

CHAPTER- 1

Introduction:

During their over two hundred years of colonial rule, the British in India did everything that benefitted their industries back home in England¹. The exploitation of Indian Economy during the period rendered it very backward and impoverished with the result that at the dawn of independence, we faced a great challenge of mass poverty, as about 40 percent people in 1951 were living in poverty. From 1951 to 1974, India's first quarter-century of independence, the percentage of population living in poverty increased from 47 to 56 percent. During the next quarter-century, this figure reduced to 26 percent by 1999-2000. In headcount terms, the number of poor people's was 170 million in 1951, 321 million in 1974 and 260 million 1999-2000². To address the problem of economic backwardness, we ushered into an era of planned development. During the 60 years of planned development several schemes and programmes were launched with a view of eradicate poverty. Thought it would be " incorrect to say that all the poverty eradication programmes³ have failed because the growth of the middle class people indicates that economic prosperity has indicated have been very impressive in India, but at same time, the distribution of wealth is not all even across the country."⁴ Poverty is a situation when people are deprived of basic necessities of things of life like food, clothing and shelter. In India poverty is a social socio-economic problem which itself is responsible for various problem taking with birth of the economy. According to World Summit on Social Development, Poverty is a condition characterized by severe deprivation of basic human needs, including: food, safe drinking water, sanitation facilities, health, shelter education and information. It depends not only on income but also an access to services. It includes a lack of income and productive resources to ensure sustainable livelihoods.⁵

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1. Though the separate matter that to exploit India is a batter way, they definitely brought some development to this country.
 2. Technical Report, Poverty in India, Nathan Associates Inc. Washington, 2002 p.1
 3. Some of the prominent scheme and programmes for poverty alleviation have been: Integrated Rural Development Programme (IRDP), National Rural Employment Programme (RLEGP), Jawaharlal Rozgar Yojana (JRY) Indira Awaas Yojana (IAY), Rajiv Gandhi Grameen Vidutikaran Yojana (RGGVY), The Total Sanitation Campaign, Pradhan Mantri Gram Sadak Yojana, Sampoorana Swarnjayanti Gram Swarozgar Yojana (SGSY), etc.
 4. Muthalagu, K., "Poverty Eradication in India under Anti-Poverty Programmes-Some Observation" in Kurukshetra, Vol.54, No. 12 December 2007, p. 3
 5. En. Wikipedia.org/wiki/poverty/24/04/2011: also World Summit on Social Development

Prof. Ragnar Nurkse said that, “A man is a poor because he is poor.” It means a poor man is always poor because he is engulfed in the so called “vicious circle” which trends people to be poor because they do not have any alternative to get rid of it. According to Adam Smith, “man is rich or poor according to degree in which he can afford to enjoy the necessaries, the conveniences and the amusements of human life;”⁶

Planning Commission of India has adopted definition of poverty provided by the poverty line as the mid-point of the monthly expenditure. At 2002-03 prices the expenditure estimated as Rs. 383.18 per month and per human being in rural areas and Rs. 442.10 per month and per human being in urban areas. Government of India has fixed Rs. 16, 144.20 as annual income of a household as the poverty lines.⁷ It is estimated that in rural areas people take 2400 calories in daily and in urban areas they take 2100 calories in daily.⁸ Concept of poverty is usually associated with income, which reflects the lack of minimum required consumption needs. Unemployment leads to financial crises and reduces the overall purchasing capacity of the people.⁹ According to Datt and Sundharam; poverty can be defined as a social-phenomenon in which a section of society is unable to fulfill even its basic necessities of life.¹⁰

The concept of poverty¹¹ being used by researchers is usually associated with income. Income poverty reflects the lack of minimum required consumption needs. Poverty and unemployment are two major challenges that the Indian Economy is facing at present. Unemployment leads to financial crisis and reduces the overall purchasing capacity of the people.¹²

6. www.azadindia.org/social-issues/poverty/05/05/11

7. Yadav, B.S., Virendra Singh and Nandini Sharma, Economic Reforms and Poverty alleviation in India, Shree Publisher and distributor, New Delhi, 2008, p.4

8. Sen, Raj Kumar and Biswajit Chatterjee, Indian Economy, Deep and Deep Publications, New Delhi, 2002, p. 392

9. www.economywathc.com/./poverty.html/28/04/2011;

10. Datt, Rudder and K.P.M. Sundharam, Indian Economy, S. Chand and Company, New Delhi, 2006 p. 359

11. Poverty is use in two senses: absolute poverty and relative poverty. Absolute poverty is a level of poverty in which certain basic needs of living such as food, health and shelter cannot be met. It refers to the lack of certain consumption needs. Absolute poverty means that poverty that live below the breadline. Relative poverty, on the other hand, compares income level interpersonally. It measures the conditions of individuals in relation to others, a situation of living and working condition of other member of the same society at the same time and in this sense measurement of poverty is relative.

12. Kannabrian, “Relation between Poverty and Unemployment” in EPW, July 08-15,2006, p. 3015

The problem of poverty has continued to remain the central challenge of development at the global level. Poverty is not only an economic problem but it gives rise to various social problems and criminal activities. High poverty levels associated with low quality of life, deprivations, malnutrition, illiteracy and low human resources Development¹³. In fact, it is a root cause of all type of social evils in the country.

South Asia has been the Centre of poverty. Out of 1.2 billion developing world's poor (20 percent of the total population living on less than \$ 1 a day), 43.5 percent living in South Asia (India, Pakistan, Bangladesh, Nepal, Bhutan, Maldives, Sri Lanka and Afghanistan), 24.3 percent in Sub-Saharan Africa, 23.2 percent in East Asia, 20 percent in Europe and Central Asia, 6.5 percent in Middle East and North Africa.¹⁴

1.1 Poverty in India

In a large country such as India, with substantial regional differences in physical endowments, climatic conditions, social tradition and differences in the initial levels of development, growth rates are bound to vary among regions. During the entire period of national planning a steady widening of regional disparities has taken place. The disparities are in growth rates, poverty levels and in social development. Government of India allocated resources according to need for poverty alleviation programmes.

India recognized the challenges of poverty and made its removal the central aim of its economic planning. At the beginning of the new millennium more than 250 million people in the country are below the poverty line and 75 percent of them lived in rural areas. In rural areas, people mainly depend on agriculture and a small proportion is engaged in other non-agricultural works or activities. Due to the poor physical and social capital base a large proportion of the people are forced to seek employment in occupation with extremely low levels of productivity and wages.

The planning Commission estimates the incidence of poverty in India on the basis of household consumer expenditure surveys conducted by the National Sample Survey

13. Yadav, B.S., Virendra Singh and Nandini Sharma, op. cit.

14. www.scn.org/cmp/modules/emp_pov.htm/28/04/11

Organization (NSSO), which Measures monthly Per capita Consumer Expense (MPCE) every five years. The last such survey was held in 2009-10. The Planning Commission's estimates are significant since they are used to determine the official national and state level below poverty line(BPL) population. The BPL population is currently estimated at 29 percent in rural areas and 26 percent in urban areas. The BPL estimates set a rough ceiling on how many people are eligible for BPL identity cards, which provide some commodities at greatly reduced prices. Estimates of people below poverty line at different intervals are presented in Table-1.1

Table – 1.1
Poverty in India

Year	People Below Poverty Line (In percent)
1973-1979	54.4
1980-1986	39.1
1987-1993	36.2
1994-2000	26.1
2001-2006	22.0
2007-2012	29.0

Source: Government of India, 2012

Poverty estimates in rural areas, urban areas and for the whole of India at different intervals starting from 1973-74 to 2007-08 are given in Table 1.2 below:

Table – 1.2
Estimates of Poverty

Year	All India		Rural		Urban	
	Numbers (In millions)	Percentage	Numbers (In millions)	Percentage	Numbers (In millions)	Percentage
1973-74	321	54.9	261	56.4	60	49.0

1977-78	329	51.3	264	53.1	65	45.2
1983-84	323	44.5	252	45.7	71	40.8
1987-88	307	38.5	232	39.1	75	38.2
1993-94	320	36.0	244	37.3	76	32.4
1999-00	260	26.1	193	27.1	67	23.6
2007-08	220	19.3	170	21.1	49	15.1

Source : Tenth Five Year Plan.

In India poverty is in its worst form particularly in the rural areas where lives more than 70 population of the country many of them do not have any source of income any they don't have access to basic necessities of life such as food, shelter, drinking water etc. Poverty in India has been defined on the basis of poverty line which refers to annual income of a family. According to the report of the Planning Commission of India the annual income of a BPL family varies from Rs. 11000 to Rs. 19650 per annum. Any family earning less than this income is supposed to live below poverty line. In India 26 percent of population is still living below poverty line, which means millions of people in the country do not have sufficient food to eat, water to drink, shelter to live and cloth to wear.

Comparative position regarding percentage of population living below poverty line in rural and urban areas along with the total population in India and Haryana has been exhibited in table-1.3 below.

Table – 1.3

Percentage of People of BPL Population in India and Haryana

Year	Rural Population		Urban Population		Total Population	
	India	Haryana	India	Haryana	India	Haryana
1973-74	56.44	34.24	49.01	40.18	4.90	35.36
1977-78	53.07	27.73	45.24	36.57	1.30	29.33

1983-84	45.65	20.56	40.29	24.15	4.50	21.37
1987-88	39.09	16.22	38.20	17.09	8.90	16.64
1993-94	37.27	28.02	32.26	16.38	6.00	25.05
1999-2000	27.09	8.27	23.62	9.90	6.10	8.74

During the last four decades, poverty has declined in Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab and West Bengal. Haryana and Punjab have been successful in reducing the incidence of poverty by following a strategy of high agricultural growth. Poverty ratio in Haryana has been declining continuously over the last 30 years and presently the state has the sixth lowest incidence of poverty in the country.

1.2 RURAL DEVELOPMENT

In India, the concept 'rural development' came into vogue in the context of agricultural development¹⁵. Since an overwhelming majority of India's population lives in villages, a holistic development of its rural life is the crux of India's developmental strategy and is a requisite for the acceleration of the pace of overall economic development of the country. The World Bank defines rural development as a strategy designed to improve the economic and social life of a specific group of people, the rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in the rural areas.¹⁶ Rural development aims at improving the living standards of the people by providing them opportunities for the fullest utilization of their potential. In this way, rural development tends to reduce migrational pressure on cities and towns and enables the use of human and natural resources in the rural areas and to reduce area-wise disparities. According to Robert Chambers:

Rural development is a strategy to enable a specific group of people, poor rural women and men, to gain for themselves and their children more of what they want and need. It involves helping the poorest amongst those who seek livelihood in the rural areas to demand a control more of the benefits of rural development.¹⁷

15. Report of the Rural Commission on Agriculture in India, Government Central Press, Bombay, 1928 p4. 631.

16. World Bank, Rural Development Sector Policy Paper: IBRD, Washington, D.C., 1975, p3.

17. Chambers, Robert, Rural Development: Putting the Last First, Longmans, London, 1983, p 23.

The main aim of rural development is to break the vicious circle of poverty through better and higher production, reasonable distribution, better living standard and balanced a Development among the regions as well as among the various sections of rural population.¹⁸ Traditionally, rural development was considered the development of agriculture but now in modern times this concept has changed considerably and includes, agriculture, small scale industries besides social aspects.¹⁹ It can be defined as the process of improving living conditions, providing minimum needs, increasing productivity and employment opportunities and developing potentialities of rural resources through integration of spatial, functional and temporal aspects.²⁰

Thus, rural development is a process of social change which is bound to evolve conflicts and resistance from the existing power structure.²¹ However, the critical elements in the rural development is the improvements of living standard of the poor through opportunities for better utilization of their physical and human resources.²² Today, rural development is seen as a process aimed at improving the well being of the people living outside the urbanized areas. Thus the concept of rural development emphasizes on conscious efforts for improvement of life in all aspects in rural areas by providing them more opportunities of employment and income generation.

