

Swarnajayanti Gram Swarozgar Yojana (SGSY): Its Impact on Poverty Alleviation in Dibrugarh District of Assam

Anshuman Saikia

Assistant Professor,
Department of Economics,
B. P. Chaliha College,
India.

177ans@gmail.com

Structured Abstract:

Purpose: In this paper an attempt has been made to examine the performance of Swarnajayanti Gram Swarozgar Yojana (SGSY), recently restructured as National Rural Livelihoods Mission (NRLM) on poverty alleviation in the Dibrugarh district of Assam.

Methodology: A sample survey method has been used with stratified samples unites in a randomly selected revenue circle of Dibrugarh district.

Findings: The main objectives of Swarnajayanti Gram Swarozgar Yojana / National Rural Livelihoods Mission programme are the suitable scheme for poverty alleviation in rural areas of Assam, but due to lack of infrastructural facilities, lack of awareness, and delay of loan sanctioning and miss-utilization of funds, affect on the full success of scheme not only in Dibrugarh district but also in Assam.

Implications / Limitations: The study is purely based on sample survey method; hence the inferences may not be generalized.

Originality / Value: It is a pioneering research work to review the impact and performance of SGSY / NRLM scheme on poverty alleviation of Dibrugarh district of Assam.

Keywords: SGSY, NRLM, Poverty, Micro Enterprise, SHGs, Rural Poor.

Paper Type: Case Study.

Introduction:

Poverty reduction has remained as one of the major goals of development planning in India since independence and accordingly the development efforts have been directed in creating adequate livelihoods and provision of services for a better quality of life for the poor. Poverty is an outcome of multiple deprivations of low literacy, short life expectation and lack of basic needs such as health care, education, housing, drinking water, etc. This can be expected to eliminate by an integrated approach and ensuring optimal utilization of human resources for sustainable development. It is also recognized that poverty is not only an economic phenomenon but also a social one. According to planning commission of India, if a well-designed poverty alleviation programmer is effectively implemented, not only supplement the

poverty reducing effects of growth but also could promote pro-poor growth. Recent estimates on poverty shows that the number of poor in India has declined from 407.1 million in 2004-05 to 269.3 million in 2011-12 with an average annual decline of 2.2 percentage points during 2004-05 to 2011-12 (Ministry of Finance, 2014).

Swarnajayanti Gram Swarozgar Yojana (SGSY):

The Integrated Rural Development Programme (IRDP) was restructured and combined with Training of Rural Youth for Self- Employment (TRYSEM), Supply of Improved Tools for Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY), Million Wells Scheme (MWS) and Development of Women and Children in Rural Areas (DWCRA). Along with the Swarnajayanti Gram Swarozgar Yojana (SGSY) was launched as an integrated programme for self-employment of the rural poor with effect from 1 April 1999. The objective of the scheme is to bring the assisted poor families above the poverty line by organizing them into Self Help Groups (SHGs) through the process of social mobilization, their training and capacity building and provision of income generating assets through a mix of bank credit and government subsidy. The scheme emphasizes establishment of activity clusters through selection of key activities based on aptitude and skill of the people, availability of resources and market potentiality. The scheme adopts a process approach and attempts to build the capacities of the rural poor. It provides for involvement of NGOs/ CBOs/ Individuals/ Banks and Self Help Promoting Institutions in nurturing and development of SHGs, including skill development. The scheme provides for the cost of social intermediation and skill development training based on the local requirement. Flexibility has been given to the DRDAs/States in the utilization of funds for training, sanction of Revolving Fund, subsidy for economic activity based on the stage of development of groups.

