

Summary of the Thesis

A Study of Self-Help Groups under SGSY in Haryana

More than two hundred years of economic depredation by the British rendered India one of the most backward country-economically, socially, and politically. Thus, after 1947 socio-economic development of the country was a formidable task. In view of the backwardness of Indian economy it was obligatory to undertake rigorous development efforts. Considering this, we adopted the welfaristic concept of state and the responsibility of bringing socio-economic development in India was bestowed on the administration, which was christened as 'Development Administration'.

At the time of independence, more than 80 per cent of the Indian population resided in rural areas in utter poverty and backwardness. For the development of this section of society, a number of plans and programmes were formulated, which aimed at removal of poverty or providing employment to the people or both. However, though so many programmes have been launched for the development of these vast masses during the last more than half a century, we could not achieve appreciable improvement in their economic standard. Successive development programmes proved to be the proverbial “old wines in new bottles”, and could not have much effect on the target groups.

Launched on April 1, 1999, Swarnjayanti Gram Swarozgar Yojana (SGSY) has been claimed to be an ambitious programme for self-employment and poverty eradication in rural areas. It was launched after merging the six then existing programmes: Integrated Rural Development Programme (IRDP), Development of Women and Children Rural Areas (DWACRA), Training of Rural Youth for Self Employment (TRYSEM), Supply of Improved Toolkits to Rural Artisans (SITRA), Ganga Kaylan Yojana (GKY) and Million Wells Scheme (MWS).

The main objective of SGSY is to bring assisted families above poverty line by organizing them into self-help-groups through the process of social mobilization, training, capacity building and ensuring income-generating assets through a mix of bank credit and government subsidy. It is different from earlier programmes in terms of implementation and has holistic approach covering all aspects of self-employed such as: organization of

rural poor into self-help groups, training and capacity building, planning of activity, clusters, credit, technology, infrastructure, marketing etc. Basic thrust of the programme is that the people help themselves with the help of outside agencies, the Banks, District Rural Development Agencies, non-government organizations etc. It is participative in approach; the outside agencies merely assisting the swarozgaries in the implementation of the action-plan created by the latter. Thus, the programme seems to be more viable and comprehensive. Taking stock of loopholes of erstwhile development programmes, the strategy strives for concerted and collective alleviation of poverty through increase in the self-employment opportunities.

Swarnjayanti Gram Swarozgar Yojana has been in existence for over fourteen years and it was deemed desirable to examine whether it has achieved its objective of generating self-employment opportunities. The present study has been undertaken with this objective in view. The study has been undertaken in Mahendergarh District of Haryana state.

A composite methodology—including primary data from 105 SHGs office-Bearers and 105 SHGs members (swarogaries) was employed. Focused discussions were held with project officers, District Rural Development Agency (DRDA), bank branch managers and one Lead District Manager and Secondary data from the DRDA and bank branches were also employed in the study.

The intensive study was carried out in 5 blocks in Mahendergarh district of Haryana state. The fieldwork was carried out during January to October 2013. The researcher travelled extensively in the villages and conducted two rounds of interviews with the SHGs office-bearers and SHGs members, project Economic officer and others involved in the implementation of the programme.

Before stating the important findings regarding Mahendergarh district a brief overview of the performance of the scheme on the chosen indicators in All India and in

Haryana will help evaluation of our findings in Mahandergarh in a comparative perspective.

All India performance of the Scheme : Since the inception of the scheme (April, 1999) till March 31, 2012, a total of 8994.68 SHGs per lakh of population have been formed under SGSY in India. During the said period, Maximum SHGs have been formed in Andhra Pradesh 1147.5 SHGs per lakh population while the minimum numbers of SHGs have been in Punjab where 28.5 SHGs per lakh of population have been formed. During said period, out of total, a total of 6129.66 SHGs per lakh population passed Grade-I and 3476.44 SHGs per lakh population passed Grade-II. A total of 619.68 SHGs per lakh population became defunct. Highest number of defunct SHGs remained in Madhya Pradesh where the number of defunct SHGs was 105.77 per lakh of population. Gujarat was the state second Largest of SHGs became defunct. Goa and Manipur the number of defunct SHGs Zero, lowest numbers of defunct SHGs in Punjab.

During the said period, there have been only 2721.68 SHGs per lakh of population which started economic activity. With 659.32 SHGs per lakh population, which is 24.22 per cent of the total number of SHGs having started economic activity, the state of Andhra Pradesh has ahead of the other state, followed by Tripura where 302.06 SHGs per lakh of population have started economic activity (11.10 per cent of the total SHGs). Manipur and Jammu and Kashmir have been the two states where lowest numbers of SHGs per lakh population started economic activity .While in the case of Pondicherry no SHGs could start economic activity.

