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# A Report on the Success and Failure of SHG's in India – Impediments and Paradigm of Success

*Submitted to:*

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# **EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

### INTRODUCTION

Swarnajayanti Gram Swarajgar Yojana (SGSY) has been launched with the objective of bringing every assisted family above the poverty line within three years, through the provision of micro enterprise.

In view of the above, it was felt that there is a need for a critical examination of the strategies adopted, the interventions sought, funds flow and its utilization, organizational structure and the mechanism of implementation by the implementing agencies in sampled states to understand the impact, failures and success. Voluntary Operation in Community and Environment (VOICE) has been entrusted to undertake a detailed study of the funds released by the Central and State Governments and utilization of the same by line departments so as not only to assess the extent to which it has been possible to achieve the aims and objectives of the SHG's beneficiaries, but also to review the scheme itself and suggest policy measures to improve the situation.

The study was conducted in five states of India selected from the South, North, West, East and Central region of the country. In Southern region, we covered Andhra Pradesh, in Northern region Uttar Pradesh, in western region Gujarat, from central region Chhattisgarh and from Eastern region Bihar. Among these five states Uttar Pradesh and Bihar represents the lesser developed SHG's of the country whereas Andhra Pradesh, Chhattisgarh and Gujarat is representing more developed this group approach. We also covered four districts in each State, two blocks in each district keeping in view the various geographical regions of the sampled States.

The study employed a combination of quantitative and qualitative methods and the data collected both from primary and secondary sources.

### SELF HELP GROUPS (SHGS): DEVELOPMENTAL PARADIGM

Villages are faced with problems related to poverty illiteracy, lack of skills health care etc. These are problems that cannot be tackled individually but can be better solved through group efforts. Today these groups known as Self help groups have become the vehicle of change for the poor and marginalized.



Self-help group is a method of organising the poor people and the marginalized to come together to solve their individual problem. The SHG method is used by the government, NGOs and others worldwide. The poor collect their savings and save it in banks. In return they receive easy access to loans with a small rate of interest to start their micro unit enterprise.

A life of dignity is the right of every citizen. Poverty is an obstruction to a dignified life. Self-employment is a significant step to have sustained incomes and remove the shackles of poverty. Programme for self-employment of the poor has been an important component of the antipoverty programmes implemented through government initiatives in the rural areas of India. Government have introduced an effective Self-Employment programme ‘Swarnajayanti Gram Swarozgar’, or SGSY This new programme has been launched from April 1999. This is a holistic programme covering all aspects of self employment such as organisation of the poor in to self help groups, training, credit, technology, infrastructure and marketing. SGSY will be funded by the centre and the states in the ration of 75 : 25. With the coming in to force of SGSY, the earlier programmes IRDP, TRYSEM, DWCRA, SITRA, GKY and MWS are no longer in operation.

### **SOCIO- ECONOMIC PROFILE OF SWAROZGARIS**

The strata of rural families, handled through Self-Help Groups, are capital scarce, labour surplus, and, by and large, bereft of proper knowledge as well as management skill. At the same time, it also remains a fact that barring certain location limitations, rural areas do throw ample opportunities for installation of micro enterprises by making use of untapped manpower resources, available raw material of various forms, and existing market channels. Given the financial support, together with appropriate knowledge and skill input, the poor people, in general, have the propensity to make better use of labour and capital. Thus, installation of income- generation activities and micro enterprises in the rural areas, in a way, helps promote first-generation micro entrepreneurs with resource mobilization on their own through their SHGs.

About 59 percent of the sample women SGSY beneficiaries are observed to be women, which is considerably higher than the targeted 40%. Over 69 per cent members belonged to SC, ST caste groups, about 21 per cent to OBC caste group and only about 8 per cent to the forward caste group. The minority community has just registered its presence by about 2 per cent membership. The above distinctions appear to be the product of the SHGs policy of SGSY programme. In this case, the SHG members or Swarozgaris must come from the list of below poverty line (BPL) families and the minimum percentage of SC, ST Swarozgaris should be 50 per cent.

A great majority of the members were found to be educated and at least literate in both the groups of SHGs. Over 65 per cent members were capable of reading and writing.

Rural people are engaged in various occupations for earning their livelihood. Information about the occupation of the SHG members under study was collected.

So far as the marital status is concerned, the respondents were found to be either unmarried or married or widowed. A great majority of the respondents in the case of both the groups of SHGs were found to be married. In the case of unmarried category 104 out of 1350 women members in the SGSY- supported SHGs were unmarried.

Poverty alleviation bias is well reflected in the data reported, but not without aberration. About 82 per cent members were found to be landless who are most likely to conform to the criterion of being below poverty line (BPL). But 17 percent of the SHG members who are small landholders may or may not conform to this criterion. Even if it is accepted that these landholders belong to the BPL group, then how it is that no marginal landholder category could be included as members of SHGs.

### **SELF HELP GROUPS: PARADIGM OF SUCCESS AND IMPEDIMENTS IN SAMPLED STATES**

It was observed that in states of UP and Bihar there was complete involvement of GP in the selection process. States like Andhra Pradesh, have ensured that the process of identification and selection of swarozgaris be transparent and adequately cover the poor.

Although the programme emphasis is on group approach, the swarozgaris under SGSY are either individuals or groups.

It was observed in some of the blocks / districts the quality of SHGs had been built with great care and devotion especially in Andhra Pradesh and Gujarat. But, in states like Bihar and UP, where the SHGs were not stable and had not acquired the threshold level maturity, the group projects have got fragmented and the impact has been diluted. In most cases the enterprises were reported as group enterprises for record purposes both at DRDA level and at bank level. The study team observed that wherever the quality of SHGs and their members' capacity for group entrepreneurship was built, the swarozgaris have learnt the art of working in group mode and simultaneously retaining their individual identity. So it has been a win win situation for the beneficiaries and the group

The **involvement of bankers** along with the BDO (or his / her representative) and the Sarpanch in the selection of swarozgaris was desirable. The banker had to play a significant role in apprising the swarozgaris financial discipline and credit behavior. In the state of Andhra Pradesh, there was not a direct involvement of the bankers with the swarozgaris. Funds were disbursed to the beneficiaries through the Village level organization who in turn received it from the Mandal Samakhya and the Zila Samakhya. However, in the other 4 states of Bihar, UP, Chhattisgarh and Gujarat, the beneficiaries received the funds directly from the banks.

**Line department's cooperation** was observed to be low in majority of the states. However, active cooperation was observed in states like Gujarat and Andhra Pradesh. In states like Bihar, UP and Chattisgarh, the study team observed that the block level officials and extension workers were inadequately available and most of the posts were vacant. However, in states like Gujarat, where Sakhi Mandals have been created, the situation is different with lot of resource persons deployed to provide assistance and do effective monitoring.

The mix of poor and non-poor for assistance under the programme was found to be advantageous to the poor under some circumstances and counter productive in other cases. This was observed with satisfaction in states of Gujarat and Andhra Pradesh where the infrastructure-dependent new projects opened up self-employment opportunities in the local areas. Unfortunately such initiatives were not in plenty.

The process of key activity selection required profile mapping of the poor families as reflected in the BPL census. In most of the blocks studied, the selection of activities has been kept quite open and the beneficiaries have their discretion in it.

The guidelines suggested the identification and promotion of 8-10 key activities in a block. On average in a given block, the study team has observed 3-4 activities.

The programme implementation called for very close interaction and rapport between the DRDAs and the banks even after the identification and selection of key activities. Monthly meetings at DLCC level were sought to ensure this. In spite of this, in several districts there was no clarity with regard to the number of approved key activities between the DRDA and the banks.

While the representatives of gram panchayats were involved in the selection of swarozgaris they were not involved much in the identification and selection of key activities. The BDOs, who were conveners of Block SGSY Committees, were of the opinion that the gram panchayat representatives did have better knowledge about the poverty profile of their given villages but were not equipped with the required information about the input (resource) availability, viability and market demand for different products.

The Block Panchayat President and Zilla Panchayat Chairpersons were practically not much involved in the selection of key activities. This job did not find priority in their functions.

During the primary study done by the team, it was reported that the SGSY committees sought professional support in many trades. This was reported in districts of Andhra Pradesh and Gujarat. The hiring of such professionals has gone a long way to build the capacity of the beneficiaries. Usually master trainers have been developed who in turn has developed the capacity of the SHG members.

The study team observed throughout the study area the swarozgaris relying on multiple activities for their livelihood. Of course, among these one activity was invariably the important one.

All the swarozgaris have been provided an opportunity to better their practical, serviceable and entrepreneurial skills through one or two days orientation programme.

They are exposed to various training programmes to provide them with the necessary knowledge skills, motivation and competence. Hence, the training programmes organized for the SHG members are of great significance in the poverty alleviation programme pursued through Self-Help Groups promoted by SGSY.

The data reported clearly point out that the highest priority was accorded to the training programme for technology education (IGA related) and SHG awareness creation by SGSY management. Next in priority was the training on book-keeping which was organized. The health education was not taken up seriously while organizing training programmes for the last one year.

About 66 per cent of group swarozgaris covered in the sample received training leading to general awareness throughout the study region, though this proportion varied from one state to another. About one-third of group swarozgaris received basic orientation training.

The respondents' opinion and assessment with regard to the effectiveness and usefulness of the training suggests that about 26% of the respondent swarozgaris did not find the training useful due too much focus on very micro issues, 34 % found the training was useful and productive due to content clarity, 29 % of group swarozgaris felt that the training was somewhat effective in pursuing micro enterprise activity.

Among the various methods, field visits, practical exercises, skill acquisitions were more effective. The quality of training leading to entrepreneurship development was good only in such cases where specialized institutions were arranged to provide custom designed curriculum inputs after a comprehensive training need assessment of the swarozgaris.

In a few states like Andhra Pradesh and Gujurat where majority of the SHGs have acquired maturity and have responded positively to the programme opportunities and the state governments gave emphasis to training and entrepreneurship development, the DRDAs engaged professional trainers/institutions to impart EDP inputs. About 74 % of group swarozgaris indicated that they had acquired the required skills for taking-up Income Generation Activity(IGA).

**Credit** was a crucial input in the SGSY assistance, and subsidy was viewed only as an enabling component.

The loan applications were normally processed with in a month and the decision regarding the loan sanction or otherwise were conveyed to the swarojgari with in a quarter. The banks received more than 50 per cent of the applications for loan assistance under the programme in quarterly frequency. In this regard, the banks in the study districts of Gujarat and AP faired better as the loan applications were received monthly.