The scheme falls under the purview of the Ministry of Rural Development and is implemented by District Rural Development Agencies (DRDA) with the active involvement of panchayats, banks and non-governmental organizations. District level committee's select ten activities from a wide range of potential activities based on local resources and market for finished products whereas block level committees ensure that groups finalize activities based on skills, through a participatory process. Panchayats select BPL families for participation in the scheme and form Self Help Groups (SHGs) with 10-20 individuals. These SHGs receive training as well as income-generating assets designed and delivered by DRDAs. Once formed, groups are trained and observed by DRDAs along with banks for six months to

develop and strengthen savings and credit activities. They are encouraged to open bank accounts and also to lend from the group's corpus to members within the group. At the end of six months DRDA assess the groups. After another six months, groups are evaluated again to determine if they are viable to undertake economic activities with larger investments (Grade II). Viable groups and individuals are eligible for loan-cum-subsidy for group and individual activities, respectively. The Groups stand guarantee for loans even for individual beneficiaries, since groups can monitor asset management and income generation more closely than banks. SGSY envisages a critical role for banks in planning and preparing projects, activity clusters and infrastructure, apart from disbursement of credit. SGSY dovetails into the SHG-Bank Linkage program initiated by the National Bank for Agriculture and Rural Development (NABARD) to provide credit and other financial products to SHGs. The Central Level Coordination Committee (CLCC) and State Level Coordination Committee (SLCC) are responsible for program guidelines and monitoring implementation. DRDAs monitor progress at the block level and submit monthly reports to the Department of Rural Development in the Ministry of Rural Development. Panchayats and Panchayat Samitis are monitoring the SHGs at the Gaon Panchayat level and those SHGs with a track record of less than 80% loan recovery are suspended from the program. Panchayats must monitor loan use and repayment as well as promote asset creation and income generation of swarogaries.

Swarnajayanti Gram Swarozgar Yojana (SGSY) to National Rural Livelihoods Mission (NRLM):

The existing Swarnajayanti Gram Swarozgar Yojana (SGSY) has been restructured as the - National Rural Livelihoods Mission (NRLM) and was launched by the Ministry of Rural Development (MoRD) in 2011. The restructuring was mainly done due to the shortcoming of SGSY, specifically vast regional variations in mobilization of rural poor, insufficient capacity building of beneficiaries, insufficient investments for building community institutions, weak linkages with the banks leading to low credit mobilization, lack of repeat financing and lack of dedicated manpower to implement the program. The NRLM aims at creating efficient and effective institutional platforms for the rural poor enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services. Such institutional platforms will create an ecosystem where the poor can work together and with external agents to identify problems and design solutions. NRLM targets to cover 7 Crore rural poor households, across 600 districts, 6000 blocks, 2.5 lakh Gram

Panchayats and 6 lakh villages in the country through self-managed Self Help Groups (SHGs), federated institutions and support them for livelihoods collectives in a period of 8-10 years. (Assam state rural livelihood mission society)

Objectives of the study:

1. To study the impact of SGSY programmes on Swarozgaries (beneficiaries) of Dibrugarh district of Assam
2. To find out major problems of the swarozgaries.
3. To suggest some recommendation for improvement of the programme.

Profile of the Dibrugarh district:

Dibrugarh is considered as an economic hub of North East region of India. Dibrugarh is an administrative district in the state of Assam in India. The district headquarters are located at Dibrugarh. The district occupies an area of 3381 sq. kilometers and has a population of 1327248 (2011 census). The district is bounded by Dhemaji district and a part of Lakhimpur district in the north, part of Sibsagar and Arunachal Pradesh in the south, Tinsukia district in the east and Sibsagar district in the west. Brahmaputra River flows in the north of the district. There are seven development blocks in Dibrugarh. The names of these blocks in the district are Khowang, Barbaruah, Lahoal, Panitola, Tengakhat, Joypur and Tingkhong.

Dibrugarh is at the centre of economic activities like oil and natural gas, tea production, power generation, fertilizer, cottage industry etc. The headquarter of the Oil India Ltd. The Fertilizer Corporation of India and Assam Petro-Chemicals Ltd. the Assam Gas Co. NEEPCO, Assam Gas Cracker ltd. are some of the other major industries in the district. Apart from these The Dibrugarh district has world's largest area covered by tea gardens. The entire district is surrounded by tea plantation and has tea factories. In the Dibrugarh there has an ample of opportunities for employment generation either in Agriculture or industrial sector. So the researcher has chosen the Dibrugarh district to study the impact of SGSY such a developed district in Assam.