1.3 EFFORTS TO ERADICATE RURAL POVERTY UNDER VARIOUS FIVE YEARS PLAN'S

India ushered into the era of planned development in 1951, when the first Five years plan was launched.

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18. Desai, Vasant, Rural Development (Vol-1-6) Himalaya Publishing house, New Delhi, 1988,p-144
 19. Bajpai,s.k., "Rural development;some constraints" in kurukshetra,vol-30 (23),1982,p.26
 20. Reddy, Uday Bhaskar, " the Role of Valuntary Agencies in Rural Development" in the Indian Journal of Public Administration. Vol. 33(3), July-Sept., 1987, p-547
 21. Haldipur., R.No., " Bureaucracy's Response to New Challenges" in The Indian Journa of Public Administration, Vol. 12(i), Jan.-March, 1966, p-8
 22. Desai, Vasant, Rural Development (Vol. 1-6)., Himalaya Publishing House, New Delhi, 1988, p-144

The central purpose of planning was identified as that of initiating process of development, which will raise living standard of people. The Eleventh plan completed its term in March, 2012 and the Twelfth plan is currently under way.²³ Although Poverty has been a major challenge before the planners ever since independence and, therefore, adequate funds have been allocated for removal of Poverty through Five years plan. Thus in the First Five-year plan growth thrust was expected mainly from agriculture with the extension of infrastructure-irrigation, Power and transportation. Development of agriculture Supplemented by growth of small and cottage industries as main employment generators. Thinking was going on that in the poor agrarian economy of India, Where self-employment is the rule, removal of structural deficiencies and redistribution of land should be the first priority in a Poverty alleviation strategy. The central and state governments stressed on the Promotion of a variety of co-operatives as instruments for rural development.²⁴ was changed. The change was in favour of increasing agricultural production especially production of food grains. Agriculture was preferred as the main employment generator. Besides agriculture, emphasized on the expansion of rural based industries for erecting more employment opportunities in the rural sector.²⁵ During 1970s and 1980s special attention was given to the problem of Poverty and unemployment in all previous Five-year plan, employment generation was considered to be natural consequence of economic growth. In order to provide direct employment, many special employment programmes were introduced during Fourth-Five-year plan. The Fifth Five year plan's (1974-79) strategy of 'direct attack' on Poverty was still a macro strategy to accelerate growth and to redistribute income from the top three deciles of the population to the bottom three deciles in an attempt to lift the poorest of the poor above the Poverty line. In contrast to the Fifth plan's macro strategy to tackle the problem of Poverty, the frame work of the sixth Five year plan (1980-85) stated:

“The poorest section belong to the families of landless Labour, Small and marginal farmers, rural artisans, Scheduled castes, Scheduled tribes, socially and economically backward classes. belief that rapid industrialization would absorb the surplus rural labor in non-farm

23. <http://wwwplanning commission.nic.in/plan/planrol Fivery/welcome.html>.

24. Agrawal, Rajiki, planning and development in india classical publication, New delhi, 1990, p-88

25. Ibid, p-89

Activities and that the benefits of overall economic growth would reach the poor automatically. During third Five year plan (1961-66) due to the problem of food shortage, the strategy for rural development. The household will remain the basic unit of Poverty eradication in Target group oriented Programmes. The basic strategy of the second Five-year would act as the main vehicle of creating more employment opportunities. It emphasized on substantial investment in heavy industry with the Families differ in such vital aspect as dependency ratios, asset holding skills and even the ability to perform manual labour on public work. Hence, each household below the poverty line will have to be assisted through an appropriate package of technologies services and asset transfer programmes.”²⁶

The major thrust of sixth five-year plan 1980-85 was on strengthening the Socio-economic infrastructure of development in the rural areas, alleviating rural Poverty and reducing regional disparities. It was realized under the Eighth plan (1992-97) that a sustainable strategy of Poverty alleviation has been based on increasing the productivity and employment opportunities and it is necessary to formulate specific Poverty alleviation-programmes for generation of a certain minimum level of income for the rural poor. The decline in rural Poverty is attributable to both the growth factor and the special employment programmes launched by the government in order to generate more income in rural areas. Hence, rural development has been confined to a direct attack on Poverty through special employment programmes area development programme and land reform.²⁷ Ninth Five year-plan India (1997-2002) with the main aim of attaining objectives like speedy Industrialization, human development, full-scale employment, poverty reduction, and self-reliance on domestic resources. Ninth Five year plan was formulated amidst the backdrop of India's Golden Jubilee of independence.

The main objectives of the Ninth Five year plan of India are to prioritize agricultural sector and emphasize on the rural development to generate adequate employment opportunities and promote poverty education, to stabilize the prices in order to accelerate the growth rate of the economy,

26 Verma, madan mohan, planning for the poor, Gitanjal publication, New delhi, 1986, -p-6

27 Singh, Ramesh, Rural Poverty-An Analytical Study. Anmol Publication, New Delhi, 2006. p.93.

to ensure food and nutritional security to provide for the basic infrastructural facilities like education for all, safe drinking water, primary health care, transport, energy to check the growing population increase, to encourage social issues like women empowerment, conservation of certain benefits for special sections of society, to create a liberal market for increase in private investments etc. The Tenth five year plan (2002-2007) has been improvement in quality of life of the people and generation of income and wealth through rapid economic growth is one of the key components for achieving this aim. The strategy for poverty alleviation includes acceleration of economic growth with a focus on employment intensive sectors, access to basic minimum services for improving the quality of life of the people and direct state intervention in the form of targeted anti-poverty programmes, including provision of subsidized food grains. The Eleventh Five year plan (2007-2012) addresses the task of reducing the number of the poor frontally. The rapid growth will be essential to reduce the number of the poor and for sustainable poverty reduction, but for growth to benefit the poor disproportionately, will have to be accompanied by more rapid employment expansion than hitherto, greater investment in health, education water, sanitation, and child nutrition than so far and directly targeted poverty reduction programmes.

Twelfth five year plan (2012-2017) has been improvement in quality of life of the people and generation of income and wealth through rapid economic growth is one of the key components for achieving this aim. The rapid growth will be essential to reduce the number of the poor and for sustainable poverty reduction but for growth to benefit the poor disproportionately.²⁸

1.4 Schemes and Programmes to Combat Rural Poverty:

India lives in villages; therefore, upliftment of villages is the key to the progress of the country. Even though there has been a great departure of population from villages to the city and towns since independence in spite of this majority of our population still lives in villages. The Green Revolution brought prosperity in the villages but a lot more needs to be done. This is in respect of link roads to villages, educational facilities, provision of better and improved health services and sanitary conditions, piped water to villagers, banking, postal and telephone services etc. employment, reduce poverty and economic inequality and improve the

28. Planning Commission of India.

quality of life. The social welfare schemes are aimed at generating employment opportunities; Therefore, the government is implementing a number of schemes for development health and family welfare, education, agriculture development, women and children development etc. in rural areas. The main objective of these schemes is to generate self-removal of poverty and improving the living conditions of poor people. Some of these schemes and programmes are related below:

1.4.1. Community Development Programme :

On the recommendations of the Krishnamachari Committee, a nationwide Community Development Programme (CDP) was started on the birthday of Mahatma Gandhi, October 02, 1952. “Induction of people in the local development action aimed at the utilization of locally available resources’ was the main philosophy of the programme. A new geographical unit called ‘block’ having about 300 villages were carved out. Each block has an extension organization consisting of the Block Development Officer (BDO), subject specialist and the village Level Workers (VLWs). Earlier, different departments appointed their own functionaries at the village level to implement their respective programmes with the result that there was no synchronization in their efforts. But the Community Development Programme covered several activities like agriculture, animal husbandry, health education and employment.²⁹

1.4.2 National Extension Services:

A year later, on October 02, 1953, another programme called National Extension Service (NES) was launched. National Extension Service referred to block level organization consisting of the Block Development Officer, Subject specialists, the village level workers, and the extension officer. Both The Community Development Programme and the National Extension Service were aimed at the welfare of the whole rural population rather than to cater to the poor people only.

29. Maheshwari, S.R., Local Government in India. L.N. Aggarwal Publishers, Allahabad, 2004., p 225.: Also see, Singh, Hoshier and Mohinder Singh, Public Administration in India: Theory and Practice, Sterling Publishers Pvt. Ltd., New Delhi, 1989, p. 324.

While the Community Development Programme was intended to last three years, the national Extension Service was to be a permanent multifunctional extension agency in the block.³⁰ Although both the Community Development Programme and the National Extension Service were administered in a planned manner, both suffered from under-achievement. Problems like corruption, misuse of power etc. surfaced due to citizen administration interface under the requirements of the two schemes. Seeing this, the Committee on Plan Projects of the Planning Commission appointed a Study Team in 1957 to review implementation of these programmes.³¹ The study was headed by Balwant Rai Mehta, it is usually known as the Balwant Rai Mehta Study Team. The Team submitted its report in late 1957 and observed that the Community Development Programme failed to invoke population participation and felt the need of creating separate statutory institutional arrangements to make popular participation effective and purposeful. The Team envisaged the idea of democratic decentralization known as the Panchayati Raj and suggested a three tier mechanism of Zila Parishad at the district level, block samiti at the block level and gram panchayat at the village level for its institutionalization.³²

The system of panchayati raj as suggested by the B.R. Mehta Committee, was implemented with much fanfare in late 1950s and early 1960s. But it soon fell into stagnation and even degeneration. Commenting on the gradual deterioration of the system, Arora and Goyal, viewed: "Its activities were limited and its rural base weak. Many state governments postponed the holding of elections to the panchayati raj institutions. The local MPs and MLAs gradually cooled off in their enthusiasm because of the anticipated threat to their position in the emerging panchayati raj leadership. The panchayati raj institutions came to be dominated by the local privileged class and their functioning disclosed considerable corruption and inefficiency"³³

30. Arora, Ramesh K. and Rajni Goyal, *Indian Public Administration Institutions and issues* (2nd edn.), Wishwa Prakashan, New Delhi, 2004, p. 460

31. Singh, Hoshiar and Mohinder Singh, *op. cit.*, pp. 324-25

32. Report of the Team for the Study of Community Projects and national Extension Service, Committee on Plan Projects, New Delhi, Government of India, 1957. Pp. 5-7.

33. Arora, Ramesh K. and Rajni Goyal, *op. cit.*, p. 461.

“Several programmes for rural development have been launched since independence.³⁴ The emphasis and contents of rural development programmes changed from time to time. In 1950s the emphasis was laid on agricultural innovations and extension, in 1970s It shifted to action against poverty and since late 1980s serious concern was felt for structural adjustments. These programmes were primarily agriculture development programmes, area specific or target group specific or activity specific or problem specific and are discussed below.

1.4.3 Agricultural Development Programmes :

Traditionally, agriculture has been the main economic activity in India and majority of the people in rural areas have been dependent upon it. Therefore, right from the beginning, efforts have been dependent upon it. Therefore, right from the beginning, efforts have been directed towards agriculture development and increasing agricultural productivity. With the purpose of making the country self reliant in the field of agricultural production, two programmes, the Intensive Agriculture District Programme (IADP) and the Intensive Agriculture Area Programme (IAAP) were launched. Both the programmes aimed at augmenting agricultural production, applying the latest technology and ideas to the agricultural sector and raising the production of selected crops.³⁵ Intensive Agriculture District Programme was launched in 1960-61 on the recommendation of the Agricultural Production Team sponsored by the Ford Foundation. The Team observed that there was no inherent soil or climatic or other physical reasons for the present low yield. ³⁶ In the beginning the programme was launched in seven districts selected from seven states. A district selected under this Intensive Agriculture District Programme was required to possess qualities such as assured water, minimum hazards (like floods. Drainage problems, acute soil conservation problems etc.), well-developed village institutions add maximum potentialities for increasing agricultural production within a short span of time.