Traditionally the self-employment programmes concentrated on the input supply than outputs marketing and it is very common to find production patterns overlooking the market strategies.

The DRDAs / other development agencies were not able to assess the size of the market. The swarozgaris took decisions on the basis of their past experience. Hunch, rather than scientific analysis, was the basis for these decisions. This was the reason why most of the swarozgaris concentrates on local village markets .

### **ROLE AND PERCEPTION OF STAKEHOLDERS**

For successful implementation of SGSY, clarity and a common platform in the perception of all the stakeholders is required. The important stakeholders in the program are Gram Panchayat, Panchayat Samithi, BDO, DRDA, Banks, Line Departments and NGO. It is clearly spelt out in the programme guidelines what each stakeholder at every stage of the program has to do.

The involvement of officials in the implementation of SGSY was very crucial. SGSY guidelines envisaged different roles to different officials including DRDA, BDO, VDO and other line department officials at all the three levels. The officials perceived that there was a lack of awareness on SGSY at all levels and the training for skill up gradation and lack of sufficient staffs were impeding the process.

### **IMPACT OF SHGS ON SWAROZGARIS**

Self-employment is a significant step to have sustained incomes and remove the shackles of poverty. During the study, adequate attention was given to cover various aspects of the program and understand the impact of the support on the slated objectives. Various economic activities have been pursued by the group in the sampled states.

Activity wise analysis of incremental employment and income suggests that swarozgaris involved in activities like dairy and other farm based activities which require lesser amount of forward and backward linkages have been more successful.

There is no doubt that the SGSY has generated substantial increase in the incomes of swarozgaris in the sample states. Maximum increase was found in Andhra Pradesh, followed by Gujarat, Chhatisgarh, UP and Bihar in that order. The growth of incremental income in Chhatisgarh and some districts of Bihar was due to relatively low level of pre-project (SGSY) income.

To understand the entrepreneurship skills imparted, the team studied the models of enterprises in the sampled states. Enterprises covered included handicrafts, garments, dairy, fisheries and land development. Out of these, Dairy seems to be the most successful trade.

The assistance under SGSY was found to have enabled the swarozgaris enhance their earnings. However, these incremental levels of income are largely due to the low level of earning prior to interventions under SGSY. As such a small increase in income has resulted in a significant rise in the group income.

### **SPECIFIC RECOMMENDATIONS**

Some specific recommendations are as follows:

Themes	Recommendations	Action To be taken	By Whom	By When
<b>Guidelines</b>	<b>The guide lines must be made more transparent</b>	National Level meeting with state level stakeholders to discuss framework for guidelines	By Department of Rural Development in consultation with Planning Commission	Within 6 months
<b>Guidelines</b>	<b>Complicated procedures and obscure terms like ‘back-ended subsidies’ should be clearly explained</b>	Development of easy to ready document explaining various components of scheme	By Department of Rural Development in consultation with Planning Commission	Within 6 months
<b>Guidelines</b>	<b>The line of authority must be clear to the organizers as well as the beneficiaries</b>	TOT for the organizers at state level	Central / State government	Within 1 year
<b>Pre Implementation</b>	<b>The economic activities must be selected after careful feasibility report based on market studies and local resources</b>	Availability of funding for carrying out local level feasibility studies	Central Department	Within 6 months
<b>Implementation</b>	<b>At present, the gestation period of an SHGs to get through the grading process and avail the loan for economic activity is almost one year It has been reported that SHGs not getting loan from the bank even after more than one year of its formation and group activities . The grading exercise should be given to an independent agency since in the present system of grading, wherein the same agency, which has been involved in the group formation stage, grading the group, can be partial</b>	Selection of grading agency	Central Government	Within 6 months
<b>Implementation</b>	<b>Gram Panachayat are closely associated with the identification of BPL families to be assisted and other activities in the initial phases of the implementation of the scheme They may be given a greater role in the recovery of loans</b>	Redefining roles and responsibility of PRI representatives in context of SGSY scheme	Central Government in consultation with state departments	Within 6 months
<b>Implementation</b>	<b>To take account of local difference many of the details of the procedure should be left to local discretions or discretions local organizers They should consult beneficiaries in such matters</b>	Introducing concept of flexi approach in the scheme	Central Government in consultation with state departments	Within 6 months



Themes	Recommendations	Action To be taken	By Whom	By When
<b>Implementation</b>	<b>It is crucially important that the activities that the beneficiaries are encouraged to undertake are more productive and remunerative than what they have traditionally being doing</b>	PRI should play more proactive role for identification of activities in consultation with BPL families	PRI representatives	With in 1 year
<b>Banks and financial Institutions</b>	<b>Efforts should be made to motivate banks to take active interest in the project and reduce the time taken for processing the applications and disbursing loan The loan should be given immediately after the swarozgri completes the training for skill development as envisaged in the guidelines</b>	Orientation of banking institutions by state department functionaries. Development of things to do guidelines for bankers.	State Department	Within 6 months
<b>Capacity Building</b>	<b>The services of professional agency should be taken to identify local activities, availability of raw material and aptitude as well as the skill of the people</b>	Development of guideline for selection of professional agencies	State department	Within 1 year
<b>Capacity Building</b>	<b>The training for the work must not be on an ad hoc and informal basis but by professional people knowledgeable about modern technology</b>	Identification of good training institutions/ master trainers and developing a system for evaluation of training conducted by them	State Department	Within 6 months
<b>Capacity Building</b>	<b>The aim should be that people's quality of life after joining the SHGs significantly improve and they are not overburdened with poorly remunerated extra work</b>	Generating awareness about the schemes and its benefits	State government in consultation with PRI representatives	Within 1 year
<b>Monitoring and Evaluation</b>	<b>The performance of the SGSY should be monitored continuously at all level In order to develop a consistent system of monitoring the implementation of SGSY at the block/ DRDA level through field visits and physical verification of assets as well as progress of the swarozgaris towards income generation, a schedule of inspection of swarozgaris by various levels of officers is suggested</b>	Developing a system for concurrent monitoring and developing a system for taking corrective actions on the basis of findings	Central Government in consultation with state government	Within 1 year
<b>Capacity Building</b>	<b>For empowerment of women it is essential that the attitudes and perceptions of organizers be radically changed Women must be seen</b>	Generating awareness about the schemes and	State government in consultation	Within 1 year

Themes	Recommendations	Action To be taken	By Whom	By When
	<b>not just as reproducers and home makers and supplementary earners but as productive members of the economy and society</b>	its benefits	with PRI representatives	
<b>Monitoring and Evaluation</b>	<b>Almost all the successful SHGs are observed to be not conducting regular meetings and keeping accounts In this aspect, a greater role of NGOs may be sought in guiding the swarozgaris and in their capacity building At present, the presence of NGOs as facilitates is found to be limited</b>	Selection of right type of NGOs and monitoring their work on regular basis	Central Government in consultation with state government	Within 1 year
<b>Implementation</b>	<b>Wherever the group is not cohesive, interpersonal differences should be removed through counseling and organizing special training programmes for them</b>	Appointment of counselor at state level	State Government	Within 1 year
<b>Capacity Building</b>	<b>SHGs awareness programme should lay greater emphasis on creating faith in the people about the potential of SHGs rather than overemphasizing the procedural and formal aspects of SHGs</b>	Generating awareness about the schemes and its benefits	State government in consultation with PRI representatives	Within 1 year
<b>Implementation</b>	<b>Rotation of office-bearers of SHGs at regular intervals should be made mandatory</b>	Issuing an office order	State government	Within 1 year
<b>Capacity Building</b>	<b>Motivation training for income-generating activities and technological training for capacity building should be organized by competent agencies with greater seriousness</b>	Identification of good training institutions/ master trainers and developing a system for evaluation of training conducted by them	State Department	Within 6 months
<b>Capacity Building</b>	<b>Training programme on (a) Health education (b) formal education for school going, school dropout children and awareness about prevalent social evils should be given adequate priority</b>	Identification of good training institutions/ master trainers and developing a system for evaluation of training conducted by them	State Department	Within 6 months
<b>Banks and Financial Institutions</b>	<b>The bank functionaries who deal with SHGs and branch managers should be exposed to SHGs sensitization programme especially designed for them</b>	Orientation of banking institutions by state department functionaries.	State Department and lead banks	Within 6 months
<b>Banks and</b>	<b>Motivational training programmes should be organized for bank</b>	Orientation program for	State Department	Within 1

Themes	Recommendations	Action To be taken	By Whom	By When
<b>Financial Institutions</b>	<b>functionaries to generate in them a sense of cooperation and positive orientation towards SHGs' office-bearers</b>	key bank officials	and lead banks	year
<b>Banks and Financial Institutions</b>	<b>A rapport-building programme may be offered in the which bank functionaries, NGO functionaries, SHGs' office-bearers and other grass roots level stakeholders should participate</b>	Regular Stakeholders meeting	State Department and lead banks	Within 6 months
<b>NGO</b>	<b>The NGOs should be imparted skills in organizing motivational camps and training programmes so that they may motivate the villagers and create faith in them in the potential of SHGs, with greater transparency to avoid current mal-practices at DRDA level, particularly for SGSY-supported programmes</b>	Induction program for NGOs	State government/ NGOs	Within 1 year
<b>NGO</b>	<b>NGOs should not be deployed only for the formation of SHGs they must stay and work with the SHGs till they mature</b>	Monitoring of NGOs work	State government	Within 1 year
<b>NGO</b>	<b>The officials of SHG-promoting organizations should also be exposed to SHGs sensitization programme so that they do not hold skeptic views towards SHGs and must have faith in the SHGs' ability to alleviate rural poverty</b>	Organizing regular exposure programs for the functionaries	State government	Within 1 year
<b>NGO</b>	<b>The NGOs should actively help the SHGs in both backward and forward linkage and provide them market support in particular</b>	Active participation of NGOs by training program for key functionaries	State government	Within 1 year
<b>Policy level</b>	<b>The subsidy provided under the SGSY programme should be discontinued and the amount should be spent on creating market support to the SHGs for their IGA products and also provide some sort of reward to the successful SHGs as an incentive for good work</b>	Review of benefits of subsidy in consultation with state departments	Central Government	Within 6 months

