

EVALUATION REPORT ON MAHILA SAMRIDDHI YOJANA

1. The Study

The Mahila Samriddhi Yojana, a central sector scheme of the Department of Women and Child Development was launched on 2nd October, 1993 with the objective of empowering rural women through development of thrift habit and building confidence and self-reliance. Under the scheme any adult rural woman could open the MSY account in the post office with a minimum deposit of Rs 4/- or in multiples of Rs.4/- subject to a maximum of Rs.300/-. During the first two years of its operation the performance of target and the amount of money deposited in MSY accounts was not very encouraging. The cost of operating the scheme was also on the higher side.

At the instance of the Department of Women and Child Development, the Programme Evaluation Organisation undertook the study to examine the impact of MSY, to identify the gaps, if any, and suggest measures that could improve the performance of the scheme.

2. Objectives of the Study

The main objectives of the study were following:

- i) to assess if the scheme has made the desired impact of empowering the rural women,
- ii) to examine the operational aspects of the scheme and identify the gaps, if any,
- iii) to suggest measures for improving the performance of MSY,
- iv) why are deposits under the scheme so low?,
- v) why are accounts being closed before the maximum limit of Rs. 300/-per account is reached ?,
- vi) what is the socio-economic profile of the beneficiaries?,
- vii) do women actually go to the post office to open the accounts?,
- viii) are women aware that the scheme is permanent?,
- ix) do women take the Pass Books to the Post Office to get the entries for incentive recorded?, and
- x) what is the contribution of NGOs, Mahila Mandals and Panchayats in the implementation of MSY?

3. Sample Size/Criteria for Sample Selection

822 eligible women spread over the operational jurisdiction of 56 BPOs in 28 Districts of 16 sample States were selected for the study. The selected women belonged to three categories viz. (i) live MSY accounts, (ii) those who had closed their accounts and (iii) those who did not open MSY accounts. In addition to beneficiaries, 404 knowledgeable persons were selected for the canvassing.

4. Reference Period

The reference period for the study was 1993-94 and 1994-95.

5. Main Findings

1. 1.17 crore MSY accounts were opened upto September, 1995 as against the target of 2 crore accounts. The average deposit per account worked out to about Rs. 101/-. The performance of MSY as measured by achievement against target and the proportion of eligible population covered, had shown wide variations across states, Andhra Pradesh, Assam, Chandigarh and Tamil Nadu exceeded their targets and Karnataka and Madhya Pradesh nearly achieved their target, while the performance of the rest of the sample States was found to be unsatisfactory during the first two years of operation of scheme.
2. The wide variation in performance across states and districts was the result of the interaction of a large number of factors relating to the levels of socio-economic development and the effectiveness of the publicity media and the implementing agencies.
3. The BPMs of the Department of Posts, the Anganwadi workers of DWCP and some district administration had been the most effective in the popularisation of the scheme. The grass root level women organisation like Mahila Mandals and DWCRA had also contributed positively.
4. Almost all the states had used a number of media for publicity of the programme. However, the degree of emphasis across alternate media had varied.
5. The operational aspects which seemed to have influenced performance related to the location, coverage of villages and population of BPOs, and the training and educational background of BPMs.
6. In the good performing states, more than 80 percent of the BPMs were matriculate or above, while in other states it was 67 percent. The training of BPMs had not been adequate any where.

7. The amount of deposit per MSY account was very low, particularly given the fact that a high proportion (nearly 30 percent in the sample) of the accounts were opened with an initial deposit of Rs. 300/-. However, the average deposit per account had shown improvement in the second year in some of the good performing States.
8. Ambiguity in the operational rules and the failure of the implementing agencies to sufficiently motivate the beneficiaries were the main reasons for low deposits and closure of MSY accounts. Since the BPMs were not authorised to sanction withdrawals, the beneficiaries faced difficulties in withdrawing money at times of need.
9. During the first two years of its operation the total expenditure for MSY was estimated at Rs. 63.95 crore. Out of this, Rs. 59.67 crore was the operational cost of the Department of Posts, Rs. 3.51 crore was the incentive to the beneficiaries and Rs. 1.77 crore was spent on publicity and awards.
10. The average incentive to beneficiaries worked out to Rs. 48.15 per account in 1994-95 and was estimated at Rs.22.86 for 1995-96.

6. Major Suggestions

1. The foremost task of grassroot level implementors should make the target group aware of the direct and indirect benefits of the programme, so that they get motivated to participate in the programme voluntarily.
2. The task of popularising the scheme should be entrusted to the grass-root level women Self Help Groups, Mahila Mandals, DWCRA, NGO, the Panchayats or the Indira Mahila kendras.
3. The suitable incentives schemes based on the number of accounts and the amount of money mobilised may be formulated.
4. The rules applicable to ordinary bank accounts may be followed for MSY accounts also.
5. It is imperative to keep the operational cost of the Department of Posts within reasonable limits. To ensure wider coverage under MSY and its sustainability, the cost of operation has to be reduced.
6. In order to reduce the operational cost of MSY it is essential to keep the operational cost of post offices under control.