34. There have been more than 80 such programmes launched by the Union government and various state governments. Desai, Vasant, Fundamentals of Rural Development: A Systems Approach, Himalya Publications, Mumbai, 191, pp. 3.9-3.11

35. Arora, Ramesh K. and Rajni Goyal,, op. cit., p. 461

36. Madan, G.R., Indian Rural Problems, Radha Publications, New Delhi, 2002, p. 85

The seven districts selected were west Godawari in Andhra Pradesh, Shahabad in Bihar, Raipur in Madhya Pradesh, Thanjavur in Tamil Nadu, Ludhiana in Punjab, Aligarh in Uttar Pradesh and Pali in Rajasthan. The first four were selected for rice, the next two for wheat and last one for millets. This programme was later extended to remaining states also by selecting one district from each state for intensive development. In October 1965, the net was widened and 114 districts (out of 325) were selected for intensive development and the programme labeled as Intensive Areas Programme (IAAP).³⁷

The period of mid-1960s was very significant from the point of view of agriculture. New high-yielding varieties of wheat were developed in Mexico by **Prof. Norman Borlaug** and his associates and adopted by a number of countries. As a result of these high yielding varieties, production of wheat per hectare rose to the high level 5000-6000 kg in Mexico in 1965. Taiwan also recorded similar increases. These high yielding varieties of seeds required proper irrigation facilities and extensive use of fertilizers, pesticides and insecticides. Accordingly, they had to be introduced in the form of a package programme. Because of the promise of increasing agricultural production and productivity held by the new varieties of seeds, countries of South and Southeast Asia started adopting them on an extensive scale. This new 'agricultural strategy' was put into practice for the first time in India in the Kharif session of 1966 and was termed High-Yielding Varieties Programme (HYVP). This programme was introduced in the form of package programme since it depended crucially on regular and adequate irrigation, fertilizers, and high-yielding varieties of seeds, pesticides and insecticides. Initially, it was implemented in a total area of 1.89 million hectares. On the eve of the Fourth Plan, the coverage was estimated to be 9.2 million hectares. In 1997-98, total area under-high-Yielding Varieties Programme was 76.0 million hectares, which is 61.3 percent of the total area under food grains.³⁸

37. Misra, S.K. and V.K. Puri, *Indian Economy: Its Development Experience (20th edn.)*, Himalaya Publishing House, Mumbai, 2002, p. 337

38. *Ibid*, pp. 337-38

1.4.4 Area Development Programmes:

There have been certain area specific programmes, prominent among which are Drought Prone Area Programme, Command Area Development Programme and Hill Area Development Programme.

The Rural Works Programme, which was instrumental in mitigating the severity of droughts and providing relief in the drought affected areas, was replaced by the Drought-Prone Area Programme (DPAP) in 1973. DPAP is based on the area development approach. It is a long term strategy for restoring ecological balance, overcoming the conditions of scarcity, effecting optimum utilization of land, water, livestock and human resources, changing agronomic practices, animal husbandry development. Management of irrigation etc.³⁹ .Drought-Prone Area Programme is a centrally sponsored scheme and the allocation is sponsored by the Central and the implementing state government. A development block as in the case of all the programmes, is made the basic unit of Drought Prone Area Programme. The programme is administered through the District Rural Development Agencies in the state.⁴⁰The Command Area Development Programme (CAD), which was launched in 1973, was designed to correct the imbalance existing in irrigation projects and to ensure an all-round development of the command area of the major irrigation projects. Command area development represented a new concept in rural development strategy, where instead of separate departments for district developmental activities each having its own autonomy the new organizational strategy would be an administrative boundaries.⁴¹The concept of Command Area Development is unique, as it aims at integrating a very wide range of developmental, sectoral and functional components and sub-components through articulation of a comprehensive strategy of development; which

39. Jaiswal, N.K. and N.V. Kolte. Development of Drought Prone Area Programme, NIRD. Hyderabad, 1981, p. 18

40. Arora, Ramesh K. and Rajni Goyal. Op. cit., p. 469.

41. Jayaraman, T.K., et. Al., Command Area Development Authorities for Water Management, Water Management Synthesis Report No. 8, Colorado State University and Utah State University, 1982.

Includes disparate fields previously thought to be unrelated to agriculture.⁴² Following are the major activities undertaken under the Command Area Development Programme.⁴³

- (i) improvement of the existing irrigation system through development maintenance, modernization and stabilization of canals,
- (ii) drainage works such as construction and maintenance of drain,
- (iii) on-farm development which includes farm drainage works realignment of field boundaries, farm road works, ground water development, updating land records and realignment of field boundaries,
- (iv) agricultural development which includes agriculture extension system, research and agricultural cooperatives,
- (v) macro development of command area which caters to road building, processing industries, forestry, pastures, care of animals and control of diseases.

The hill areas present special problems relating to socio-economic transformation and, therefore, a specific programme call Hill Area Development Programme has been launched to tackle these problems. Integrated area development approach has been applied in some selected hill areas. The major thrust of the programme lies in the identification of backward regions in states with sizeable hill areas and formulation of a separate sub-plan for the development of these areas. Pilot projects were taken up under this programme in Himachal Pradesh, Uttar Pradesh and Tamil Nadu. The main strategy of development in these projects was the integrated development of agriculture, animal husbandry, horticultural, land development and soil conservation, minor irrigation and other basic infrastructural facilities on watershed basis.⁴⁴

42. See Sivamohan, M.V.K. and Christopher A. Scott., the Command Area Development Programme in India: A Policy perspective, ODI Irrigation Management network Paper 20, ODI, London, 1992.

43. Arora, Ramesh K. and Rajni Goyal, op. cit., pp, 470-71.

44. Madan, G.R., op. cit., p. 90

1.4.5 Target Group Specific:

Towards later 1960s, it was realized that despite incentive to cooperative farming for mitigating the effects of uneconomic holdings, the cooperative farming culture could not develop among the smaller farmers.

Therefore, it was felt necessary that the less affluent cultivators should be enabled through state and institutional support, to improve their production potential and income level by adopting improved agricultural practices. Therefore, accepting the recommendations of the All India Rural Credit Committee, the scheme of setting up the Small Farmers Development Agency (SFDA) was launched in 1969. It was also considered necessary to develop marginal farmers and, therefore, Marginal Farmers and Agricultural Development Agency (MFAL) were also set up the same year⁴⁵

The main objective of Small Farmers Development Agency and Marginal Farmers and Agricultural Labourers Development Agency was to identify such farmers, investigate their problems and formulate programmes by which they could be helped to overcome their handicaps. These covered programmes relating to agriculture, horticulture, cropping pattern, soil conservation, and land shaping and development. Subsidiary projects like poultry, dairy and goat and sheep rearing were also undertaken. The agencies under the programme, set up at the district level, were operated by the state government and were funded by the Centre. They, however, functioned under the control and supervision of the state level Co-ordination and Review Committee. Each agency and its own governing body and executive staff and worked in coordination with several other departments such as of cooperatives, animal husbandry and agriculture.⁴⁶

Antyodaya scheme was introduced by the Janata Party government at the Centre in 1978. Under this scheme five poorest families in village were identified in a Gram Sabha meeting. Each such family could be given loan and subsidies up to Rs. 50000/- for taking up an occupation of its own choice. Loan was to be disbursed in kind for the purchase of tools,

45. Ibid.

46. Arora, Ramesh K. and Rajni Goyal, op. cit., pp, 471-72

Equipment's etc., which were to be hypothecated with the bank issuing the loan. The activities that could be taken up under the programme were to suit the experience and aptitude of the family members concerned. These could include purchase of milch cattle, pig-rearing, shoe-making, goat rearing, and house cart etc.⁴⁷

1.5 ANTI-POVERTY UNEMPLOYMENT REMOVAL PROGRAMMES:

Several programmes/schemes have been launched to tackle the twin problems of poverty and unemployment. Since the two problems are closely related, most of the programmes aim at tackling both of them. Crash Scheme for Rural Employment envisaged in 1971 was one of the earliest such programme. This programme aimed to generate additional employment through a network of rural projects of various kinds which are labour-intensive and productive. The Scheme had a two-fold objective: (i) a project in each block to provide employment to 100 persons on an average continuously over a working season of 10 months in a year, (ii) each project was to produce works or assets of durable nature in consonance with the local development plans. The various types of projects included schemes relating to minor irrigation, soil conservation and afforestation, land reclamation, flood protection and anti-water logging, pisculture, drinking water and construction of roads.⁴⁸

A Pilot intensive Rural Employment Projects was started in 1972 in 15 selected blocks to provide full employment to every one who was willing to work. This was an ad hoc scheme to crash employment and intensive rural employment gave way to spreading Small Farmers Development Agency, Marginal Farmers and Agricultural Labourers Development Agency, Drought Prone Area Programme etc.⁴⁹

Introduced in 1972-73, the Employment Guarantee Scheme of Maharashtra government was the first of its kind to give recognition to the 'right to work' enshrined in the Constitution. It gives a commitment by the state to provide work to a person who comes forward offer labour. The main objectives of the scheme are as under:"

47. Madan, G.R., op. cit., p. 90

48. Datt, Rudder and K.P.M. Sundharam, Indian Economy, S. Chand & Company, New Delhi, 2006p.348

49. Madan, G.R., op. cit., p.94

- (i) to provide gainful and productive employment to an individual in approval rural works which raise the productivity of the economy:
- (ii) the works undertaken should provide durable community assets in the area:
- (iii) Productive works of labour-intensive nature like minor irrigation, water and soil conservation, nalla bonding, and canal excavation. land development, afforestation etc. should be undertaken: and
- (iv) the works should be implemented departmentally and not through contractors so that at least 60 percent of the works expenditure is included on wages to workers and 40 percent in the form of materials, equipment, supervisory, expert and administrative services.

The government had accumulated a buffer stock of over 20 million tones of food grains in 1977. A suggestion was made by several committees that the foodgrains be used as payment for the work to the persons living below poverty line. Consequently, the Food for Work Programme was conceived and introduced by the Janta Party government in 1977. Foodgrains were to be used as payment for part or whole of the labour rendered in the execution of the specified projects. Main objectives of the programme were:⁵⁰

- (i) to generate additional gainful implement for both men and women in the rural areas:
- (ii) to create durable community assets and strengthen the social infrastructure in order to increase production and raise living standards in the rural areas: and
- (iii) to utilize surplus foodgrains for the development of the country's human resources.