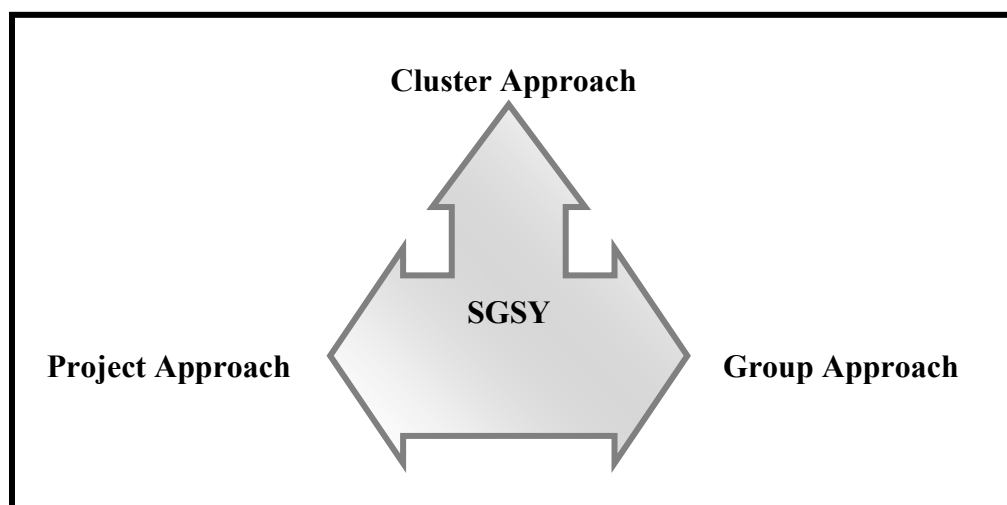
# **CHAPTER 1**

## **Introduction**

## 1 INTRODUCTION

### 1.1 Background

Swarnajayanti Gram Swarojgar Yojana (SGSY) has been launched with the objective of bringing every assisted family above the poverty line within three years, through the provision of micro enterprise. 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 the rural poor in India have competencies and, given the right support can be successful producers of valuable goods/services. SGSY is conceived as a holistic programme of micro-enterprises covering all aspects of self-employment viz. organisation of the rural poor into self-help groups (SHGs) and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing. The SGSY is designed to incorporate the following three important approaches:



#### 1.1.1 Cluster Approach

The emphasis under SGSY is on the cluster approach. For this, 4-5 key activities are identified for each block based on the resources, occupational skills of the people and availability of markets. Selection of the key activities is with the approval of the Panchayat Samitis at the block level and the DRDA/ Zilla Parishad (ZP) at the district level. The major share of SGSY assistance is in activity clusters.

### **1.1.2 Project Approach**

SGSY adopts a project approach for each key activity. Project reports are prepared in respect of identifies key activities. The banks and other financial institutions are closely associated and involved in preparing these project reports, so as to avoid delays in the sanctioning of loans and to ensure adequacy of financing.

### **1.1.3 Group Approach**

SGSY also focus on the Group approach which involves organisation of the poor into Self Help Groups (SHGs) and their capacity building. Efforts are made to involve women members in each SHG. Besides, exclusive women groups continue to be formed. At the block level, at least half of the groups are exclusively women groups. SGSY particularly focus on the vulnerable groups among the rural poor. Accordingly, it has been decided that the SC/STs should account for at least 50% of the Swarojgaris, women for 40% and the disabled for 3%.

## **1.2 Need for Study**

Alleviation of poverty remains a major challenge before the Government. While there has been a steady decline in rural poverty over the last two decades, there were 244 million rural poor (37 per cent of the rural population) in the country, as per the latest available estimates. Acceleration of economic growth, with a focus on sectors, which are employment-intensive, facilitates the removal of poverty in the long run.

However, this strategy needs to be complemented with a focus laid on provision of basic services for improving the quality of life of the people and direct state intervention in the form of targeted anti-poverty programmes. While growth will continue to be the prime mover, anti-poverty programmes supplement the growth effort and protect the poor from destitution, sharp fluctuations in employment and incomes and social insecurity. The specifically designed anti-poverty programmes for generation of both self-employments in rural areas have been redesigned and restructured in order.

In view of the above, it was felt that there is a need for a critical examination of the strategies adopted, the interventions sought, funds flow and its utilization, organizational structure and the mechanism of implementation by the implementing agencies in sampled states to understand the impact, failures and success. Voluntary Operation in Community and Environment (VOICE) has been entrusted to undertake a detailed study of the funds released by the Central and State Governments and utilization of the same by line departments so as not only to assess the extent to which it has been possible to achieve the aims and objectives of the SHG's beneficiaries, but also to review the scheme itself and suggest policy measures to improve the situation.

### **1.3 Study Objectives**

The study objectives are as follows

(a) To study the process of activity selection under SGSY scheme in terms of:

- The actual practices adopted for activity selection
- Problems encountered in selection of activities
- Innovative methods adopted, if any.

(b) Collect detailed profile of each activity in terms of:

- Nature and scope of the activity
- Training
- Credit
- Technology
- Infrastructure
- Marketing

(c) To study the progress achieved under different activities in terms of

- Number of Swarojgaris (Individuals and groups) identified for the activities
- Number of Self Help Groups formed
- Identification of village clusters for implementation of activities
- Capacity building efforts undertaken
- Infrastructures created

- Credit facilities provided
- Subsidy provided
- Size of funding per beneficiary/ group vis-à-vis the project cost
- Physical achievements under each activity
- Financial achievements under each activity

## **1.4 Area of the study**

The study was conducted in five states of India selected from the South, North, West, East and Central region of the country. In Southern region, we covered Andhra Pradesh, in Northern region Uttar Pradesh, in western region Gujarat, from central region Chhattisgarh and from Eastern region Bihar. Among these five states Uttar Pradesh and Bihar represents the lesser developed SHG's of the country whereas Andhra Pradesh, Chhattisgarh and Gujarat is representing more developed this group approach. We also covered four districts in each State, two blocks in each district keeping in view the various geographical regions of the sampled States.

### **1.4.1 States**

The study was conducted in five States of India viz. Andhra Pradesh, Uttar Pradesh, Bihar, Gujarat and Chhattisgarh.

### **1.4.2 Districts**

The following twenty districts from the five states were selected for the study. Stratified random sampling technique was used to select the four districts in each state to ensure a fair representation of the concerned state.

- Andhra Pradesh : Visakhapatnam, Anantpur, Nizamabad, Medak
- Bihar : Sheohar, Gaya, Madhubani , Mujaffarpur
- Chhattisgarh: Bilashpur, Raigarh, Rajnandgaon, Sarguja
- Gujarat: Ahmadabad, Surendranagar, Baraoda, Jamnagar
- Uttar Pradesh : Junpur, Mirzapur, Ghaziabad, Rai baralley



### 1.4.3 Selection of SHGs

A purposive random sampling technique was used to select SHGs. For this purpose, a lists of SHGs, under the SGSY, were collected from DRDA of each of the sampled districts. Out of the lists, those SHGs which existed for two or more years on 31.03.2008 were separated out and selected for this study. From the list, 2064 SHGs were randomly selected. Hence, all the SHGs selected in these districts represented the SGSY-SHG only. Following table gives the state wise number of sample covered during the study. Detailed list of states, districts, blocks, villages covered under study are given in Appendix A

**Table 1.1: State wise sample covered under study**

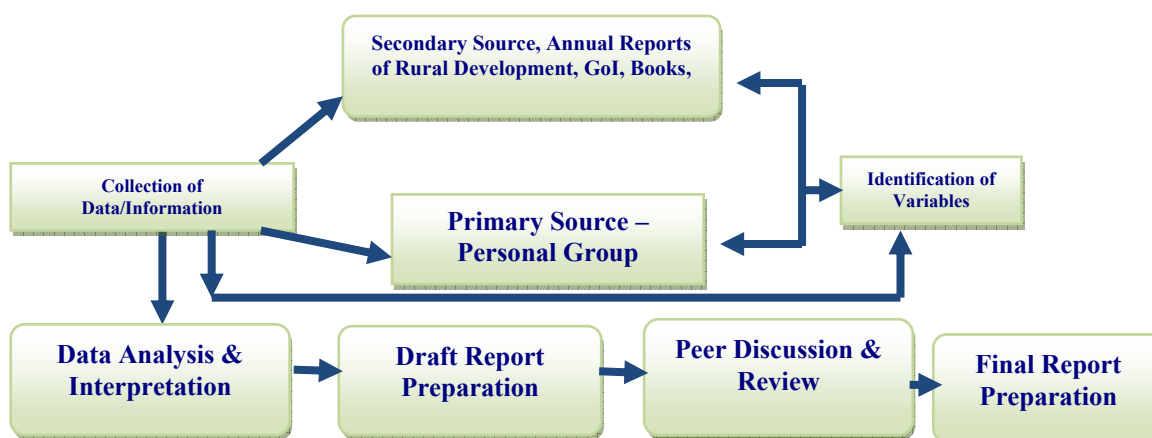
State	District	Block	Village	SHG
<b>Andhra Pradesh</b>	4	8	83	<b>566</b>
<b>Gujarat</b>	4	8	52	<b>316</b>
<b>Chhattisgarh</b>	4	8	42	<b>252</b>
<b>Uttar Pradesh</b>	4	8	93	<b>558</b>
<b>Bihar</b>	4	8	61	<b>372</b>
<b>Total</b>	20	40	331	<b>2064</b>

## 1.5 Approach and Methodology

### 1.5.1 Approach

The study design as depicted diagrammatically in below mentioned Figure includes sources of data collection both primary and secondary, identification of relevant variables analysis and tabulation of data, their interpretation, critical opinion of official and non-official stakeholders and report writing.

**Figure 1.1: Design of the Study**



The study employed a combination of quantitative and qualitative methods and the data collected both from primary and secondary sources.

### **1.5.2 Methodology**

The sections in the pages overleaf describe the methodology for each key task that was undertaken to meet the requirements of the assignment.

#### **(i) Meeting with the officials of Planning Commission**

In the inception phase, a meeting was held with the key representatives of the Planning Commission, and other key stakeholders. In this meeting, the team discussed about their understanding and requirements for the assignment, the work plan, the expected deliverables and the associated timelines, reporting schedules, etc and finalized the same.

#### **(ii) Training of Teams**

We organized meeting of the team members, Researchers, Supervisors, and Field Investigators. Researchers were given a thorough briefing by Project Director about the project and their role therein.

#### **(iii) Secondary Research**

The secondary data were collected from the Annual Reports and administrative guidelines of the Ministry of Rural Development, Government of India as well as from the classified data available with the Offices of the states and SGSY coordinating departments of the State Governments of Andhra Pradesh, Gujarat, Chhattisgarh, Uttar Pradesh and Bihar.