Highest allocation of has been to the state of Sikkim (Rs.138.84 lakh per lakh of population) while the lowest allocation have been for the state of Punjab (Rs.6.71 lakh perof population).The union territories, highest allocation of Lakshadweep

(Rs.38.80) lakhs per lakh of population) and lowest has been to Daman and Diu (Rs.10.29 lakhs per lakh of population). Utilized of funds, The states two of Tripura and Andhra Pradesh, which performed better in comparison to the other states. (Tripura-99.16 per cent and Andhra Pradesh- 97.84 per cent) while the Sikkim, could spend only 44.25 per cent of allocation money. Amongst the union territories Lakshadweep got highest allocation of funds but did not spend any money, while the Andaman and Nicobar Islands spent to the 57.67 per cent of funds allocated to them. The performance of the scheme in various states has not uniform, there are wide inter-state variations in terms of physical and financial performance of the scheme.

Performance of the Scheme in Haryana: In Haryana, during the period April 1, 1999 to March 31, 2012 a total of 105.03 SHGs per lakh of population have been formed. Maximum numbers of SHGs per lakh of population have been formed in Rewari district (199.64 SHGs per lakh population) followed by Kaithal. The lowest numbers of SHGs per lakh of population have been formed in Faridabad district (1.06 SHGs per lakh of population) followed by Gurgaon district.

During the Thirteen-year period from April 1, 1999 to March 31, 2012, a total of Self-Help-Groups formed in the state of Haryana. A total of 1103 SHGs became defunct. Highest

numbers of defunct SHGs have been observed in the Bhiwani district where 34.80 SHGs per

lakh of population have become defunct. It is the significant that there have been no defunct

SHGs in fourteen of the twenty one districts in the Haryana state.

A total of 1308.46 SHGs per lakh of population started economic activity in the state of Haryana. Highest numbers of SHGs in Jind district where all those SHGs that Passed

Grade -II started economic activity (108.78 per lakh of population). Minimum numbers of SHGs per lakh population starting economic activity have been in Gurgaon district (11.28 SHGs per lakh of population).

Highest allocated of funds has been to the district of Kurukshetra. where (Rs.209.56) Rs.21.73 lakh per lakhs of population. Lowest allocation in the state of Haryana for the scheme has been in Faridabad district where only sum of Rs.2.74 lakh per lakhs of population has been allocated during the year 2011-12. The performance of the scheme in various districts of Haryana state has not been uniform; there are wide inter-district variations in terms of physical and financial performance of the scheme.

Findings regarding the scheme in Mahendergarh District: A total of 1180 Self-help Groups were formed in Mahendergarh district since the inception of Swarnjayati Gram Swarozgar Yojana on April 1,1999 to March 31,2013. In the district formed 128.02 per lakh of population 98.19 SHGs per lakh of population Passed Grade-I and 69.22 SHGs per lakh of population Passed Grade-II. Out of the total 38.29 SHGs per lakh of population in the Mahendergarh district became defunct.

A total of 350 Self-Help Groups were formed in Mahendergarh district last five years period, April 1, 2008 to March 31, 2013. out of total 142 SHGs (40.57 %) became defunct .During said period, highest numbers of SHGs 103(29.42%) were formed in 2008-09 and lowest numbers 17(4.85%) were formed in 2011-12. The highest number of SHGs 94(26.85%) were formed in Narnaul block, lowest number of SHGs were formed in Nangal Chaudhary block 52(14.85%).During five year, April1, 2008 to March 31,2013,in Mahendergarh district,total allocation towards Swarnjayanti Gram Sawrozgar Yojana has been Rs.746.700 lakhs. Highest allocated of funds was given in 2010-11 Rs. 167.03 lakhs and the lowest allocated of funds were given in 2008-09 Rs.128.70 lakh. The

number of SHGs which passed Grade-I and Grade-II in this district was 58 and 150, respectively. A total of 150 SHGs started economic activity in this district while there have been as many 142 SHGs became defunct in this district the performance of the scheme in various blocks of Mahendergarh district of Haryana state has not been uniform; there are wide variations in terms of physical and financial performance of the scheme in the five blocks of the district.

Most of the self-help-groups in the Mahendergarh district are engaged in dairy activity (95.98%). On being enquired the District Rural Development Agency officials stated that it is not the violation of the scheme and that the choice of activity is the prerogative of the self-help groups. They held that dairy is one of the key activities in the district and that the choice of activity was the prerogative of the self-help groups. They further held that the self-help groups choose the activity with which they are more familiar and the one in which they presume profitability would be higher.

A little over one-fifth (20.95) of the total respondents possess High level of Awareness and 33.33 per cent respondents possess poor level of Awareness. Less than half of the respondents (45.57%) of the total respondents possess Average level of Awareness.

DRDA has been the major source of information regarding SGSY as a little less than half of the respondents (47.61%) received information about the scheme from the DRDA. A little less than half of the respondents (43.8%) received information through the NGOs and the remaining a few respondents (8.57%) received information about the provisions of the scheme from the Gram Panchayats as also from the banks.