The Scheme of Training Rural Youth for Self Employment (TRYSEM) was initiated in 1979 with the objective of tackling unemployment problem among the rural youth. Under Training Rural Youth for Self Employment technical skill were to be provided to rural youth from families below the poverty line to enable them to take up self employment in agriculture an allied activities, industries, services and business activities. It aimed at training about 2 lakh rural youths every year to enable them to

50. Datt, Ruddar and K.P.M. Sundharam, op. cit., p.349

Become self employed. Under this scheme 40 youths were to be selected from each block and for being eligible for selection, the person should belong to a rural family having an income less than Rs. 3500 per year. In making selection, members of scheduled castes and scheduled tribes were given preference. Under the scheme a minimum of one-third of the rural youths trained were to be women. The Training Rural Youth for Self Employment was merged into the Swarnjayanti Gram Swarozar Yojana which was launched in April 1999." ⁵¹

The integrated Rural development programme (IRDP) was launched in 1978-79 and was extended all over the country in 1980-81 was essentially conceived as an anti-poverty programme under the Sixth Five year Plan. But through a programme of asset endowment, it also meant to provide self-employment in a variety of activities like agriculture, animal husbandry and land based activities in the primary sector; weaving handicrafts etc. In the secondary sector; and service and business activities in the tertiary sector⁵². The philosophy and objectives of Integrated Rural Development Programme were explained in the Sixth Plan as below : "improving the productivity of land by providing access too inputs like water, improved seeds and fertilizers, would be an essential means to help those categories of the rural poor who have some land assets. Diversification of agriculture through animal husbandry, dairying, forestry, fishery, sericulture etc. will benefit both the landless and the landholders and this would form an important plank of the programme. Processing and manufacturing activities based on local resources will also have to be identified and fully exploited. Post-harvest technology will have to be improved so that both producers and consumers benefit from enhanced production."⁵³

The special scheme for Development of Women and Children in Rural Areas (DWACRA) which aimed at strengthening the gender components of IRDP was started in 1982 on a pilot basis in selected 50 districts. Development of Women and Children Rural Areas

51. Misra,S.K and V.K.Puri,Indian Economy:Its Development Experience,Himalaya Publishing House,Mumbai, 2002,pp.201-02.

52 Ibid, p.201

53. Sixth Five-Year Plan (1980-85), Planning Commission, Government of India, New Delhi, 1980

directed at improving the living conditions of women and Children in Rural Areas directed at improving the living conditions of women and thereby, of children through the provision of opportunities for self employment and access to basic social services.

The main strategy adopted under this programme is to facilitate access for poor women to employment, skill upgradation, training, credit and other support services so that the Development of Women and Children Rural Areas women as a group can take up income generating activities to supplement their incomes. It encourages the habit of thrift and credit among poor rural women to make them self reliant. The programme also envisages that the target group would be the focus for convergence of other services like family welfare, health care, nutrition, education, child care, sanitation, and shelter to improve the welfare and quality of life of the family and the community. ⁵⁴The Rural Landless Employment Guarantee Programme (RLEGP) was launched on August 15, 1983. The states and the union territories were required to prepare specific projects like construction and reclamation of wasteland, social forestry, soil and water conservation works and minor irrigation works. Though the programme was to be fully financed by the Central government the implementation of the programme was entrusted to the states. The basic objectives of the programme were: ⁵⁵

- (i) to improve and expand employment opportunities for the rural landless with a view to providing employment up to 100 days in a year for at least one member of every landless labour household, and
- (ii) To create durable assets for strengthening the rural infrastructure.

The National Rural Employment Programme (NREP) was started as part of Sixth Plan as was continued under the Seventh Plan. The National Rural Employment Programme was meant to help that segment of rural population which largely depended on wage employment and has virtually no source of income during the lean agriculture period.

Under the The National Rural Employment Programme development projects and target group oriented employment generation projects were closely intertwined. The programme was

54. Madan, G.R., op. cit., p.587

55. Arora, Ramesh K. and Rajni Goyal, op. cit., 473

Implemented as a centrally-sponsored scheme. But its financial burden was to be shared between the Central government and the state governments on equal basis. The Central provided its share partly in cash. Under the scheme a district level employment plan (disaggregated block-wise) was prepared. This plan was required to estimate the number of persons who could seek work under the scheme and the work opportunities likely to be available. The programme of works under the National Rural Employment Programme was formulated in the light of this information.⁵⁶

In February, 1989 the government announced a new wage employment scheme, the Jawaharlal Nehru Rozgar Yojana (JNRY) for intensive employment creation in 120 backward districts. However, later on it was felt that the objective and thrust of the National Rural Employment Programme, Rural Landless Employment Guarantee Programme and Jawaharlal Nehru Rozgar Yojana were identical. Therefore, these programmes were merged into a single rural employment programme on April 1, 1989 and it was given the name Jawahar Rozgar Yojna (JRY).⁵⁷

The Primary objective of Jawahar Rozgar Yojana has been generation of additional gainful employment for the unemployed and the underemployed in the rural areas. Its secondary objective is creation of sustained employment by strengthening the rural economic infrastructure assets and improvement in the quality of life in rural areas. Under the programme, in the selected 120 districts, one member per family, living below the poverty line, would be provided employment for 50-100 days a year. The scheme aims at benefiting 44 millions poor rural families. On an average, each village panchayat receives between Rs. 80000 and Rs. 100000 a year for this programme. The type of work to be taken under the scheme by a village panchayat is based on the felt needs of the people. Preference given to following works.⁵⁸

- (i) Having potential of maximum direct and continuing benefits to the members of the poverty group, and

56. Misra, S.K. and V.K. Puri, op. cit., p.201

57. Ibid, P.202

58. Arora, Ramesh K. Rajini Goyal, op. cit. p 474

those which are or can be owned by or are assigned to groups of beneficiaries either for direct use of the assets by the group or for sale of the services of facilities created by the assets to ensure continuing income to the group. A few items of work undertaken under Jawahar Rozgar Yojana are construction of houses for individual members, social forestry works, minor irrigation works and soil and water conservation work.

Mahatma Gandhi National Rural Employment Guarantee Act,2005(MGNREGA) was launched in 2005 by UPA Government.The basis objective of this scheme is to provide at least 100 days of guaranteed wage employment in a financial year to every household in rural areas whose adult members volunteer to do unskilled manual work.

Most of the programmes launched for rural development failed to achieve their objectives. They could not focus on the core issue of poverty removal through creation of sustainable income generating opportunities. Alleviation of poverty has persistently been on the agenda of the Government and even though whopping funds expended for this, yet the poverty seems indomitable. Recently on the recommendation of the Hashim Committee, the government of India restructured the six employment generation programmes into a single self employment programme, popularly known as Swaranjayanti Gram Swarozgar Yojana from April 1, 1999:

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- Integrated Rural Development Programme (IRDP)
 - Development of Women and Children of Rural Areas (DWACRA),
 - Training of Rural Youth for Self Employment (TRYSEM),
 - Supply of Improved Toolkits to Rural Artisans (SITRA),
 - Million Wells Scheme (MWS)
 - Ganga Kalyan Yojana (GKY)

Swaranjayanti Gram Swarozgar Yojana is the latest programme for rural development and for alleviation of poverty in rural areas. The Yojana seems to be the more viable, comprehensive and launched with bold initiative. Taking stock of loopholes of erstwhile development programmes, the strategy strives for concerted and collective in-road into poverty through self-employment opportunity.⁵⁹The main objective of Swaranjayanti Gram Swarozgar

Yojana is to bring assisted families called Swarozgar above poverty lines 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-employment 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 have to help themselves with the help of outside agencies, the banks, District Rural Development Agency (DRDA) non government organizations etc. It is participative in approach; outside agencies merely assist the Swarozgaris in implementation of action-plan created by the latter. Thirteen years have passed since Swaranjayanti Gram Swarozgar Yojana was launched in 1999, which is sufficient for conducting an evaluative study of the scheme to examine its performance of the scheme in one district of Haryana, Mahendergarh. Before conducting the study, it was considered necessary to review the methodology and conclusions of the other studies conducted before the present study. In the succeeding section, review of some of the studies already conducted has been attempted.

1.6 REVIEW OF LITERATURE:

For conducting any piece of research study, review and survey of literature related to the study being conducted, is of paramount significance. Surveying of researches conducted, in the field help the investigator in understanding the problem from different perspectives. Such a review also helps in defining the problem in researchable form. Besides, survey of the studies conducted by the other investigators in the field related to the problem in hand also helps the researcher in framing the objectives and the corresponding hypotheses of this study.

59. Singh, Surat, and Sinha, S.p. Strategies for Sustainable Rural Development, Deep and Deep Publications, New Delhi, 2003, p.35

Perhaps the most significant contribution of such survey is that they help the investigator in interpretation of results of the study that researcher investigates. With the above objectives in view the investigator also surveyed the relevant literature in this section.

According to Shylendra (2008),⁶⁰ there is a massive mobilization of women taking place as a result of SHG movement. The growth of SHG incidentally has occurred during the economic reforms period. The SHGs movement has a good contribution towards women's emancipation. There is a major onus on all actors involved in SHG promotion and development to further intensify their efforts in enabling SGHs to reach a mature stage.

According to the author, we need a major investment in capacity building of SHGs and proactive policies to help overcome the constraints faced by SHGs to integrate them fully into the development programmes aimed at woman's empowerment.

According to Selva Kumar and Sunder (2007),⁶¹ the objective of SGSY is to bring the assisted poor families (Swarozgaris) above poverty line by providing them income generating assets through a mix of bank credit and government subsidy. SGSY aims at establishing a large number of micro enterprises in the rural areas, building upon the potential of the rural poor. It is rooted in the belief that rural poor in India have competencies and given the right support can be successful producers of valuable goods/services.

The authors feel that SGSY is the best tools to eradicate poverty in rural India. The government support and assistance is essential for the success of programme like SGSY. However, the physical and financial progress of SGSY shows its worst results in recent years. Therefore, the government should come forward to allot huge amount of funds to this. SGSY is different from earlier programmes in terms of the strategy envisaged for its implementation and has been conceived as a holistic programme of self employment covering all aspects of self employment viz. organization of the rural poor into self help groups and their capacity building,

60. Shylendra, H.S. " Role of Self-Help Group" in Yojana 2008, pp.25-28

61. Selva Kumar M.and R. Sundar, " Swarnjayanti Gram Swarozgar Yojana (SGSY): Tool for Poverty Eradication" in Kurukshetra, December, 2007, pp.18-22

Training, planning of activity clusters, infrastructure build-up and technology and making support programme. The role of NGOs is important for the success of SGSY because they are the field workers of this programme.

Tripathy (2007),⁶² feels that over the years a plethora of poverty alleviation programmes have been implemented in India and a huge amount of social and financial investment has been made to achieve sole aim and objective of poverty eradication, Most of the programmes were based on top down approach and did not consider needs and requirements of the people. Accordingly, the economically vulnerable groups continued to remain under confident and the guarantee for security of their livelihood was found missing in the entire endeavor to eradicate poverty from the soil of India. To meet the gap in the implementation of the erstwhile self employment programme called IRDP, the Central government announced a holistic programme called SGSY. This programme was based on a group (community) approach to rural development where the rural poor were organized in the SHGs, provided micro credit and took up viable economic activities on their own.

The author feels that to sustain community economic activities, leadership and membership training booked by participatory management is a must for the SHGs. SHGs provide a great scope for convergence of the program/activities of various ministries, departments and organizations. With appropriate mechanisms, various ministries/ departments/organizations can look towards the SHGs for targeting their programmes, which ultimately would help in improving the quality of life in rural India.

Longanathan and Ashokan (2006)⁶³ are of the view that SHGs have provided access to credit to their members, helped to promote saving and yielded moderate economic benefits; reduced the dependence on moneylenders, and resulted in empowerment benefits to women. On the other hand, field reports suggest that contrary to the vision for their

62. Tripathy, K.K., " Micro-Credit Intervention and Poverty Alleviation" in Kurukshetra, December, 2007, pp.4-8

63. Logaathan, P. and R. Asokan, "Inter regional Development of Self-Help Groups in India" in Kurushetra, September, 2006, pp.9-12

developments, SHGs are generally not composed of mainly the poorest families. There is greater evidence of social empowerment rather than significant and consistent economic impact and financial skills of group members have not developed as planned.