Apart from these, offices of DRDA and Lead Bank Manager, coordinating the banks in the selected districts, together with books, journals, seminar papers, websites, etc. also formed the sources for the collection of secondary data for the study.

The necessary primary and secondary data in respect of this study were also collected from the functionaries at various levels.

#### **(iv) Development of Survey Tool**

Based on secondary research and interaction with key stakeholders, the following data collection tools were developed

- *Structured Interviews* conducted with Swarojgaris identified in each block.

- ***Unstructured Interview Schedules*** were used to elicit information from the DRDA Officials, District SGSY Committee Functionaries, Block SGSY Committee Functionaries. One interview was conducted at each of the above mentioned levels of functionaries.

Interview schedule / questionnaire is given in Annex B

#### **(v) Familiarization Visits**

The team undertook preliminary field visits to one block in the sampled district with an objective to assess the SHG situation and pilot test data collection formats. Based on the inputs from various stakeholders, data collection formats were revised.

#### **(vi) Primary Research**

The primary data were collected by personal interviews with key respondents. The data collected with the help of schedules were separately compiled for every information sought on various aspects of SHGs functioning, activities undertaken, results produced, opinions held, etc.

In the selected localities, various Participatory Appraisal Techniques were used to gather first hand information about different indicators related to areas like location of SC/ST clusters, coverage of beneficiaries, acceptability of beneficiaries etc.

The Respondents for the proposed study were:

- DRDA Officials
- District SGSY Committee Functionaries
- Block SGSY Committee Functionaries
- Group Swarojgaris
- SHG Office-Bearers
- Lead Bank Manager (LDM),
- District Development Manager (DDM),

- Project Director (PD),
- DRDA (SGSY) officials
- NGOs representatives

### **(vii) Data Analysis**

After the survey is completed, the data was carefully scrutinized and the results were tabulated on computer to show how the total sample responded to each question.

## **1.6 Report format**

The report is broadly structured in 8 chapters

- **Chapter 1** gives the overview of the programme, the approach and methodology of the study , sample covered and limitations
- **Chapter 2** gives the overview of the concept of Self Help Group (SHGs) and Developmental Paradigm
- **Chapter 3** describes about the socio economic profile of Swarojgaris.
- **Chapter 4** explains about Self Help Groups: Paradigm of Success and impediments in sampled states. Further its examines the process of activity selection under SGSY scheme in terms of actual practices adopted for activity selection, Problems encountered in selection of activities, Innovative methods adopted, Detailed profile of each activity and examined the progress achieved under different activities
- **Chapter 5** provides information about physical and financial performance of SHGs in sample states
- **Chapter 6** provides the stakeholder analysis
- **Chapter 7** briefly described about the impact of SHGs on Swarojgaris
- **Chapter 8** concludes the report giving recommendations for improving the scheme

## 1.7 Limitations

The major limitations for the study are as follows

- The report has been prepared based on the data collected from the field and published secondary data
- The study findings and recommendation given are based on the limited coverage of 5 states
- The facts presented are based on the information provided and discussion held with the stakeholders
- Poor availability of secondary sources of data
- Since objective of this study was to carry out detailed assessment of aims and objectives of the overall SGSY scheme at national, being a sample study, state wise analysis may be able to give skewed results. Therefore attempt has been made to present a report focused on activities / aims/ objective of SGSY.

# **CHAPTER 2**

## **Self Help Groups (SHGs): Developmental Paradigm**

## **2 SELF HELP GROUPS (SHGS): DEVELOPMENTAL PARADIGM**

### **2.1 Self Help Groups (SHGs)**

Villages are faced with problems related to poverty illiteracy, lack of skills health care etc. These are problems that cannot be tackled individually but can be better solved through group efforts. Today these groups known as Self help groups have become the vehicle of change for the poor and marginalized.

Self-help group is a method of organising the poor people and the marginalized to come together to solve their individual problem. The SHG method is used by the government, NGOs and others worldwide. The poor collect their savings and save it in banks. In return they receive easy access to loans with a small rate of interest to start their micro unit enterprise. Thousands of the poor and the marginalized population in India are building their lives, their families and their society through Self help groups. The 9<sup>th</sup> five year plan of the government of India had given due recognition on the importance and the relevance of the Self-help group method to implement developmental schemes at the grassroots level.

#### **2.1.1 What are SHG**

- SHG is a development group for the poor and marginalized
- It is recognized by the government and does not require any formal registration
- The purpose of the SHG is to build the functional capacity of the poor and the marginalized in the field of employment and income generating activities
- People are responsible for their own future by organizing themselves into SHGs

#### **2.1.2 Guiding Principles for Formtion Of SHGs**

The strong belief by the individual to bring about change through collective efforts

- Effort is built on mutual trust and mutual support
- Every individual is equal and responsible

- Every individual is committed to the cause of the group
- Decision is based on the principles of consensus
- The belief and commitment by an individual that through the group their standard of living will improve
- Savings is the foundation on which to build the group for collective action.

### 2.1.3 Features of SHGs

A variety of group-based approaches that rely on social collateral and its many enabling and cost-reducing effects are a feature of modern microfinance (MF). It is possible to distinguish between:

- Groups that are primarily geared to deliver financial services provided by microfinance institutions (MFIs) to individual borrowers; and
- Groups that manage and lend their accumulated savings and externally leveraged funds to their members.

While the term ‘self-help group’ or SHG can be used to describe a wide range of financial and non-financial associations, in India it has come to refer to a form of Accumulating Saving and Credit Association (ASCA) promoted by government agencies, NGOs or banks. Thus, SHGs fall within the latter category of groups described above.

A distinction can be made between different types of SHGs according to their origin and sources of funds. Several SHGs have been carved out of larger groups, formed under pre-existing NGO programmes for thrift and credit or more broad-based activities. Some have been promoted by NGOs within the parameters of the bank linkage scheme but as part of an integrated development programme. Others have been promoted by banks and the district rural development agencies (DRDAs). Still others have been formed as a component of various physical and social infrastructure projects. Some of the characteristic features of SHGs are given below:

- An SHG is generally an economically homogeneous group formed through a process of self-selection based upon the affinity of its members.



- Most SHGs are women’s groups with membership ranging between 10 and 20.
- SHGs have well-defined rules and by-laws, hold regular meetings and maintain records and savings and credit discipline.
- SHGs are self-managed institutions characterized by participatory and collective decision making.

NGO-promoted SHGs were often nested in *sanghas* or village development groups undertaking integrated development activities. As they have developed, SHGs or *sanghas* have been grouped into larger clusters and multi-village federations for financial and nonfinancial activities

#### 2.1.4 Features of SHGs

The basic concept remaining precisely the same, some additional features and working resilience have been incorporated in the SGSY-SHGs for making the concept still more user-friendly and for achieving the avowed objectives of SGSY in their true spirit. The notable features

**Table 2.1: Notable Features of SHGs at a Glance**

Features of SHGs	
<b>A. Strategy</b>	<ul style="list-style-type: none"> <li>▪ Conceived as a holistic programme of self-employment. It covers all the aspects of self employment of the rural poor, viz. organizing them in SHGs, their capacity building selection of key activities, planning of activity clusters, infrastructure build-up, technology and marketing support.</li> </ul>
<b>B. SHG Formation</b>	<ul style="list-style-type: none"> <li>▪ Specifically SHG members from BPL families with some exception for a few marginal APL families if acceptable to the BPL members of the group.</li> <li>▪ Group size of 10-20 persons, with the exception of deserts, hills and disabled persons where the number of members may vary from 5 to 20.</li> <li>▪ Special focus on the formation of exclusive women Self-Help Groups. 50% of the groups formed in each block should be exclusively for women.</li> <li>▪ SHGs are normally formed by NGOs, CBOs, Animators, Network of Community-based Coordinators, or team of dedicated functionaries of the government.</li> </ul>
<b>C. Income-</b>	<ul style="list-style-type: none"> <li>▪ SGSY Committee identifies about 8-10 farm and non-farm key activities</li> </ul>

<b>Features of SHGs</b>	
<b>Generating Activities (Micro-enterprise selection)</b>	<p>per block for the individual/SHG Swarozgaris of the block to choose some of them as the sustainable income- generating activity for themselves.</p> <ul style="list-style-type: none"> <li>▪ Primarily, single income-generating activity by the group is given preference under group loan. Group, however, may go for multiple activities also under group loaning. Thus, IGAs are taken by the SHG members as a group activity.</li> <li>▪ The focus is on the development of activity cluster to facilitate forward and backward linkages to IGAs.</li> </ul>
<b>D. Promotional Support</b>	<ul style="list-style-type: none"> <li>▪ Revolving Fund Assistance (RFA) is provided to groups equal to their group corpus within the prescribed limit.</li> </ul>
<b>(i) Financial Support</b>	<ul style="list-style-type: none"> <li>▪ Back-ended subsidy to the extent of 30% to 50% of the project cost is provided to individual beneficiary, and 50% of the project cost for group level activity is provided within the prescribed limits.</li> </ul>
<b>(ii) Group Formation and Nurturing Support</b>	<ul style="list-style-type: none"> <li>▪ Financial Assistance is provided to NGOs/CBOs/SHPI, etc., for formation and development of SHGs, as mentioned below.</li> <li>▪ Rs10,000 per SHG is paid for the formation and development of SHGs in four installments.</li> <li>▪ 1<sup>st</sup> – 20% at the beginning of the group formation.</li> <li>▪ 2<sup>nd</sup> – 30% when group qualifies for Revolving Fund.</li> <li>▪ 3<sup>rd</sup> – 40% when group takes up economic activity.</li> <li>▪ 4<sup>th</sup> --10% after the start of economic activity and on adherence of group to repayment of bank loan.</li> </ul>
<b>(iii) Capacity Building Support</b>	<ul style="list-style-type: none"> <li>▪ Fund support is made available to organize training of beneficiaries in group processes and skill development.</li> </ul>
<b>(iv) Infrastructure Building Support</b>	<ul style="list-style-type: none"> <li>▪ There is planned focus on infrastructure build- up, technology and marketing support to make self-employment activity economically sustainable.</li> </ul>

### **2.1.5 SHG Reinforcement under SGSY**

Despite planned efforts made over the past few decades, rural poverty in India continues to be worrying. While the anti-poverty programmes have been strengthened in the successive years during the course of the period by launching various programmes like IRDP, TRYSEM, DWCRA, SITRA, resulting in the reduction of poverty levels in percentage terms from 54.9 percent of India's population in 1973-74 to 36.0 percent in 1993-94 and to 26.1 percent in 1999-2000, the number of rural poor has not reduced significantly.