While all the respondents stated that the meetings of their respective SHGs are held regularly, majority of them (57.14%) stated that the meeting of their respective SHGs are held once in a month .A little less than one -fourth of the respondents (23.80 per cent) stated that the meetings of their respective SHGs are held on fortnightly basis and the remaining about one-fifth of the respondents (19.04 per cent) stated that the meetings of their respective SHGs are held every week. This view of the respondent's office-bearers was substantiated by some of the members of the SHGs. In response to the both the questions viz. Whether members actively participate in the group meetings and whether decisions in the groups meetings are taken democratically, all the respondents answered in affirmative .This was substantiated by some of the members of the SHGs whom the researcher enquired randomly. As all the respondents reported that the members actively participated in the meetings of their respective SHGs and that the decisions in the meetings are taken democratically. It was found that the records of the SHGs like, attendance registers, bank book, cash book, minute's book, borrowings book are maintained and were updated. However, the records are not maintained in professional manner. This is obvious since most the members of the SHGs are not well educated. This claim of the office-bearers of Self-Help groups has been substantiated by the responses of members of selected Self-Help groups in the Mahendergarh district. 90.00per cent respondents in the district held that records are properly maintained by their Self-Help groups.

Vast majority (72.38 per cent) of office-bearers of Self-help groups in Mahendergarh district stated that they were provided training by the District Rural Development Agency .but 85.52 per cent respondents claimed the training provided was not useful for carrying out the work. Officials of the District Rural Development Agency in Mahendergarh district claimed that they have provided training to all the members of

all the Self-Help groups and that the during of training depends upon the activity undertaken by the respective Self- Help groups. The officials even alleged that members of the Self-Help groups are not interested in getting training and do not turn up in the training programmers organized by them.

An overwhelming majority of respondents (97.14 per cent) denied having faced any problem in obtaining loan from their respective banks. They also put to record that the banks have cooperative. All the respondents denied having received any assistance from the DRDA in marketing of their products. Officials of the District Rural Development Agency refuted the claim of the office-bearer of the Self-help groups that the DRDA does not assist the Self-Help groups in marketing of their produce. They also held that District Marketing supply Shops have been established at the district level for marketing of goods produced by the Self-Help groups. They even assisted that the Self-Help groups are not eager to take the assistance of the marketing facility provided by District Rural Development Agency and prefer to sell their produce at their own level.

Vast majority (90.47 per cent)of office-bearers of Self-Help groups in Mahendergarh district, stated that officials of the District Rural Development Agency do not monitor the activities of their Self-Help groups after the formation of groups . Contesting the contention of the office-bearers of the Self-Help groups, officials of the District Rural Development Agency claimed that they regularly visit the Self-Help groups, monitor their activities periodically and sort out their entire problem.

A little over one-third (76.19 per cent) of office-bearers of Self-Help groups in the district claimed that formation of their Self-Help groups has helped in improving their economic condition. It is noteworthy that a vast majority of Self-Help groups in Mahendergarh district 95.98 per cent are engaged in dairy activity. Officials of District

Rural Development Agency alleged that banks do not cooperate with them and do not provide credit to the Self-Help groups recommended by them. Bank managers contested the allegation and clarified that they deny credit only to those Self-Help groups which are already defaulters of the banks since rules of their banks do not permit them to extend credit facility to bank defaulters.

Bank managers contended that they face difficulty in recovery of loans in certain cases. They alleged that officials of the District Rural Development Agency, who pressurize them to extend credit facility under Swarnjayanti Gram Swagozgar Yojana even to non-creditworthy Self-Help groups, do not extend any assistance in recovery of loans. From the study it has emerged that Swarnjayanti Gram Swarozgar Yojana has been implemented as per the provision. Though it has benefited the Swarozgar as they have been given bank loans as also subsidies yet the main purpose of the scheme of creation of gainful employment for the swarozgaries' has not been served. This is because most of the self-Help groups have not engaged in some economic activity rather they are found to have diverted the fund for their personal purpose. The District Rural Development Agency officials in Mahendergarh district have been under pressure to form more and more Self-Help groups and in the eagerness to achieve the target provided to them, they sacrifice the main provisions of the scheme.

The District Rural Development Agency official should visit the field regularly to monitor the activities of the Self-Help groups. The minimum number of persons required for the formation of Self-Help groups should be reduced from ten to five.

The District Rural development Agency officials should ensure that no diversion of loan and subsidy provided by the Self Help groups should take place. The funds

provided should be utilized only for the group activity rather than for meeting personal expenses of the members.

Self-Help groups should not be allowed to be formed for one or two main activities as is presently happening in the district. At present, more than 95 per cent of the Self-help groups in Mahendergarh district are engaged in dairy. However, for all this, the District Rural Development Agency officials should not be under pressure to form greater number of Self-Help groups.

There should be greater cooperation between the District Rural Development Agency and the banks. Before a Self-Help group is formed a committee comprising of both District Rural Development Agency and bank officials should scrutinize their case.

One of the suggestions offered for ensuring better coordination between District Rural Development Agency and bank officials is that the District Coordination Committee should be headed by the Lead Bank at the district level. Backward and forward Linkages should be adequately established for the purpose of Swarnjayanti Gram Swarozgar Yojana at the block level and even below.

It has been suggested that District Rural Development Agency should be made a guarantor of the Self-Help groups for extending bank credit to them. This would increase the involvement of the District Rural Development Agency in recovery of loans and would also decrease the rate of bank defaulters. The role of NGOs and the social animator at the village level needs to be strengthened so as to educate and motivate the prospective swarogaris on different aspects of the SGSY.