According to Kannabrian (2005)⁶⁴ the Declaration on SHGs 'Women's Empowerment and Poverty Reduction' points out that one alarming outcome of the emergence of SHGs has been the manner it has altered the nature of discourse on development and social justice by placing the onus of overcoming poverty on the poor. Expecting the poor pull themselves out of poverty through entrepreneurship only leaves the systemic inequalities and factors that create poverty unchallenged and secure. According to him, the increasing participation of women in micro-credit and formation of women self-help groups have done little more than assuring short term relief to ease immediate needs. What is absent is a long term social, political and cultural vision that will end their subordination of woman.

Mandal (2005)⁶⁵ examines the SGSY guidelines for formation of SHGs, talks of certain functional aberrations, submits a few issues for debate/reflection and suggests that some improvements and policy refinements are essential for increasing the outreach and efficacy of the programme. According to him SHG is inherently a weak group, as it is voluntary and autonomous organization. According to him SHG is inherently a weak group, as it is voluntary and autonomous organization. Apart from internal group solidarity and collective strength (of federation), the group cannot withstand onslaught of external and internal adversity. Being independent, the group can withstand onslaught of external and internal adversity. Being independent, the group is seldom guided and supervised by external agent/agency. In this respect, the Graeme model of Bangladesh is relatively stronger than the SHGs. When a group consists of genuine poor or disadvantaged section, such autonomous nature poses more problems. It is advised that monitoring and intermediary role should be played continuously at least until the groups take up economic activity.

64.. Kannabrian, Vasanth, " Marketing Self-Help, Managing poverty: in Economic and Political Weekly, August 20, 2005, pp.4-9

65. Mandal, Amal, " Swarnjayanti Gram Swarozgar Yojana and Self-Help Groups: An assessment" in Kurushetra, September 2005, Vol.53, No. 11, pp.4-9

According to Yadav (2006)⁶⁶ till February 2006 about 13 rural poor families has access to financial services through over 98,500 SHGs in Rajasthan.

During the last four years SHGs-Bank Linkage Programme has witnessed significant progress in the state.

The performance of the government development department and non-government organizations and the banks under the programme has been commendable, National Bank for Rural Development, the state government and the banks have discussed the issue of strengthening the SHG movement in the state regarding standard accounting a package (cash, etc.) and computerization of data base, common software of SHG's to facilitate Management Information System (MIS). Consequently, it has been decided that the Groups should invariably be related at the time of second linkage and rating given by SHPI should accompany the loan application. For initial linkage, the banks and SHPI would continue with their own rating norms.

Niramla, Shambhat and Bhuaneswari (2004)⁶⁷ have examined the determinants of earning of rural women under SHG scheme in Pondicherry. The authors surveyed the benefits and problems experienced by the SHGs. The findings of the study showed majority of the respondents to be engaged in nonfarm activities, which were largely traditional and less remunerative in the nature, the regression results revealed that nature of occupation, higher asset possession and large credit amount significantly reduced the respondents monthly earning, which higher income of the husband significantly raised it. The main benefits of SHGs were increased participation in social service and organized action, having received new skill/training and better access to credit facilities. The authors have recommended that the respondents should be encouraged to venture into more diversified and remunerative activities which would raise their earnings and their saving too. They should also be strictly made to utilize the SHGs credits for productive purposes

66. Yadav, Subah Singh, " Self-Help Group Movement in Rajasthan: Bright Prospects" in Kurushetra, September, 2006, pp.26-28

67 Niramla, K. Shambhat and Bhuaneswari, P, "SHG for Poverty Alleviation in Pondicherry" in Journal of Rural Development, Vol. 23, No.2, August 2004, pp.203-215

Alone. Further, training relating to the activity chosen by them should be imparted. Above all, effective implementation of the scheme is recommended for poverty alleviation and empowerment of the rural poor women.

Sylendra (2004)⁶⁸ makes an attempt to critically assess the SHG-Bank Linkage programme focusing on its approach and the strategy and arrive at possible way to take it forward. The main aim of the programme is to tap the potential of SHGs concept to bring banking service to the doorsteps of the poor

In terms of SHGs concept to bring banking services to the doorsteps of the poor. In terms of reaching physical targets, the programme seems to have done quite impressively in the last one decade. It has all the potential to unfold new avenues for banking with the poor. The results achieved so far appear to be the outcome of the persistent effort made by the NABARD in mobilizing a large number of NGOs and financial institutions. The Programme still has a very long way to go if it has to become the core strategy of the banking sector. The key to the future success lies in retaining the basic character and strength of SHGs along with integrating them appropriately with outside systems to meet the needs of the members in an enduring way. This calls for highly coordinated efforts among the all stake holders at different levels. The book by

Jalihal and Shivamurthy (2003)⁶⁹ related to the rural poverty alleviation India. Concept, causes situational facts related with poverty is discussed in detail. The book highlights the strategies and programmes adopted for poverty alleviation and to provide employment. The weaknesses of these programmes have also been elaborated the length. The authors point out that after more than half a century since independency, we have today the largest population of poor people in the world. One-fourth of rural population is below poverty line and despite massive UN aid projects the gaps between the rich and the poor has actually doubled in the last three decades. It has been pointed out that SGSY can play an important role towards poverty alleviation since it

68. Sylendra, S.H., " The SHG Bank Linkage Programme: An assessment and Future Strategies" in Journal of Rural Development, Vol.23, No.4, September 2004, pp.411-431

69. Jalihal, K.A.A. and M. Shivamurthy, Pragmatic Rural Development for Poverty Alleviation: A Pioneer Paradigm, Concept Publishing, New Delhi, 2003

seeks the involvement of the people . It has been suggested that the government should pay greater attention towards effective and successful implementation of this scheme.

Sarangi (2003)⁷⁰ conducted this study of the women-led SHGs in Purashottampur block Ganjam district of Orissa state. The study concludes that SHGs working this block have successfully implemented their planning at the local level with proper guidance from the government machinery of the district. Besides various programmes for the upliftment of rural women, the SHGs in the block are extending a helping hand to the district administration in different rural development projects. These activities range from construction of roads to sanitation programmes. SHGs are also discharging their social responsibilities with interest.

Singh (2003)⁷¹ in his paper presents the detailed examination of the role of non-government organization in fostering SHGs. Myrada, the non-government organization in fostering SHGs. Myrada, the non-government organization, is studied in this respect. The mission of Myrada is building of people's institutions rather than on delivery of goods.

The focus of institution building goes against the prevalent culture of patronage where benefits flow the individuals with the right contacts. The author has pointed out that Myrada plays a catalytic role in developing such groups and has over 1006 groups of women with the focus on woman's right and on access to and control of resources, which they require to cause a sustainable livelihood.

Komala (2010)⁷² studies that empowerment of women has emerged as an important issued in our country. In India, nearly half of the population consists of women. In India their work participation rate is less than half of men. The role of women in the development of nation is very important now days. So women should be respected both in the society as well as family. To increase the status of women, they must be empowered in all aspects such as economically, socially, politically and culturally. To empower women government has introduced various

70. Parsant, Sarangi, " Self-Help Groups: A Experiment in Orissa" in Kurushetra, February, 2003, Vol.51, No.4, pp.30-32.

71 Singh, Om Raj, "Role of NGO's in Fostering Self-Help Groups: A Case Study of Myrada" in Kurushetra, February, 2003, Vol.51, No.4, pp.33-35

72 Komala. K., K.V. Alynna and Chikkarangaswamy, " SHGs as an Instrument for women Empowerment", Southern Economist, Vol.48, No.16, January 1, 2010, pp.31-33

schemes such as DWCRA, TRYSEM and SGSY. The study consists from Mysore district in Karnataka of seven Taluks namely: H.D. Kote, Hunsur, K.R. Nagar, Mysore Rural, Nanjungud, Priya Patna and T. Narasapur, The total number of SHGs formed in this district is 6153 while the total Narasapur. The total number of member is 108157 and all the groups consist of only women, there are no any men in SHGs in this district. SHG members are being trained for undertaking various productive activities like making agarbati, candle making etc. which makes them be economically independent. So SGSY has been important in empowering women in Mysore district.

Anita (2009)⁷³ analyzed the performance of SHGs has reached the people. This study is conducted in Madurai district of Tamil Nadu state which comprises of seven Talks and thirteen Blocks. For the purpose of collecting primary data, five blocks namely Vadipatti, Kullupati, Alanganllur, Sadapatti and Chellampatti were selected which topped the list regarding the number of loans sanctioned and amount disbursed to women in Madurai district during the period of 2007-08. 200 beneficiaries under SGSY scheme from these five blocks were randomly selected by using proportionate random sampling technique.

In this study the details regarding income saving and assets were collected from the sample beneficiaries through direct personal interview method and analyzed that the availability of credit to women results in independency enhancing their social and economic activities as well as empowering themselves in decision making process. The study concludes that SGSY scheme in Madurai has enhanced the income of the respondents, assets creation and employment generation. regarding the amount of investment by women in the income generating activities it has been found that the majority of (51 percent) of them have made small investment ranging from Rs. 1000-2000 followed by Rs. 2000-3000 (32 percent). This also assesses the problem and constraints in the programme implementation. Umdor (2009)⁷⁴ analyzed the performance of SHGs in Meghalays. In India, the increasing use of SHGs in recent years as a

73 Anita. P., "Economic impact of SGSY scheme on women Beneficiaries: An Empirical Analysis", Southern Economist, Vol. 47, No.9, September 15, 2009, pp.19-22

74. Umdor. S. and B. Panda, " An Assessment of SHGs under SGSY Programme: Evidance from Meghalaya", Asian Economic Review, August, 2009, Vol.51, No.1, pp.311-324

credit needs of the rural poor in largely due to the limited success of the government strategy to institutionalize credit. This study undertakes an impact assessment of SHGs as an effective credit for both productive and consumption activities, increase in household income and diversification of sources of income. social empowerment is seen in terms of SHGs member' enhanced status and recognition in the family as well as boosting their self confidence in the society.

Pati (2009)⁷⁵ assumes more significance in case of developing nation with low per capita income and high level of poverty. The author says that in the developing nation the financial viability of rural lending institutions is not satisfactory, because the government run many programmes for removal of poverty but most of the programmes were not sustainable because they were expensive, collected too little revenue, depended too heavily on outside funding and often suffered serious default problems. SGSY scheme was launched in April 1, 1999 to promote the economic well being of people by providing micro-credit through the SHGs. This attempts to delve in to this issue of sustainability with the help of an empirical data set generated through a primary survey of SHGs. Along with the secondary data a primary data set for 177 SHGs operating in the state of Meghalaya under SGSY scheme. Through a set of questions i.e. interview schedule, information regarding the performance of these SHGs for a three year period i.e. from 2003-04 to 2005-06 is collected. The writer observes that the small membership of the self-help group and the crude nature of their activities do not qualify them because many of SHGs are illiterate or semi-literate, who do not understand finance and accounting matters nature of formation of the groups, successful saving mobilization and high loan repayment rates the sustainability of SHGs is not very clear.

Vatta and Singh (2000)⁷⁶ attempt to describe the process of development of self-help groups in Hoshiarpur district of Punjab identify their weakness and evaluate the impact of the impact of the groups on the income of the members. The study reveals that despite considerable progress achieved in the formation of self-help groups, the banks do not provide

75. Pati. A.P., " Subsidy Impact on sustainability of SHGs: An Empirical Analyses of Micro Lending through SGSY scheme", in Indian Journal of Agricultural Economics, Vol.64, No.2, April-June 2009.