To redress the situation at a faster pace, a new restructured self-employment programme, known as "Swarnjayanti Gram Swarozgar Yojana" (SGSY), has been launched from April 1999, by doing away with the anomalies in the multiplicity of earlier programmes, to focus pointedly on the issue of ensuring sustainable income generation among the assisted poor families to bring them above the poverty line. SGSY is to focus on the vulnerable sections of the society. Accordingly, SCs/STs will account for at least 50 percent women 40 percent and disabled 3 percent of those assisted.

By this time, success of the concept of SHG had gained wide currency. Significant growth of SHGs as well as SHG-bank linkage, bankers' recognition of SHGs as a medium of rural business expansion as well as their acceptance of the peer pressure within the SHGs as a substitute for collateral securities, and the interest as well as confidence exhibited by the rural poor in the concept of SHGs for their economic well being together with their far better loan repayment behaviour made the development planners believe that there is a tremendous potential within the poor to help themselves and that microfinance through Self-Help Groups together with an element of additional financial support including technology infrastructure and marketing from the Government can be a better alternative to the existing methods of addressing rural poverty.

In the light of the above, SGSY, the holistic programme covering all the aspects of self-employment, made it obligatory that the objective of the SGSY will be achieved, interalia, by organizing the rural poor into Self-Help Groups (SHGs) through a process of social mobilization, enabling them to build their own organizations in which they could participate fully and directly and take decisions on all the issues concerning eradication of their poverty.

## **2.2 About Swarnajayanti Gram Swarozgar Yojana**

A life of dignity is the right of every citizen. Poverty is an obstruction to a dignified life. Self-employment is a significant step to have sustained incomes and remove the shackles of poverty. Earlier programme like IRDP were good but were not adequate to meet all the requirements. Programme for self-employment of the poor has been an important component of the antipoverty programmes implemented through government initiatives in the rural areas of India. Government have introduced an effective Self-Employment programme called ‘Swarnajayanti Gram Swarozgar Yojana’, (SGSY). With the coming in to force of SGSY, the earlier programmes IRDP, TRYSEM, DWCRA, SITRA, GKY and MWS are no longer in operation.

This is a holistic programme covering all aspects of self employment such as organisation of the poor in to self help groups, training, credit, technology, infrastructure and marketing. SGSY is funded by the centre and the states in the ratio of 75 : 25.

### **2.2.1 Objective**

The objective of the SGSY is to bring the assisted poor families (Swarozgaris) above the Poverty Line by providing them income-generating assets through a mix of Bank Credit and Governmental Subsidy. The programme aims at establishing a large number of micro enterprises in rural areas based on the ability of the poor and potential of each area.

### **2.2.2 Strategy**

The SGSY is different from earlier Programmes, in terms of the strategy envisaged for its implementation. It has been conceived as a holistic Programme of self-employment. It covers all aspects of self-employment of the rural poor viz. organisation of the poor into Self Help Groups (SHGs) and their capacity building, training, selection of key activities and planning of activity clusters, infrastructure build up, technology and marketing support.

### **2.2.3 Social Mobilisation of the poor**

A major shift of the SGSY, from the erstwhile programmes, is its emphasis on the social mobilisation of the poor. The programme focuses on organisation of the poor at grassroots level through a process of social mobilisation for poverty eradication. Social mobilisation enables the poor to build their own organisations { Self-Help Groups (SHGs) } in which they fully and directly participate and take decisions on all issues that will help them in coming above the poverty line. A SHG may consist of 10-20 persons belonging to families below the Poverty Line and a person should not be a member of more than one group. In the case of minor irrigation schemes and in the case of disabled persons, this number may be a minimum of five (5). Efforts have to be made to involve women members in each SHG and 50% of Self-Help Groups in each block should be exclusively of women. Group activities are to be given preference and progressively, majority of the funding should be for Self-Help Groups.

#### 2.2.4 Activity Clusters - Planning and Selection

The SGSY also emphasizes assistance to the Swarozgaris only for those activities which have been identified and selected as key activity in terms of their economic viability in the area. Each Block has to concentrate on 4-5 Key Activities based on local resources, occupational skills of the people and availability of markets so that the Swarozgaris can draw sustainable incomes from their investments. The SGSY adopts a Project approach for each Key Activity and Project Reports are to be prepared in respect of each identified Key Activity. The Banks and other financial institutions have to be closely associated and involved in preparing

these Project Reports, so as to avoid delays in sanctioning of loans and ensure adequacy of financing. Selection of the activities has to be done with the approval of the Panchayat Samitis at the Block level and District Rural Development Agency/Zilla Parishad at the District level. These Key Activities should preferably be taken up in Activity Clusters so that the backward and forward linkages can be effectively established and economies of large

#### **SALIENT FEATURES.**

*Swarnjayanti Gram Swarozgar Yojana 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 assisted families (henceforth known as Swarozgaries) may be individuals or groups (Self-Help-Groups). Emphasis will be on the group approach. The **objective under SGSY** is to bring every assisted family above the poverty line in three years.*

*Towards this end, Swarnjayanti Gram Swarozgar Yojana (SGSY) is conceived as a holistic programme of micro enterprises covering all aspects of self employment, viz. organisation of the rural poor into Self-Help groups and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing.*

scale production can be reaped. A major share of the assistance to be provided under the SGSY should also be for Activity Clusters.

### **2.2.5 Target Group**

Families Below the Poverty Line (BPL) in rural areas constitute the target group of the SGSY. Within the target group, special safeguards have been provided to vulnerable sections, by way of reserving 50% benefits for SCs/STs, 40% for women and 3% for disabled persons.

### **2.2.6 Financing**

The scheme is sponsored by the Ministry of Rural development of the Union government; it determines the amount of funds that each district in each state is to receive every year on the basis of its assessment of the dimensions of poverty there as well as its capacity to utilize the funds.

It undertakes to provide 75 % of those funds into a pool of resources earmarked for the scheme. State governments are to contribute the remaining 25% on a matching basis to make up the total allocated amount for each district. Central funds for the scheme are to be released directly to the DRDAs in two installments during each year, one at the beginning of the financial year and the other after 60 % of the initial funds are utilized. As soon as central funds are released, the state government has to send to the DRDAs its 25 %.

The funds from this pool are for all expenses for organizing and facilitating the formation and running of the SHGs, to supplement its core revolving fund through a subsidy of Rs. 10,000 per group as well as to provide them with other stipulated subsidies.

30% of the pooled resources are meant for expenses of the organizing department and of the organizations (GOs as well as NGOs) who act as facilitators of each group. A part of the pool is to be set aside in a fund for training the beneficiaries in all the skills required for organizing, operating and managing the activities of the SHGs. SGSY funds are not meant for infrastructure building for which the DRDAs are to seek help from other line departments; but they can be used for some small but crucial investments of that kind.

### **2.2.7 Training of Swarozgaris**

The SGSY seeks to lay emphasis on skill development through well-designed training courses. Those, who have been sanctioned loans, are to be assessed and given necessary training. The design, duration and the training curriculum is tailored to meet the needs of the identified Key Activities. DRDAs are allowed to set apart upto 10% of the SGSY allocation on training. This may be maintained as ‘SGSY – Training Fund’.

### **2.2.8 Infrastructure Development**

SGSY provides for review of existing infrastructure for the cluster of activities and identification of gaps. Under SGSY, critical gaps in investments have to be made up, subject to a ceiling of 20% (25% in the case of North Eastern States) of the total allocation made under the SGSY for each District. This amount is maintained by the DRDAs as ‘SGSY – Infrastructure Fund’.

### **2.2.9 Marketing and Technology Support**

SGSY attempts to ensure upgradation of technology in the identified key activity. The technology intervention seeks to add value to the local resources, including processing of the locally available material from natural and other resources for the local and non-local market.

SGSY also provides for promotion of marketing of the goods produced by the Swarozgaris, which involves organization and participation in exhibitions / melas at District / State / National / International levels to display and sell goods produced by the Swarozgaris, provision of market intelligence, development of markets and consultancy services, as well as institutional arrangements for marketing of the goods including exports.

### **2.2.10 Key Stakeholders**

The scheme requires active participation of many agencies. SGSY is being implemented by the District Rural Development Agencies (DRDAs), with the active involvement of Panchayati Raj Institutions (PRIs), the Banks, the Line Departments and the Non-Government Organisations (NGOs).

The District Rural Development Cell in each place (DRDC) is to do the coordination. Panchayati Raj institutions are to help in selecting the potential beneficiaries; they are also to participate in selection of the activities.



Banks are to provide the necessary credit as well as act as monitors at several stages of the formation and development of the SHGs. Both government and non-government organizations (NGOs) are to come forward for socially mobilizing the under-privileged and to help them to organize into SHGs that can work harmoniously and productively. Local officials as well as local elected representatives are to participate in SGSY committees at several levels. In addition, other line agencies, like irrigation department, roads department, electricity boards etc are to be invited to cooperate with the DRDC and modify their own development plans to ensure that the infrastructure necessary for the selected activities is available in that area.

#### SHORT DESCRIPTION OF THE SCHEME

Swarnajayanti Gram Swarajgar Yojana (SGSY) is a self-employment scheme. This scheme was introduced from 1 April, 1999. Six different self-employment and training schemes and sub-schemes were merged to form this scheme.

The principal aim of this scheme is to bring BPL families to APL status within three years. The main difference with the previous IRDP DWCRA scheme is to encourage group loans and group enterprise and ultimately to stop giving individual loans to members of the groups. Funding for the project is shared by the Centre and The States on a 75:25 ratio

Initially groups are formed with 10 or 15 persons belonging to the BPL families. This group is called a Self Help Group (SHG) and the individual members of the group Swarajgaris. There is provision under the scheme to involve local NGOs to help the DRDC in forming such groups.

The funds received by the DRDC are kept in a savings bank accounts The DRDC can open their account with branches of the principal participating banks in the field. The funds deposited in the saving account earn interest at the usual rates till the amount is given as loans to the Swarajgaris.

In the first six months the group members are taught to save money i.e. they have to build up a corpus fund by saving a certain amount every week/month. These savings are kept in a local or field bank.

After six months, the groups is evaluated by a team where the Project Director, a member of the Block Development Office and a representative of the bank are present. If they pass the evaluation test they are given Grade I status. At this stage they are paid Rs. 10,000. - as a revolving fund. Individual members can borrow from this money either for business purposes or for personal consumption. They do not have to pay any interest. They are also given Rs. 15,000. - as loan by the bank, which is called the cash credit or matching corpus fund.