Methodology:

The study is based on both primary and secondary data. For primary data, Joypur development block has been chosen by conducting a lottery method among seven

development blocks in Dibrugarh district. All the beneficiaries (respondents) were selected by stratified random sampling method. A total of 120 beneficiaries have been sampled with the help of structured and pre-tested interview schedule. Appropriate statistical tools have been used to analysis the collected data to draw a fruitful result and conclusion. The secondary data were collected mainly from the DRDO office of Dibrugarh district, books and journals, and internet.

Results and discussion:

The study have been conducted to know the impact of Swarnajayanti Gram Swarozgar Yojana (SGSY) programmes on poverty alleviation, income status, saving status of respondents of Joypur block of Dibrugarh district of Assam. The majority of the respondents belong to middle age group (25 to 55). It has revealed that higher percentage of the respondents is below matriculation (63.4%) followed by below graduation (18.3%), illiterate (15%) and respondents belongs to Graduate (3.3%). (Table 1)

Regarding occupational status majority of the respondents earning activity is agriculture (61.6%) or agro-business (25.8%), along with (9.3%) respondents are daily wage earners. (Table 2)

The economic category of the respondents, majority of the respondents are below poverty (BPL) card holders (85%), only (15%) respondents are APL category. (Table 3)

The study reveals that before implementing the SGSY programme most of the beneficiaries were falling under low income, significantly, after the inclusion in SGSY programme a higher percentage of beneficiaries (68.3%) raise their status to medium size income group(from 30,000-60,000), and (16.7%) beneficiaries to the high income group(above 60,000) . In terms of saving also, most of respondents saving habit was improved. Majority of the (57.5%) respondents saving ratio rises to the category of 10,000 – 20,000 annually. (Table 4)

In the sample majority of the respondents (73.3%) got training in livelihood promotion, SHG concepts, book keeping and social development. Among livelihood promotion, skill development is major component followed by agriculture and agri.-allied activities like animal husbandry. Only 25% of the respondents participated in trade Fairs/exhibitions organized by the Governments/ Non-Governmental Organizations (NGOs). (Table 5)

In the total 120 respondents, (73.3%) reported that their saving has increased definitely where (7.5%) respondents reported no change in their savings since their inception of group (SHGs). According to 18.4% respondents reported no fixed savings. (Table 6)

Response of all 120 respondents to a set of impact related questions is summarized at Table 7. Income of respondents increased in 76.6%, credit availability increased according to 81.6% respondents, habit of saving has increased for 88.3%. An increase in expenditure on food is experienced by 55.8%, 67.5% of respondents are spending more on education and 70% respondents' are spending more on health. Respondents of 81% felt that their leadership qualities have improved. About 80.8% reported decrease in their dependence on money lenders and 76.6% felt a decline in family debts. A sizable number of groups did not experience any change in almost all these indicators. (Table 7)

Positive impact:

1. The SGSY program has resulted in social and economic benefits to a significant percentage of the sample respondents. Over 80% sample groups experienced increase in saving habit, credit availability, increase in income and increase in access to formal credit.
2. Over 81% respondents have positive experiences about leadership development and their interaction with government officials. Majority of respondents participated in group decision-making process.
3. About 76% respondents experienced a decline in family debts, interest burden and dependence on money lenders.
4. Around 57% respondents have an increase in expenditure on food, education and health.
5. No doubt maximum numbers of SGSY participants have getting profits from their economic activities. A few are also incurred loss and a few more are left with no profit and no loss. One of the reasons for loss or less profit was loss of assets/ livestock. Majority of groups did not get insured their assets/ livestock.
6. Increase in saving habits of respondents is one of another positive impact of SGSY.

Problems:

1. The major complaints of the beneficiaries were non-co-operation from the banks, delay in bank procedures and delay in disbursement of loans. The beneficiaries

reported that the loan amount was provided in a single dose. Delay in sanctioning of loans, non-co-operation of the banks, lack of proper guidance has been creating problems in the smooth development of group activities.

2. Lack of co-ordination between banks and block officials was also noted. No effective follow up was being made after sanctioning loans to the beneficiaries.
3. One of the important problems was that a few numbers of respondents participated in trade fairs/exhibitions organized by the Governments/ Non-Governmental Organizations (NGOs).
4. Widespread corruption in SGSY program is affecting adversely the repayment to the banks, which in turn is affecting adversely the SHG - banking program
5. A good numbers of individual beneficiaries had not undergone any kind of skill development. The products produced by the beneficiaries were found to be of inferior quality due to non-adequate training and skill development facilities.
6. The district / block officials were found to be unaware of the approach to rural development through organizing the rural poor into SHGs, nurturing them and providing them initial guidance.