76 Vatta, Kamal and Parminder Singh, " The Performance of Self-Help Groups in Punjab: A Study of Hoshiarpur District in Indian Journal of Agricultural Economics, Vol.56, No.3, July-September, 2001

credit to the below poverty line (BPL) groups. The above poverty line (APL) groups were able to get more benefits from these schemes because of their greater awareness, education and managerial abilities. As judged by the criterion of being eligible for getting bank loan after six months of the formation of the groups were eligible to get bank loan but only 5 percent of them could get it. The provision of even little credit helps the rural poor to improve their income level. Undue delays in sanctioning of the loan need to be eliminated to achieve the objective of economic enlistment of the poor. An extensive awareness campaign is awareness campaign is needed to convince the bankers that the poor are bankable and advancing credit to them is more profitable and secure in terms of recovery.

The study of Singh (2001)⁷⁷ presents an insight into the working of three self help groups in two villages viz. Thaska in Yamuna Nagar district and Barwala in Panchkula district of Haryana. Information was collected from the members of the SHGs as well as from the concerned banks. The study indicated that the SHGs even with heterogeneous socio-economic groups can operate successfully provided the intention of the entire member is good. The president, secretary and easier with reasonably good literacy level functioned with better results. The loan for purchasing buffaloes (dairying) should also have provision for building animal sheds, as the member below the poverty line group hardly have one pucca room for their living, The working of these self-help groups has shown that this new concept of micro financing can do wonders to the rural People living tin remote villages in improving their economic condition and protecting them from the clutches of village moneylenders.

Khatkar and Khairinta (2001)⁷⁸ have examined the working and impact of SHGs on the rural poor in Haryana. On the basis of primary data pertaining to the year 2000-01 collected from seven self-help groups operating in the three villages of Hissar District in

77. Singh,, U.B., Himmat and Gurnam, " Role of Self-Help Groups in the Shivalik Foothills of Haryana" in Indian Journal of Agricultural Economics, Vol. 56. No.3, July-September 2001, pp481-482

78. Singh, V.K., R.K. Khatkar and S.K. Kharlanta, " A Study on the Working and Impact of Rural Self-Help Groups in Hissar District ofHaryana" in Indian Journal of Agricultural Economics, Vol.56, No.3 July-September 2001, pp.482-83

Haryana, it was observed that micro financing through SHGs is a better system for inculcating the habit of self-help among the rural poor. The beneficiaries are involved in every aspect of financing from the very beginning. Owing to belongingness to the funds, the recovery percentage was found to be sent percent in all the seven self-help groups. The members as well as bank officials were of the opinion that members of self-help group could get loans in such magnitude and for such purposes for which bank cannot finance due to high operational cost. These groups also helped the members to free them from the clutches of money lenders and save them from exploitation even for meagre amounts.

Kumdu, Suhag Pandey and Jain (2001)⁷⁹ studied the composition and organizational structure of self-help groups in Gurgaon district of Haryana. The authors also examined the characteristics/performance and the major constraints inhibiting the sustainability of these self-help groups. It has emerged from the study that self-help groups not only developed confidence among the rural poor but also cultivated the habit of thrift/saving and utilization of collective wisdom to tackle their own problems. Yet the SHGs faced various constraints. more empowered through the SGSY and each self-help group is a mini bank as each SHG saves and lend among its members which is nothing but a banking business.If the rural poor are properly organized and given the proper setup, micro financing as a supplementary to the existing rural credit operations would help to ensure increased access to credit for them.

Charterjee (2009)⁸⁰ studies four SHGs of Uttar Pradesh, Jharkhand, West Bengal and Rajasthan under the SGSY scheme. The author visited in November, 2007 the Sitapur district of Utter Pradesh, in November, 2008 Howarh district of West Bengal and Alwar district of Rajashthan. The author directly integrated with the Swarozgaris. He find out of this study that the SHGs feel

79 Kundu, K.K., K.S. Suhag, U.K. Pandey and Kusam Jain, " Sustainable Micro-Finance through Self-help Groups in GurgaonDistrictof Haryana" in Indian Journal of Agricultural Economics, Vol. 56, No. 3, July-September-2001, p.483

80. Chatterjee, Shankar, "SGSY: Developing Banking Habits Among Rural Poor," A field study in Kurushetra, February, 2009, Vol. 57, No.4, pp.39-31

Sabhlok (2006)⁸¹ examines the main approaches to the building of women's Self-help in India, its implications for practice and effects on women's ability to exercise agency. The study is based on the fieldwork done in two districts of India viz. Sonapat in Haryana and Kolar in Karnataka during 2003-04. The researcher found that most of the self-help groups and their activities remain oriented towards becoming good savers and good creditors. As social and socialized beings, women's choices are inextricably linked with the family and self-help groups as an emerging structure has to still function in a patriarchal society. Family norms and values are often designed by patriarchal preferences and approval or permission as per these preferences remain a crucial factor. The common identity of these self-help groups is formed around the issue of working for material benefit. The changes in gender relations were very much benefit-based, susceptible to pressure and women had to justify their action in terms of benefits received. The identity achieved is temporary as many self-help groups show a tendency to disintegrate when credit is not forthcoming or members change groups with the expectation of getting benefits. The self-help groups have the possibility of developing groups of organized, assertive and empowered women at the grassroots level. There is truth in understanding that the economy is political, but this can be limited in failing to take account of the existing differences, structural inequalities and the relationships of power at the local level. The self-help groups can make women contribute to the economy, it has changed the lives of many in India. Group power has been found to be a potent force in giving collective empowerment and voice to the poor women in rural areas, but has not necessarily empowered them beyond the confines of patriarchy. There is a long way to go before reorientation of power relationships, both in the household and at the societal level, will take place.

Singh and Kumari (2007)⁸² While analyzing the 'Jeevika Mega Project' have highlighted that in the year 2005, the self-help group-Bank Linkage Programme has assumed great importance as the UN has declared it as a year of micro-credit. The policy of Self-Help group-Bank-linkage should rapidly convert itself into a micro-credit micro-enterprise linkage. Self-Help groups are the heart or nerve system of rural development and poverty

81 Sabhlok, Smita G., "Self-help as a Strategy for Women's Development in India" –Paper presented to 16th Biennial Conference of the Asian Studies Association of Australia in Wollongong, June 26-29, 2006

82. Singh, Indrabhusan and Usha Kumari, "Jeevika Mega Project: Empowerment of Rural poor in Bihar" in Kurukshetra, September, 2007, pp.14-17

Alleviation. The authors point out that a National Bank for Rural Development (NABARD 2000), showed very positive outcomes in terms of effectiveness of loan reaching the poor and in improving their income levels. The study has also shown that the recovery rates of self-help groups are high (nearly 90 per cent) reflecting the impact of peer pressure in ensuring loan recovery. On the other hand, self-help groups also act as collateral for banks to provide micro-finance to these groups. The self-help groups work through a process of social mobilization to set up a successful enterprise to earn a sustainable living that helps the beneficiaries to lift themselves above the poverty line

Soundarapandian(2006)⁸³ has attempted to analyse the growth of Self-help groups and the role of micro-finance in developing the rural entrepreneurship. The author is of the view that following issues need to be considered while introducing self-help groups to micro-enterprises: (i) Is it appropriate to introduce income generating activities based on skill, knowledge and resources? (ii) Is it better to integrate with existing livelihood activities of group members?, (iii) Should emphasis be laid on developing business skill than on providing backward and forward linkages? (iv) micro-enterprises development is not a stand-alone activity, (v) It is both efficient and cost-effective to promote farm sector micro-enterprises because backward and forward linkages are locally available, and (vi) Promotion of non-farm sector activities, particularly those in manufacturing sector, is a challenge for providing market linkages because significant sale turnover is required by each member to earn incomes which are even equivalent minimum wages or to cross the poverty line. The author has suggested that though there is a positive growth of self-help groups there is a wide variation among states linkage of banks with self-help groups is found impossible for this variation.

Pillai and Hari kumar(2006)⁸⁴ have been of the view that the very existence of self-help groups is highly relevant to make the people living below poverty line hopeful and self-reliant. Self-help groups enable them to increase their income, improve their standard of living and status in society. Present study is a field study about the self-help groups formed under Sarnjanti Gram Swarozar Yojana scheme conducted in the state of Kerala.

83. Soundarapandian, M., "Micro-finance for Rural Entrepreneurs: Issues and Strategies" in Kurukshestra, September 2000, pp.14-16

84 Pillai, B. Vijayachandran and V. Harikumar, "Self-help groups in Kerala" in Kurukshestra, July, 2006, pp.30-34

On the basis of their study of the self-help groups and their working, the authors have highlighted certain problems in formation & functioning of the self-help groups. These include: (i) Ignorance of members/participants, (ii) Inadequate training facilities, (iii) Problems related with availability of raw material, (iv) Problems of marketing, (v) Lack of stability and unity especially among women self-help groups, (vi) Weak financial management, (vii) Exploitation by strong members of the self-help groups, (viii) Low return, (ix) Inadequate financial assistance, (x) Inadequate support from line departments etc. Suggestions are made to solve these problems and for smoothly functioning of these self-help groups.

Solunke and Gawande (2006)⁸⁵ evaluated the Swarnjayanti Gram Swarozgar Yojana and found out several malpractices in its working. The main observation of the study is that the non-targeted people are also provided coverage under the self-help groups. Thus the authors have suggested that without discouraging the non-poor from participating in this scheme the benefits will not reach the deserving rural poor. Therefore, there is an urgent need to control such issues/problems in the working of Swarnjayanti Gram Swarozgar Yojana so that the targeted poor might be benefited.

Naryanaswamy, Manivel and Baskar (2005)⁸⁶ assessed the extent of financial assistance provided to self-help groups under the centrally sponsored swarnjayanti Gram Swarozgar Yojana scheme. They evaluate the functioning of the groups with specific reference to economic activities in a newly formed district in Tamil Nadu. The study found that the assistance under the scheme reached the intended beneficiaries. The role of non-government organisations and federation was appreciable in forming and facilitating the groups in the saving and lending operations etc. The authors suggest that efforts should be made to cultivate risk-bearing ability among the members of the groups and to make the working of self-help groups more effective.

The authors have concluded that economic assistance provided to self-help groups under Swarnjayanti Gram Swarozgar Yojana scheme reached deserving groups having membership from socially and economically weak and downtrodden.

85 Solunke, R.S. and Gawande, G.B., Rural Development Poverty alleviation Programmes “, Kurukshetra, Ministry of I&B, publications, New Delhi. July.

86 Narayaneswamy, N., Mainvel, S. and Baskar., “Micro credit-Driven Rural Enterprises: Lesson from SHGs Assisted Under SGSY Scheme” in Journal of Rural Development, Vol.24(3), 2005, pp.353-376

The groups have been successful in all counts. The non-government organisations and federations have played a commendable role in bringing up groups to the present level. But judging their role from the point of promoting the groups into micro-enterprises leaves much to be desired. The members and groups are risk-averse and therefore, micro-enterprises mostly progress along the traditional occupation lines which do not bring adequate returns. For, mere skill imparting and credit disbursing do not, in reality, contribute to entrepreneurship development. It is a multi-disciplinary concept with the essential support facilities going along with it in a package. More important is the ability and venturesomeness to assume risks and the need for achievement-success to overturn it. It would be advisable for the selected/graded self-help groups where as members have demonstrated leadership initiative, a stand-up mindset to challenge at any cost along with hard work against odds and the necessary skills to get them connected by means of franchise holdings to medium or small industries in small towns or the rural-fringe of urban centres.

The study by Malhotra (2005)⁸⁷ brings together the working and financing pattern of self-help groups in Andhra Pradesh. The promotion of self-help groups in the state now seems to be a state subject and the state government is providing self-employment opportunities to the rural poor through promoting such self-help groups. It highlights the role of self-help groups towards alleviation of poverty. The author highlights that Andhra Pradesh has seven per cent of Indian as it has promoted and credit-linked more than 36 per cent of all the self-help groups in the country. These self-help groups in the state have been no less than 44 per cent of the total bank credit made available throughout the country. In India the self-help groups are financed through commercial, rural and cooperative banks. In the country as a whole, about 49 per cent of the credit given to self-help groups is from commercial banks while in Andhra Pradesh this proportion is 69 per cent. The quantum of loan per cent self-help groups in the state averages to 23 per cent more than the national average standing at Rs.44.823/- as compared to Rs.36.180 elsewhere.