After completion of one year, according to performance and again going through an evaluation process, the group gets Grade II status.

After a group gets Grade II status they get credit cum subsidy facilities. This stage is called bank credit linkage. Subsidy under SGSY is uniform at 30% of the project cost, subject to a maximum of Rs. 10,000. - For groups of Swarajgaris (SHGs) the subsidv is 50% of the proiect cost subject to per capita subsidv of Rs.

#### 2.2.11 Monitoring

A comprehensive system of monitoring has been adopted under SGSY. The programme is monitored from the Central level down to the grassroot level. At the Central level, the Central Level Co-ordination Committee (CLCC) monitors and reviews the implementation of the Programme and lays down Policy Guidelines for all aspects related to credit linkages for the SGSY. The Performance Review Committee of the Department of Rural Development also reviews the implementation of SGSY. At the State level, a State Level Coordination Committee (SLCC) monitors the Programme.



In addition, the progress under SGSY is periodically monitored through Reports and Returns submitted by DRDAs/States. Detailed monitoring formats for reporting progress of the Programme have been circulated to all the DRDAs. Implementation of the Programme is monitored and reviewed through the Project Directors Workshops and periodic Meetings with the State Secretaries. At the Block/DRDA level, monitoring is done through field visits and physical verification of assets. Efforts are underway to bring all the DRDAs of the country within online networks for smooth flow of information from the Districts to the Centre and the States/UTs.

### **2.2.12 Salient Features**

The salient features of the Swarnjayanti Gram Swarozgar Yojana (SGSY) are given below:

- The Swarnjayanti Gram Swarozgar Yojana aims at establishing a large number of micro enterprises in the rural areas, building upon the potential of the rural poor.
- The SGSY emphasis on the cluster approach for establishing the micro-enterprises. For this, 4-5 Key Activities have to be identified in each Block. The major share of the SGSY assistance has to be in activity clusters.
- The SGSY adopts a Project approach for each Key Activity. Project Reports are to be prepared in respect of each of the identified Key Activities. The Banks and other financial institutions have to be closely associated and involved in preparing these Project Reports, so as to avoid delays in sanctioning of loans and to ensure adequacy of financing.
- The existing infrastructure for the cluster of activities should be reviewed and gaps identified. Critical gaps in investments have to be made up under the SGSY, subject to a ceiling of 20% (25% in the case of North Eastern States) of the total allocation made under the SGSY for each District. This amount is maintained by the DRDAs as 'SGSY - Infrastructure Fund'.
- In the planning of the Key Activities, care has to be taken to ensure that the maximum numbers of Panchayats are covered without jeopardising the quality of the Programme.
- The assisted families may be individuals or groups (Self-Help Groups). The SGSY, however, favours the group approach.

- The Gram Sabha authenticates the list of Below the Poverty Line families identified in the BPL Census. Identification of individual families suitable for each Key Activity is to be made through a participatory process.
- The group approach involves organization of the poor into Self-Help Groups (SHGs) and their capacity building. Efforts have to be made to involve women members in each SHG. Besides, exclusive women groups are also to be formed. At the level of the Block, at least half of the groups should be exclusively women groups. Group activities are given preference and progressively, majority of the funding should be for Self-Help Groups.
- The SGSY is a credit-cum-subsidy Programme. However, Credit is the critical component of the SGSY, subsidy being a minor and enabling element. Accordingly, the SGSY envisages greater involvement of the Banks. They are to be involved closely in the Planning and preparation of Project Reports, identification of activity clusters, infrastructure planning as well as capacity building and choice of activity of the SHGs, selection of individual Swarozgaris, pre-credit activities and postcredit monitoring including loan recovery.
- The SGSY seeks to promote multiple credit rather than a one-time credit 'injection'. The credit requirements of the Swarozgaris need to be carefully assessed; the Swarozgaris are allowed and, in fact, encouraged to increase credit intake, over the years.
- The SGSY seeks to lay emphasis on skill development through well-designed training courses. Those, who have been sanctioned loans, are to be assessed and given necessary training. The design, duration of training and the training curriculum is tailored to meet the needs of the identified Key Activities. DRDAs are allowed to set apart upto 10% of the SGSY allocation on training. This may be maintained as 'SGSY-Training Fund'.
- The SGSY attempts to ensure upgradation of technology in the identified activity clusters. The technology intervention seeks to add value to the local resources, including processing of the locally available material from natural and other resources for local and nonlocal market.



- The SGSY provides for promotion of marketing of the goods produced by the SGSY Swarozgaris, which involves provision of market intelligence, development of markets and consultancy services, as well as institutional arrangements for marketing of the goods including exports.
- The SGSY is implemented by the DRDAs through the Panchayat Samitis. The process of planning, implementation and monitoring integrate the Banks and other financial institutions, the Panchayati Raj Institutions (PRIs), Non-Government Organisations (NGOs), as well as Technical Institutions in the District.
- 15% of the funds under the SGSY are set apart at the national level to try new initiatives for self-employment of the rural poor through "Special Projects", in conjunction with other Departments or Semi-Government/ International Organisations, which includes initiatives to be taken in individual Districts or across the Districts.

# **CHAPTER 3**

## **Socio- Economic Profile of Swarozgaris**

### **3 SOCIO- ECONOMIC PROFILE OF SWAROZGARIS**

The strata of rural families, handled through Self-Help Groups, are capital scarce, labour surplus, and, by and large, bereft of proper knowledge as well as management skill. At the same time, it also remains a fact that barring certain location limitations, rural areas do throw ample opportunities for installation of micro enterprises by making use of untapped manpower resources, available raw material of various forms, and existing market channels. Given the financial support, together with appropriate knowledge and skill input, the poor people, in general, have the propensity to make better use of labour and capital. Thus, installation of income- generation activities and micro enterprises in the rural areas, in a way, helps promote first-generation micro entrepreneurs with resource mobilization on their own through their SHGs.

Though enough specific initial data are not available on the impact of the programmes, this chapter deals with the growth and performance of SHGs in the states of Andhra Pradesh, Gujarat, Chhattisgarh, Uttar Pradesh and Bihar, which is based on the secondary data and the primary data collected from the state and district-level functionaries.

#### **3.1 Survey Findings**

##### **3.1.1 Gender Classification**

About 59 percent of the sample women SGSY beneficiaries are observed to be women, which is considerably higher than the targeted 40%.

##### **3.1.2 Caste of the SHG Members**

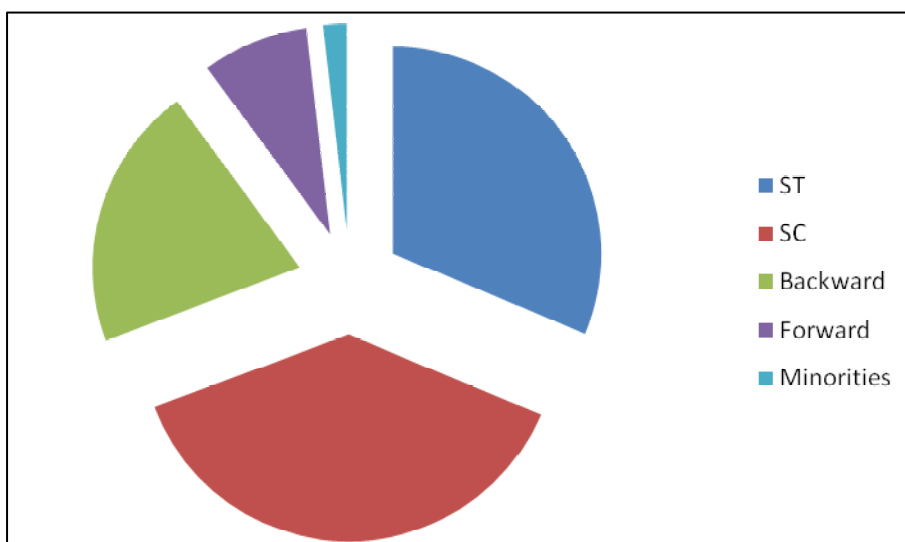
Caste is an important social factor in our society, which has a lot of socio-economic and political implications. Hence, caste-wise distribution of SHG members was considered important for this study. For this, well-recognized caste groups like Scheduled Caste, Scheduled Tribe, other backward caste, forward caste and religious minority groups were taken into account. The caste-wise distribution of SHG members was worked out which is presented in Table below .

**Table 3.1: Caste-wise Distribution of SHG Members**

Caste	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>ST</b>	148	376	123	<b>647</b>
<b>SC</b>	241	428	114	<b>783</b>
<b>Backward</b>	109	274	42	<b>425</b>
<b>Forward</b>	18	140	13	<b>171</b>
<b>Minorities</b>	11	2	25	<b>38</b>
<b>Total</b>	<b>527</b>	<b>1220</b>	<b>317</b>	<b>2064</b>

Over 69 per cent members belonged to SC, ST caste groups, about 21 per cent to OBC caste group and only about 8 per cent to the forward caste group. The minority community has just registered its presence by about 2 per cent membership. The above distinctions appear to be the product of the SHGs policy of SGSY programme. In this case, the SHG members or Swarozgaris must come from the list of below poverty line (BPL) families and the minimum percentage of SC, ST Swarozgaris should be 50 per cent.

**Figure 3.1: Caste-wise Distribution of SHG Members**



Those below the poverty line do need special attention, but other rural poor cannot be ignored in any poverty alleviation programme. Further, motivation and willingness on the part of the rural poor to participate in a poverty alleviation programme, is such that an asset which cannot be ignored or even neglected to make a programme successful and the national investment in it, productive. The restrictive features of SGSY SHGs (adherence to the BPL list, caste, etc.) deserve a serious look so that they do not become counterproductive.

Women from poor families are the poorest of the poor. There is a strong need to have poverty alleviation programme which lay greater emphasis on the empowerment of these women from poor families. The gender ratio of the SHGs was worked out, all-women SHGs were only 59 per cent in the case of SGSY.

