form groups and lack of monitoring were some of the reasons for such state of affairs. Hence, proper training programmes regarding financial and administrative management, maintenance of records and marketing facility should be arranged by the certain reputed agencies, both for Self Help Groups and individual beneficiaries.
7. Marketing of produce of SHGs and individual beneficiaries is reported to be the major problem. The DRDA and also at block level, 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
8. 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.

9. There must be a lot more publicity given among the potential beneficiaries about the scheme and its contents as well as the authorities in charge and their responsibilities. That way the targeted population can seek help and question authorities if the latter fail to deliver. For this extensive use should be made of all forms of media and particularly of the visual media.
10. The economic activities must be selected after careful feasibility report based on market studies and local resources availability.
11. The government either central or state should not merely announce the various types of social and welfare schemes but they should also provide proper infrastructure for the implementation. It is found that plethoras of schemes are running but there is a lack of proper infrastructure, officials and etc. hence, it is suggested that government must focus on it.
12. There should be separate banks for performing the various financial activities related to various social, welfare and poverty alleviation programmes in the country.
13. Keeping in view the other findings, we can suggest that the efforts should be made to check corruption in implementation of SGSY and that women should be given more encouragement in the making of SHGs.
14. Those Rural poor people having similar (a) socio-economic conditions (b) belonging to the same community, (c) high level of mutual trust and (g)

willingness to come together to help each other can become members of a SHG.

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