Steps taken for proper implementation of the SGSY / NRLM:

1. There should be greater co-ordination of work at the block level between the bankers and Government functionaries for sorting out problems relating to banks.
2. The beneficiaries should regularly participate both in state and national level Trade Fairs to promote marketing & create space for their products.
3. The loan should be given immediately after the beneficiaries complete the training for skill development as envisaged in the SGSY / NRLM Guidelines.
4. The banks should expand their area of operation to un-serviced areas so as to cover more BPL families.
5. Monitoring and evaluation activities need to be given more importance for improved performance under SGSY/NRLM. In order to develop a consistent system of monitoring the implementation of SGSY/NRLM at the Block level through field visits and physical verification of assets are must.
6. The marketing of products may be tried through special co-operatives formed for the purpose in each village by organizing Melas and Exhibitions.

7. More emphasis may be given to the skill development and other training programmes. The Banks may also be closely associated and effectively involved in these training programmes.

Conclusion:

It is observed that the SGSY scheme provided financial support to the SHGs for undertaking income generating scheme. It is hoped that with the restructuring of SGSY into NRLM, the people at the bottom of the pyramid is expected to be benefitted from NRLM as it has adopted 'demand driven' strategy, in place of SGSY's 'allocation based' strategy. It can conclude that Dibrugarh district has achieved an accountable level of success in formation of SHGs in rural areas. No doubt the SGSY programme is the proper scheme for poverty alleviation rural areas, but due to unavailability of basic facilities, lack of awareness, and delay of loan sanctioning and miss-utilization of funds, defective monitoring system, hampering not only the sworojgaries but also the SGSY programme in Assam.

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Table 1

Educational status of the respondents

Educational status	No of respondents	%
Illiterate	18	15%
Below matriculation	76	63.4%
Below graduate	22	18.3%
Above graduate	04	3.3%

Source: Authors complied

Table 2

Occupational pattern of the respondents

Occupation	No of respondents	%
Agriculture	74	61.6%
Agro-business	31	25.8%
Daily wage earners	11	9.3%
Live stock	04	3.3%

Source: Authors complied

Table 3

Economic category of the respondents

Economic Category	No of respondents	%
BPL	102	85%
APL	18	15%

Source: Authors complied

Table 4

Distribution of increase in income and saving after joining SGSY of beneficiaries

Annual level of income (in Rs.)	No of respondents	%	Annual saving (in Rs.)	No of respondents	%
Less than 30,000	18	15%	Less than 10,000	47	39.1%
30,000 – 60,000	82	68.3%	10,000-20,000	69	57.5%
More than 60,000	20	16.7%	More than 20,000	04	3.3%

Source: Authors complied

Table 5

Status of beneficiaries undergo training or skill development programme

Trained	%	Un-trained	%
88	73.3%	32	26.7%

Source: Authors complied

Table 6

Changes in saving rate wise distribution of beneficiaries

Change in thrift rate	No of respondents	%
Saving reduced	01	0.8%
No change	09	7.5%
Saving increased	88	73.3%
No fixed savings	22	18.4%

Source: Authors complied

Table 7
Impact of SGSY on change in economic and social indicator

Indicator	Increase	Decrease	No change	Total
Income	92(76.6%)	02(1.6%)	26(21.6%)	120
Credit availability	98(81.6%)	-	22(18.3%)	120
Habit of saving	106(88.3%)	-	14(11.6%)	120
Ex. On food	67(55.8%)	06(5%)	47(39.1%)	120
Ex. On education	81(67.5%)	01(0.83%)	38(31.6%)	120
Ex. On health	84(70%)	01(0.83%)	35(29.1%)	120
Dependence on money lender	-	97(80.8%)	23(19.1%)	120
Family credit	02(1.6%)	92(76.6%)	26(21.6%)	120

Source: Authors complied