Statewise caste distribution is given in tables below

**Table 3.2: Caste-wise Distribution of SHG Members- Andhra Pradesh**

Caste	SGSY SHG Members			Total
	All Men	All Women	Mixed	
ST	50	210	40	300
SC	45	58	31	134
Backward	24	37	4	65
Forward	5	46	4	55
Minorities	3	1	8	12
<b>Total</b>	<b>127</b>	<b>352</b>	<b>87</b>	<b>566</b>

**Table 3.3: Caste-wise Distribution of SHG Members- Gujarat**

Caste	SGSY SHG Members			Total
	All Men	All Women	Mixed	
ST	25	24	35	84
SC	55	32	17	104
Backward	18	47	4	69
Forward	6	47	3	56
Minorities	2	0	1	3
<b>Total</b>	<b>106</b>	<b>150</b>	<b>60</b>	<b>316</b>

**Table 3.4: Caste-wise Distribution of SHG Members- Uttar Pradesh**

Caste	SGSY SHG Members			Total
	All Men	All Women	Mixed	
ST	10	6	7	23
SC	42	54	21	117
Backward	24	44	11	79
Forward	4	19	3	26
Minorities	2	1	4	7
<b>Total</b>	<b>82</b>	<b>124</b>	<b>46</b>	<b>252</b>

**Table 3.5: Caste-wise Distribution of SHG Members- Bihar**

Caste	SGSY SHG Members			Total
	All Men	All Women	Mixed	
ST	4	8	0	12
SC	87	201	33	321
Backward	35	138	17	190
Forward	2	22	2	26
Minorities	3	0	6	9
<b>Total</b>	<b>131</b>	<b>369</b>	<b>58</b>	<b>558</b>

**Table 3.6: Caste-wise Distribution of SHG Members- Chattisgarh**

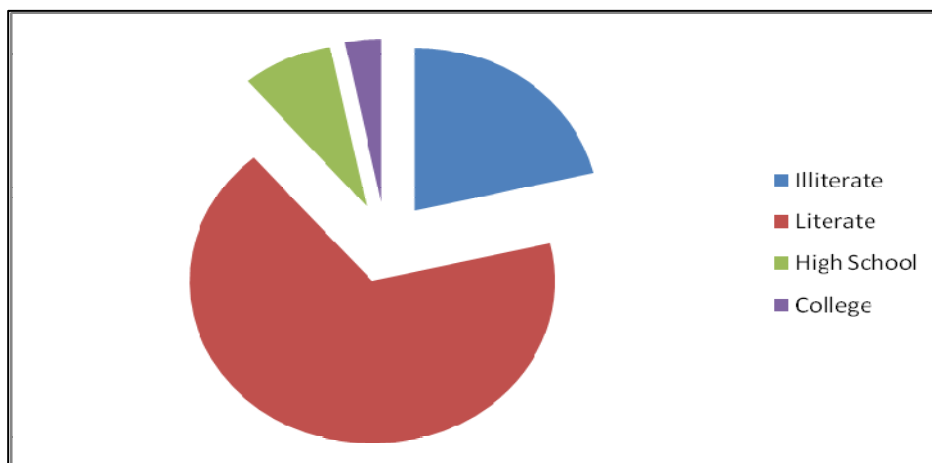
Caste	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>ST</b>	59	128	41	<b>228</b>
<b>SC</b>	12	83	12	<b>107</b>
<b>Backward</b>	8	8	6	<b>22</b>
<b>Forward</b>	1	6	1	<b>8</b>
<b>Minorities</b>	1	0	6	<b>7</b>
<b>Total</b>	<b>81</b>	<b>225</b>	<b>66</b>	<b>372</b>

### 3.1.3 Formal Education of SHG Members

The level of education or formal schooling of SHG members is an important characteristic for the functioning of the group. Education will impact maintenance of records, starting of development schemes, linkage with banks, etc. Hence, data regarding formal schooling of SHG members were collected which have been reported in table below .

**Table 3.7: Formal Education of SHG Members**

Education Level	SGSY SHG Members			Total
	AM	AW	Mixed	
<b>Illiterate</b>	130	200	109	<b>439</b>
<b>Literate</b>	347	880	167	<b>1394</b>
<b>High School</b>	23	136	6	<b>165</b>
<b>College</b>	21	18	27	<b>66</b>
<b>Total</b>	<b>521</b>	<b>1234</b>	<b>309</b>	<b>2064</b>



As reported in Table above, a great majority of the members were found to be educated and at least literate in the SHGs. Over 65 per cent members were capable of reading and writing. Figure 3.2: Formal Education of SHG Members



About 8 per cent members in SGSY- supported SHGs were found to be matriculate, the percentage of college educated members were over 3 per cent in both the categories. It is heartening to note that women members did not lag far behind in education than their male counterparts. In the SHGs, equal percentage of males and females were capable of reading and writing. On the whole, this can be inferred from the data reported above that women SHG members are at least at par with the male members so far as their formal education is concerned.

Statewise formal education of SHG members is given in tables below

**Table 3.8: Formal Education of SHG Members- Andhra Pradesh**

Education Level	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Illiterate</b>	22	27	12	<b>61</b>
<b>Literate</b>	64	360	34	<b>458</b>
<b>High School</b>	6	19	1	<b>26</b>
<b>College</b>	6	6	9	<b>21</b>
<b>Total</b>	<b>98</b>	<b>412</b>	<b>56</b>	<b>566</b>

**Table 3.9: Formal Education of SHG Members- Gujarat**

Education Level	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Illiterate</b>	22	24	17	<b>63</b>
<b>Literate</b>	68	129	17	<b>214</b>
<b>High School</b>	1	24	1	<b>26</b>
<b>College</b>	5	5	3	<b>13</b>
<b>Total</b>	<b>96</b>	<b>182</b>	<b>38</b>	<b>316</b>

**Table 3.10: Formal Education of SHG Members- Uttar Pradesh**

Education Level	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Illiterate</b>	3	30	7	<b>40</b>
<b>Literate</b>	56	121	25	<b>202</b>
<b>High School</b>	3	5	1	<b>9</b>
<b>College</b>	1			<b>1</b>
<b>Total</b>	<b>63</b>	<b>156</b>	<b>33</b>	<b>252</b>

**Table 3.11: Formal Education of SHG Members- Bihar**

Education Level	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Illiterate</b>	51	65	35	<b>151</b>
<b>Literate</b>	141	124	51	<b>316</b>
<b>High School</b>	11	57	1	<b>69</b>
<b>College</b>	7	6	9	<b>22</b>
<b>Total</b>	<b>210</b>	<b>252</b>	<b>96</b>	<b>558</b>

**Table 3.12: Formal Education of SHG Members- Chhatisgarh**

Education Level	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Illiterate</b>	32	54	38	<b>124</b>
<b>Literate</b>	18	146	40	<b>204</b>
<b>High School</b>	2	31	2	<b>35</b>
<b>College</b>	2	1	6	<b>9</b>
<b>Total</b>	<b>54</b>	<b>232</b>	<b>86</b>	<b>372</b>

### 3.1.4 Occupation of SHG Members

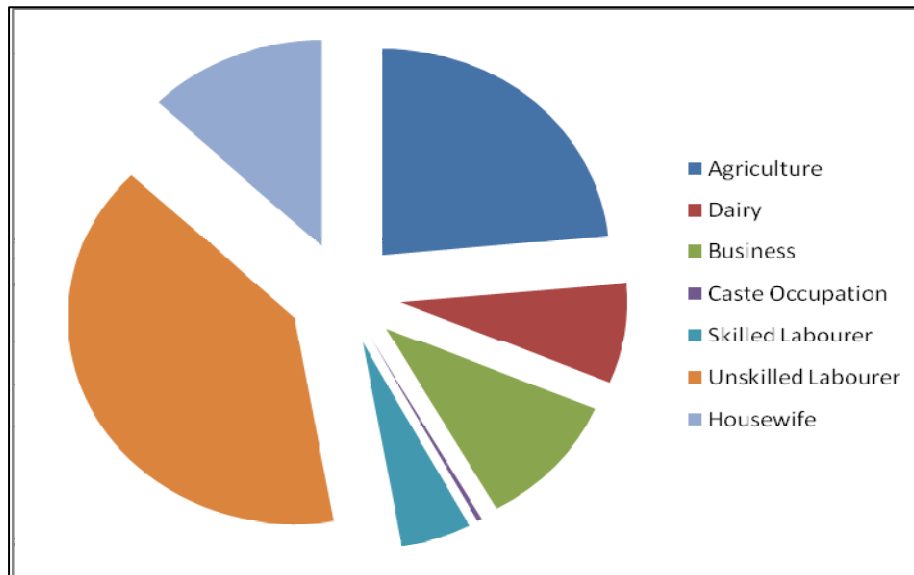
Rural people are engaged in various occupations for earning their livelihood. Information about the occupation of the SHG members under study was collected. They were found to come from seven occupations, as reported in Table below:

**Table 3.13: Occupation-wise Distribution of SHG Members**

Occupation	SGSY SHG Members			Total
	All-Men	AW	Mixed	
Agriculture	41	346	99	<b>486</b>
Dairy	43	107	11	<b>161</b>
Business	65	67	86	<b>218</b>
Caste Occupation	0	0	7	<b>7</b>
Skilled Labourer	51	0	52	<b>103</b>
Unskilled Labourer	392	422	11	<b>825</b>
Housewife	0	254	10	<b>264</b>
<b>Total</b>	<b>592</b>	<b>1196</b>	<b>276</b>	<b>2064</b>

The largest number of SHG members in both the categories of SHGs was found to come from the unskilled labourer, housewife and agricultural occupations.

**Figure 3.3: Occupation-wise Distribution of SHG Members**



The next categories in number are those of business communities or traders and those engaged in milk production and trading by maintaining a few herds of cattle or buffalos. There are only a few skilled labourers like village artisans, mechanics and also those having their caste occupations like barbers, carpenters, etc., who joined the SHGs.

It is clear that poverty prevails in almost every occupation in the rural areas, but its magnitude is quite high in occupations like unskilled labourers, small and marginal farmers and housewives who are engaged in wageless activities in the homes.