Shylendra (2004)⁸⁸ makes an attempt to critically assess the Self-Help Group (SHG)- Bank linkage programme focusing on its approach and the strategy and arrive

87 Malthotra.Rakesh."Andhra Pradesh:pioneer of Self-Help-Groups in India" in Mainsstream, vol. XI.III, April 8-14, 2005, No.16, pp7-24

88. Shylendra, S.H., "The SHG Bank linkage programmes: AN Assessment and Future Strategies" in Journal of Rural Development Vol. 23(4), 2004, pp.411-431

at possible ways to take it forward. The main aim of the programme is to tap the potential of the Self-Help Groups concept to bring banking services to the doorsteps of the poor. In terms of reaching physical targets, the programme seems to have done quite impressively in the last one decade. It has all the potential to unfold new avenues for banking with poor. The results achieved so appear to be the outcome of the persistent effort made by the National Bank for Agriculture and Rural Development (NABARD) in mobilizing a large number of NGOs and financial institutions through cheaper refinance and capacity building support. While NGOs have emerged as prominent players in the programme, the financial institutions overall have lagged behind. The programme still has a very long way to go if it has to become the core strategy of the banking sector. The key to the future success lies in retaining the basic character and strength of self-help groups along with integrating them appropriately with outside systems to meet the needs of the members in an enduring way this calls for highly coordinated efforts among all the stakeholders at different levels.

Venkatasubramanian (2004)⁸⁹ studied the poverty alleviation as a challenge by all development countries. The role of the state, in solving the problem is defined clearly and discussed. Recommendation for the swarnjayanti Gram Swarozgar Yojana is made and assistance given by World Bank and its allied agencies in India for poverty alleviation is studied.

Chatterjee (2003)⁹⁰ conducted this study in Japur district of UP to get an idea about implementation of Swarnjayanti Gram Swarozgar Yojana. The scheme covers all aspects of self-employment of the rural poor mainly by organizing them through self help groups and their capacity building. A major shift of the swarnjayanti Swarozgar Yojana from the erstwhile programmes is its emphasis on the social mobilization of the poor. Social mobilization enables the poor to build their own organizations viz. self-help groups. The study reveals that due to banking rule and regulations poor persons are suffering. Therefore, there should be flexibility of banking rules so that poor people are benefited. The banks should be strengthened with adequate manpower. The author also suggests that for alleviation of poverty, steps should be taken on a war – footing in the district.

89. Venkatassubramanian, K. "Poverty Alleviation: Greatest Challenge", Yojana, Vol.48, No.3, 3 March 2004.

90 Chatterjee, Shankar, "Networking Sgsy, Banks and ShGs: Initiatives in Uttar Pradesh" in Kurukshetra, February 2003, pp.27-29

All round efforts should be made to alleviate poverty as 1.5 lakh families are still below the poverty line in the district.

Research paper of Singh (2003)⁹¹ is devoted to discuss sustainability components, requirements of self-help groups, nurturing of groups and suggests suitable measures for capacity building of these groups. According to the author, Swarnjayanti Gram Swarozgar Yojana aim at creating self-employment opportunities for the rural poor with emphasis on self-help groups by providing them assistance through subsidy and bank credit. Self-help leads to 'self-reliance' of self-help groups and a group having achieved such a state no longer depends on the benevolence or assistance or third parties. A self-reliant group is one that has developed sufficient analytical, productive and organizational capacity to design and implement a strategy, which effectively contributes to the betterment of its independent status. It has been observed that the progress of promotion of self-help groups is slow due to lack of general awareness, challenge of identifying economic activities, indifferent attitude of bankers, lack of appropriate skill, dependence on other institutions, factionalism and internal rivalries, poor monitoring and evaluation etc.

Banerjee and Sen (2003)⁹² conducted a study of the swarnjayanti Gram Swarozgar Yojana in three districts viz. Hoogli, Haorah and Medinipur of West Bengal during 2000-01. The objective of the study was two-fold: one, to examine how the long chain of steps involved in taking benefit from the highest level of government to the lowliest. Viz., poor women in rural India, was working out in practice, and two, to assess how far participating in this programme would actually be empowering for women. Main finding of the study included: (i) the participants had very little awareness about the provisions of the scheme (ii) there was no regular mechanism installed through which agencies at different levels could clarify the position or raise their objections, (iii) though the scheme requires that the poor should be brought together to form coherent groups, but the research team observed that the poor belong to many

91. Singh, Mohinder, "Capacity Building of Self-Help Groups for Sustainable Rural Development" in Singh, Surat and S.P. Singh (eds.) Strategies for Sustainable Rural Development. Deep and deep publications, New Delhi, 2003, pp. 261-267.

92. Banerjee, Nirjala and Joyanti Sen. The Swarnjayanti Gram Swarozgar Yojana: A policy in working, Sachetana, Kolkata, 2003

disparate communities and not always live in physical proximity and there is a deep mistrust between them, (iv) there has been little evidence of the beginnings of a process of permanently eradicating poverty, (v) the workload of the women had gone up substantially with only marginal improvement in their incomes. The research team recommended decentralization of the scheme. Each region should be given the authority to tailor the use of the funds to its problems of poverty and the poor. Second, adequate publicity should be given about the scheme among the potential beneficiaries as well as the authorities in charge and their responsibilities.

Verma,(2003) ⁹³ studied the non-governmental organization and panchayati Raj institutions and their role in rural development. Policies and programmes of government have been studied, various programmes of rural development, such as Swarnjayanti Gram Swarozgar Yojana and others programmes have been dealt with in detail and it is pointed out that there is a need of such type of programmes to achieve the objective of development.

Dawarkanath (2002) ⁹⁴ in his article studied the need and objectives of self-help groups and their functions, characteristics and growth of self-help groups in Andhra Pradesh is studied with special reference to Ranga Reddy district. The author has concluded that self-help groups with a small micro-finance are occupying an important position in rural credit in the district. The women groups in the district have undertaken entrepreneurial activities at a smaller level with minimum capital requirements. The women-led self-help groups have successfully demonstrated how to mobilize and manage thrift, appraise credit need and enforce financial self-discipline. The study reveals the awareness among the rural folk about the significance of women empowerment and rural credit.

Lalitha and Ngarajan (2002) ⁹⁵ in their book present the typologies and operational implications of self-help groups experimented by the non-government organisations in selected districts of Tamil Nadu. The study concludes that rural poor women are credit – worthy and proves that rural development programmes based on community participation

93. Verma, Sawalia Bihari, Panchayan Raj and Rural Development, Rajasthan Aviskar publishers, Jaipur, 2003.

94. Dawarkanath, H.D., "Rural Credit and Women Self-Help-Groups: A profile of Ranga Reddy District in Andhra Pradesh" in Kurukshetra, 2002, pp.9-15

95. Lalitha, N. and Nagarajan, S.B., Self-Help-Groups in Rural Development, Dominant Publishers, New Delhi, 2002.

Through self-help groups if designed properly and implemented effectively can become a key in unlocking the the hidden creative potentialities of the poor leading to their economic and social emancipation. The study shows though started with the main objective of liberation the villagers from the clutches of money –lenders, the self-help groups have surpassed the assigned role and have acquired a wider significance, that of a primary mover of people to strive for their socio-economic upliftment in rural areas. A solid data base has been built up in the book to offer full-proof evidence of the soundness of the self-help group concept in rural areas. The book is highly informative and analytical. It is a good compendium on rural development efforts through self-help groups in India, especially in the field of empowering the women in rural areas and will be useful reference document for policy makers, researcher and scholars in rural development.

Puhazhendi and Satyasai (2001) ⁹⁶ attempted to evaluate the performance of self-help groups with reference to social and economic empowerment .primary data collected with the of structured questionnaire from 560 sample households in 223 self-help groups functioning in 11 states representing four different regions across the country formed the basis for the study . For assessing the impact of the programme, a comparison of pre-self-help group and post-self-help group situations was followed in this study. The reference year of the study was 1999-2000. With a view to quantify the economic and social empowerment of self-help group members, Economic and social empowerment (ESE) Index was computed for each household combining the social and economic parameters using the scoring technique.

The empirical findings of the study revealed that the self-help group as institutional arrangement could positively contribute to the economic and social empowerment of rural poor and the impact on the latter was more pronounced than in the former. Though there was no specific patter in the performance of self- help groups among different regions, the southern region could edge over other regions. Confirming to this situation, the self-help group's programme has been found more popular in the southern region and its progress in other regions is quite slow, thus there is an uneven achievement among the regions. Older groups had relatively more positive features indicating their better performance than younger groups that confirms the stability of the self-help groups at the group level. The involvement in the group

96. Puhazhendi, V. and K.J.S.Satyasai, "Economic and Social Empowerment of Rural poor through Self-Help Groups" in Indian Journal of Agricultural Economic, vol.56.No.3 July-Sept 2001, pp. 450-51

Significantly contributed in improving the self-confidence of the members. The feeling of self-worth and communication with others improved after association with the self-help groups

In his paper Jairath (2001) ⁹⁷ examines the rationale of promoting self-help groups, their growth and role in extending micro-credit in general and documents the procedure followed by these self-help groups. Three types of self-help groups viz., male, female and mixed were in existence in both the resource poor tribal (RPT) and resource better off non-tribal (RBN) regions. The male groups were older than the female and mixed groups in both the regions. In the RPT regions the majority of the members were from BPL families as against non-BPL families in the RBN region. The average membership per self-help group in the RPT region was more than that in the RBN region. The average saving of sampled self-help groups in the RPT region was nearly 75 per cent higher than in the RBN region. Similarly, the amount of saving for male and female self-help groups was about 260 per cent and 178 per cent higher in the RPT region respectively. As against this, the average amount of savings of mixed groups in the RBN region was about 38 per cent higher than their counterparts in the RPT region. The average rate of interest charged by the self-help groups and the average size of borrowing in RPT region were much higher compared to the RBN region. The ratio between group savings and lending was on an average 1:2.86 in the RPT and RBN regions, respectively in Rajasthan. This ratio was highest for mixed groups, followed by male groups in both the regions under study. In the RBN region more than 75 per cent of the borrowers took loan for production purpose as against 55 per cent in the RPT region.

According to Das, Baruah (2001), ⁹⁸ in Assam, the idea of Self-Help Group flourished in 1990s when formation of the non-governmental organizations has become a trend with the objective of improving the socio-economic conditions of both the urban and the rural poor. The study attempts to analyze the composition and performance of self-help groups of Sonitpur district of Assam. The data were collected from three categories of self-help groups:

97. Jairath, M.S., "Growth and Development of Self-Help-Groups in Rajasthan" In Indian Journal of Agricultural Economics, Vol.56, No.3, July-Sept 2001, pp.-462-63.

98. Das, R., R.N. Barman and P.K. Baruah, "performance of Self-Help-Groups in Sonitpur District of Assam" in Indian Journal of Agriculture Economic, Vol.56, No.3 July-Sept 2001, p.466

Male (Category-I), female (Category-II) and mixed (Category-III) self-help groups. Average illiteracy rate among the members was 8.92 per cent. The sources of funds of the self-help groups were contribution from members, grants and subsidy. Institutional loan was utilized mainly for infrastructure development for running different enterprises of self-help groups. The self-help groups belonging to Category-I utilized the maximum funds of crop production, those in Category-II for weaving and textile activities and those in Category-III for crop enterprises, weaving and textile and other animal husbandry activities like poultry, dairy etc. Category-II self-help groups derived maximum profits from weaving and textile enterprise. The study revealed that more grants and aids would help to build adequate infrastructure which would streamline activities of self-help groups resulting ultimately in economic prosperity and social stability for them.

According to Hosamani, Balappa and Megeri (2001),⁹⁹ the financial requirements of the rural poor for emergent consumption or productive purposes emphasize the need to have greater accessibility to credit delivery structures. The National Bank for Rural Development has evolved supplementary credit strategies for meeting the credit needs of the rural poor through the medium of self-help groups. The self-help groups-Bank linkage programme has made rapid strides in Karnataka as well as in the country as a whole. The number of groups in the state and the country has shown a remarkable growth of 92 and 94 per cent respectively. In Karnataka, more number of self-help groups were concentrated in the southern part and in recent years the trend has been reversed with more concentration towards the northern part. Among the agencies involved in the linkage programme, cooperative banks showed higher growth (1200 per cent), followed by Regional Rural Banks (54 per cent) and commercial banks (40 per cent).

Gupta and Srivastava (2001)¹⁰⁰ highlight the working of self-help groups in Daudi Junkar village of Hoshangabad district of Madhya Pradesh. In Madhya Pradesh the movement of self-help groups is not very old. Till March 31, 2000 a total number of 2272 self-help groups were linked with branches of banks in the state. These were given loans to the of

99. Hoasamani.S.B.S.R. balappa and S.N.Megeri,"Self-Help Groups in Karnataka-Trends and Implications" in Indian Journal of Agriculture Economics. Vol.56.No.3,July-Sept 2001.p.469

100. Gupta,S.K.and A.Shrivastava,"A Study of Working of Self-Help-Groups Madhya Pradesh" in Indian Journal of Agricultural Economics, Vol.56,NoJuly-Sept2001,pp,470-71

Rs.4.10 crores and refinance of Rs.2.77 crores. In Hoshangabad district, 216 self-help groups have savings bank accounts opened with the branches of different banks. Regional Rural Bank, Suktawa has maximum number of 168 self-help groups. The formation of self-help groups in such a large number has been possible only due to the non-government organisations.

The paper by Gaonkar (2001)¹⁰¹ attempt to study the working and impact of self-help groups based on the data collected from five women self-help groups situated in Bardez and Bicholim talukas of Ga. The finding of the study revealed that individual loans are mostly used for productive purposes. Monthly interest rate charged on individual loans is high. The group takes decisions only after free and frank discussion and all the groups maintain the complete records of their proceedings. The self-help groups have made a lasting impact on the lives of the poor, particularly the women. Their quality of life has improved a lot. The study revealed that formation of self-help groups has led to the improvement in the quality of life of in terms of increase in the family income, increase in savings, increase in consumption expenditure, gaining self-confidence and productive use of free time, getting opportunity to improve the hidden talent and getting more importance in the family. The paper concludes that the movement of self-help groups can significantly contribute towards the reduction of poverty and unemployment in the rural sector of the economy. The self-help groups can lead to social transformation in terms of economic development and social change.

Panth, S. Ananth, (2001)¹⁰² ‘explains Swarnjayanti Gram Swarozgar Yojana ‘ as a great combination of many features of the earlier poverty alleviation programmes. He said that Swarnjayanti Gram Swarozgar Yojana is aimed to eliminate poverty through self-help and entrepreneurship development and not just income generation. The procedure of working of Swarnjayanti Gram Swarozgar Yojana is target specific and its performance is discussed briefly. It is said that it can work well only with a great deal of more groundwork than has been done so far.

101. Gaonkar, Rekha R., "working and Impact of Self-Help-Groups in Goa " in Indian Journal of Agricultural Economics, Vol. 56, No.3, July-Sept 2001, p.471

102. Panth, S, Ananth, "Swarozgar Yojana :Old Wine, New Cocktail" in Economic and Political Weekly, 8 September, 2001

Gaonkar ¹⁰³ has evaluated the role of self-help groups in empowerment of women in the state of Goa. On the basis of the field study of the self-help groups in Goa, the author concludes that self-help groups have made a lasting impact on the lives of the women in rural areas of Goa. Their quality of life has improved considerably. Following impacts have been observed (i) the women could develop their skills and abilities in various productive activities; (ii) there is an increase in their income, savings and consumption expenditure; (iii) increased self-reliance and self-confidence have improved the ability of women to mobilize various public services for their benefit (iv) they become bold and can speak freely in front of a big crowd; (v) they can carry out any type of official work without any fear; (vi) social horizon of members has also widened; (vii) the illiterate and semi-literate women have got a sense of satisfaction; (viii) they have high self-esteem which enhances their capacity to work; (ix) with improvements in women's economic opportunities and their ability to take collective action, there has been a significant decline in gender based problems such as domestic violence, dowry, polygamy etc. thus, self-help groups have proved effective instruments of women empowerment.

1.7 Rationality

After a careful perusal of the book review with regard to the SGSY give above, it is obvious that even after the passage of a span of 14 years (fourteen) of this scheme, not enough research has been conducted till date. However, most of these research studies that have been conducted pertain to southern states. As far as northern states are concerned, only a few researches have been conducted and Haryana is not an exception in this regard. As a result the present study is an endeavor in this direction. In fact the success of SGSY depends upon the formation and good performance of self-help groups. Therefore, it is necessary to examine quantity and quality of self-help groups, i.e., whether self-help groups have been formed in good number and what is the level of their performance. The present study has been undertaken in Mahendergarh district of Haryana state.

103 Gaonkar, Rekha R., "Role of Self-Help-Groups in Empowerment of Women", available on www.rural.in visited on March 18, 2012

Present study is an effort to know how many self-help groups have been formed in the Mahendergarh district as also to know whether they are functional and whether the swarozgaris have been benefited by the Yojana,i.e., whether their level of income have increased there by bringing them above the poverty line.

1.8 OBJECTIVES:

The study has been undertaken with the following objectives in view:

1. To find the level of awareness of the members of self-help groups in the Mahendergarh district.
2. To know whether self-help groups in Mahendergarh district have been maintaining proper relevant records.
3. To know the level of participation of members of self-help groups in Mahendergarh district.
4. To examine whether meeting of self-help groups in Mahendergarh district take place at regular intervals.
5. To know whether the decisions in the meeting of self-help groups in Mahendergarh district takendemocratic manner.
6. To know whether the respective District Rural Development Agency provide adequate training to the members of self-help groups in Mahendergarh district.
7. To examine the problems faced by the self-help groups in Mahendergarh district at the time of getting loan from bank.
8. To find whether the respective District Rural Development Agency help the self-help groups in Mahendergarh district in the marketing of goods produced by them.
9. To know whether the District Rural Development Agency monitor the self-help groups in Mahendergarh district after their formation.
10. To find whether the formation of self-help groups in Mahendergarh district helped in improving the position of the swarozgaries.

1.9 HYPOTHESES:

Following have been the main hypotheses of the study:

1. The level of awareness of the member of self-help groups in Mahendergarh district about the scheme has been poor.
2. The self-help groups in Mahendergarh district have not been maintaining proper relevant records.
3. The members of self-help groups in Mahendergarh district do not actively participate in the affairs of the self-help groups.
4. Meeting of self-help groups in Mahendergarh district are not held at regular intervals.
5. The decisions in the meeting of self-help groups in Mahendergarh district are not taken in democratic manner.
6. The respective District Rural Development Agency do not provide adequate training to the members of self-help groups in Mahendergarh district.
7. The self-help groups in Mahendergarh district face problem at the time of getting loan from the bank.
8. The respective District Rural Development Agency do not support the self-help groups in Mahendergarh district in the marketing of goods produced by them.
9. The respective District Rural Development Agency do not monitor the self-help groups in Mahendergarh district after their formation.
10. The formation of self-help groups in Mahendergarh district has not helped in improving the economic position of the swarozgaries.

1.10. LIMITATIONS

Due to the paucity of time and resources, the present study is limited in the following manner:

1. It is limited to Mahendergarh district of Haryana state.
2. It takes into account only the self-help groups and excludes the individual swarozgaries covered by Swarnjayanti Gram Swarozgar Yojana.
3. The study takes into account those self-help groups which have come into existence during the period April 1, 2008 to March 31, 2013.
4. The detailed study of only those self-help groups has been undertaken which have been passed Grade-I and Grade II.

1.11. RESEARCH DESIGN

Present study relates to evaluation of the Swarnjayanti Gram Swarozgar Yojana which was started on April 1, 1999. It is an empirical study and has been conducted in Mahendergarh district of Haryana state. The beneficiaries under this scheme are called 'Swarozaries'; under the scheme, there have been two types of beneficiaries viz. individual swarozaries and self-help groups. Present study is restricted to the study of only self-help groups in Mahendergarh district.

1.11.1 SHGs-OFFICE-BEARERS

A total of 1180 self-help groups have been formed in Mahendergarh district during the fourteen (14) years period, i.e., from April 1, 1999 to March 31, 2013. However, all these self-help groups have not been working properly; some of them have become defunct while some others have not taken up economic activity so far. Therefore, there was no point in studying all these self-help groups. Instead, only those self-help groups have been taken up for detailed study which have been in existence for the last five years (April 1, 1999 to March 31, 2013). The number of such self-help groups has been 350 in Mahendergarh district. These 350 self-help groups constitute the universe of the present study. Instead of random sampling method, census method of study has been adopted and all these groups have been covered for detailed study. An interview schedule was prepared containing 15 questions (see Annexure-1) was prepared and

administered to all these self-help groups. The interview schedule was administered to the office-bearers of these self-help groups.

1.11.2 SHGs-MEMBERS

In order to verify the truth or otherwise of the statements and claims of the office bears obtained through interview schedule-1, it was desirable to contact and obtain the version of the members of the self-help groups. However, since the number of self-help groups and members there of was too high, it was not possible to contact every member of all the 350 self-help groups selected in section 1.11.2. Therefore, it was decided to draw a representative sample of 50 per cent self-help groups and contact one member of these selected self-help groups. Selection of the self-help groups was effected in the following manner:

Table-1.4

SAMPLE SELECTION CRITERIA

Sr. No.	Blocks	SHGs Passed, Grade-I	SHGs Passed, Grade-II	50%
1	M/Garh	12	34	23
2	Kanina	12	41	27
3	N/Chaudhary	02	18	10
4	Ateli	03	27	14
5	Narnaul	29	30	31
Total		58	150	105

(see Annexure-III)

Thus, these 105 self-help groups in all were contacted and interview schedule-2 containing 5 questions (see Annexure-2) was administered to them. In this way, the statement and answers of the office-bearers of the self-help groups obtained with the help of schedule-1 were got verified.

1.11.3 OFFICIALS--DRDA & BANK

The Project Economists in the District Rural Development Agency Mahendergarh district and the branch managers of the concerned bank branches have been also been studied .To know their view, they have been interviewed and their views about the performance of the scheme in the Mahendergarh district have been obtained. The primary data collected from these there categories of respondents have been classified, tabulated and analyzed in Chapter -5 of the study.

1.11.4 SECONDARY SOURCES

Secondary data pertaining to the study have been obtained from various sources .These sources mainly included records/websites of Union Ministry of Rural Development,Government of Haryana, Manual of the Swarnjayanti Gram Swarozgar Yojana , Annual Reports pertaing to Swarnjayanti Gram swarozgar Yojana of the Central and State Government and of the Mahendergarh District ,book,research ,article ,seminar paper ,research studies conducted hitherto fore on the subject and newspaper items etc.