**Table 3.14: Occupation-wise Distribution of SHG Members- Andhra Pradesh**

Occupation	SGSY SHG Members			
	All Men	All Women	Mixed	Total
<b>Agriculture</b>	8	120	12	<b>140</b>
<b>Dairy</b>	13	24	2	<b>39</b>
<b>Business</b>	18	16	22	<b>56</b>
<b>Caste Occupation</b>	0	0	2	<b>2</b>
<b>Skilled Labourer</b>	<b>29</b>	<b>0</b>	<b>18</b>	<b>47</b>
<b>Unskilled Labourer</b>	78	125	5	<b>208</b>
<b>Housewife</b>	0	72	2	<b>74</b>
<b>Total</b>	146	357	63	<b>566</b>

**Table 3.15: Occupation-wise Distribution of SHG Members- Gujarat**

Occupation	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Agriculture</b>	5	56	17	<b>78</b>
<b>Dairy</b>	7	13	2	<b>22</b>
<b>Business</b>	16	27	37	<b>80</b>
<b>Caste Occupation</b>	0	0	1	<b>1</b>
<b>Skilled Labourer</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>10</b>
<b>Unskilled Labourer</b>	53	35	2	<b>90</b>
<b>Housewife</b>	0	32	3	<b>35</b>
<b>Total</b>	<b>86</b>	<b>163</b>	<b>67</b>	<b>316</b>

**Table 3.16: Occupation-wise Distribution of SHG Members- Uttar Pradesh**

Occupation	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Agriculture</b>	13	45	0	<b>58</b>
<b>Dairy</b>	11	32	2	<b>45</b>
<b>Business</b>	10	12	16	<b>38</b>
<b>Caste Occupation</b>	0	0	1	<b>1</b>
<b>Skilled Labourer</b>	<b>2</b>	<b>0</b>	<b>6</b>	<b>8</b>
<b>Unskilled Labourer</b>	11	46	3	<b>60</b>
<b>Housewife</b>	0	40	2	<b>42</b>
<b>Total</b>	<b>47</b>	<b>175</b>	<b>30</b>	<b>252</b>

**Table 3.17: Occupation-wise Distribution of SHG Members- Bihar**

Occupation	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Agriculture</b>	12	103	32	<b>147</b>
<b>Dairy</b>	9	27	2	<b>38</b>
<b>Business</b>	11	10	8	<b>29</b>
<b>Caste Occupation</b>	0	0	3	<b>3</b>
<b>Skilled Labourer</b>	<b>11</b>	<b>0</b>	<b>10</b>	<b>21</b>
<b>Unskilled Labourer</b>	118	121	0	<b>239</b>
<b>Housewife</b>	0	79	2	<b>81</b>
<b>Total</b>	<b>161</b>	<b>340</b>	<b>57</b>	<b>558</b>

**Table 3.18: Occupation-wise Distribution of SHG Members- Chhatisgarh**

Occupation	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Agriculture</b>	3	22	38	<b>63</b>
<b>Dairy</b>	3	11	3	<b>17</b>
<b>Business</b>	10	2	3	<b>15</b>
<b>Caste Occupation</b>	0	0	0	<b>0</b>
<b>Skilled Labourer</b>	<b>4</b>	<b>0</b>	<b>13</b>	<b>17</b>
<b>Unskilled Labourer</b>	132	95	1	<b>228</b>
<b>Housewife</b>	0	31	1	<b>32</b>
<b>Total</b>	<b>152</b>	<b>161</b>	<b>59</b>	<b>372</b>

### 3.1.5 Marital Status of SHG Members

The marital status of SHG members was also ascertained during the interview, which was compiled and tabulated as reported in table below:

**Table 3.19: Marital Status of SHG Members**

Marital Status	SGSY SHG Members			Total
	AM	AW	Mixed	
<b>Unmarried</b>	110	104	59	<b>273</b>
<b>Married</b>	234	1177	296	<b>1707</b>
<b>Widowed</b>	5	69	10	<b>84</b>
<b>Total</b>	<b>349</b>	<b>1350</b>	<b>365</b>	<b>2064</b>

**Figure 3.4: Marital Status of SHG Members**



So far as the marital status is concerned, the respondents were found to be either unmarried or married or widowed. A great majority of the respondents in the case of both the groups of SHGs were found to be married. In the case of unmarried category 104 out of 1350 women members in the SGSY- supported SHGs were unmarried. Though these numbers are not very large, yet they are likely to create the problem of discontinuance of their membership. When they get married and leave the village to stay with their husbands, they will most probably discontinue their membership and to that extent the SHGs would be disturbed.

Statewise Marital Status of SHG Members is given in Tables below

**Table 3.20: Marital Status of SHG Members- Andhra Pradesh**

Marital Status	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Unmarried</b>	22	37	12	<b>71</b>
<b>Married</b>	65	336	67	<b>468</b>
<b>Widowed</b>	1	23	3	<b>27</b>
<b>Total</b>	<b>88</b>	<b>396</b>	<b>82</b>	<b>566</b>

**Table 3.21: Marital Status of SHG Members- Gujarat**

Marital Status	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Unmarried</b>	2	34	19	<b>55</b>
<b>Married</b>	59	151	27	<b>237</b>
<b>Widowed</b>	0	21	3	<b>24</b>
<b>Total</b>	61	206	49	316

**Table 3.22: Marital Status of SHG Members- Uttar Pradesh**

Marital Status	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Unmarried</b>	3	11	0	<b>14</b>
<b>Married</b>	20	186	22	<b>228</b>
<b>Widowed</b>	1	8	1	<b>10</b>
<b>Total</b>	24	205	23	252

**Table 3.23: Marital Status of SHG Members- Bihar**

Marital Status	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Unmarried</b>	51	13	15	<b>79</b>
<b>Married</b>	63	286	115	<b>464</b>
<b>Widowed</b>	2	12	1	<b>15</b>
<b>Total</b>	116	311	131	558

**Table 3.24: Marital Status of SHG Members- Chattisgarh**

Marital Status	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Unmarried</b>	32	9	13	<b>54</b>
<b>Married</b>	27	218	65	<b>310</b>
<b>Widowed</b>	1	5	2	<b>8</b>
<b>Total</b>	60	232	80	372

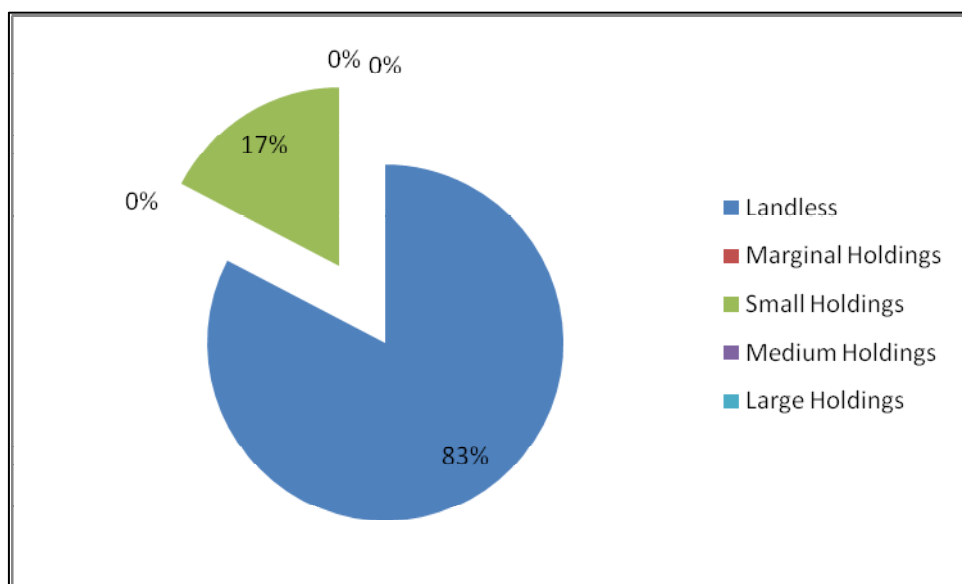
### 3.1.6 Size of Landholding

It was considered important to portray the picture of Self-Help Group members in terms of their socio-economic characteristics. For this, 2064 members of SGSY group of SHGs were interviewed with the help of structured schedule constructed for the purpose. The socio-economic characteristics (variables) included landholding, formal education, caste, occupation and marital status of the SHG members. The data regarding area of land held by the SHG members in acres are reported in the table below:

**Table 3.25: Landholding Pattern of SHG Members**

S.N.	Landholding	SGSY SHGs			Total
		All-Men	All- Women	Mixed	
1.	Landless	385	1194	121	<b>1700</b>
2.	Marginal Holdings (up to 2.5 acres)	0	0	0	<b>0</b>
3.	Small Holdings (2.5 to 5.0 acres)	181	172	11	<b>364</b>
4.	Medium Holdings (5.1 to 10 acres)	0	0	0	<b>0</b>
5.	Large Holdings (above 10 acres)	0	0	0	<b>0</b>
<b>Total</b>		<b>566</b>	<b>1366</b>	<b>132</b>	<b>2064</b>

**Figure 3.5: Landholding Pattern of SHG Members**



About 82 per cent members were found to be landless who are most likely to conform to the criterion of being below poverty line (BPL). But 17 percent of the SHG members who are small landholders may or may not conform to this criterion. Even if it is accepted that these landholders belong to the BPL group, then how it is that no marginal landholder category could be included as members of SHGs. This may also be a case of aberration that marginal farmers were omitted and small farmers were included in the list of BPL available in the gram sabha record. Landholding is a good indicator of rural poverty. SHG approach which appears more restrictive and exclusive.

Statewise Landholding Pattern of SHG Members is given in Tables below

**Table 3.26: Landholding Pattern of SHG Members- Andhra Pradesh**

Landholding	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Landless</b>	65	287	24	<b>376</b>
<b>Marginal Holdings (up to 2.5 acres)</b>	0	0	0	<b>0</b>
<b>Small Holdings (2.5 to 5.0 acres)</b>	109	74	7	<b>190</b>
<b>Medium Holdings (5.1 to 10 acres)</b>	0	0	0	<b>0</b>
<b>Large Holdings (above 10 acres)</b>	0	0	0	<b>0</b>
<b>Total</b>	<b>174</b>	<b>361</b>	<b>31</b>	<b>566</b>

**Table 3.27: Landholding Pattern of SHG Members- Gujarat**

Landholding	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Landless</b>	48	242	20	<b>310</b>
<b>Marginal Holdings (up to 2.5 acres)</b>	0	0	0	<b>0</b>
<b>Small Holdings (2.5 to 5.0 acres)</b>	2	2	2	<b>6</b>
<b>Medium Holdings (5.1 to 10 acres)</b>	0	0	0	<b>0</b>
<b>Large Holdings (above 10 acres)</b>	0	0	0	<b>0</b>
<b>Total</b>	<b>50</b>	<b>244</b>	<b>22</b>	<b>316</b>

**Table 3.28: Landholding Pattern of SHG Members- Uttar Pradesh**

Landholding	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Landless</b>	37	166	16	<b>219</b>
<b>Marginal Holdings (up to 2.5 acres)</b>	0	0	0	<b>0</b>
<b>Small Holdings (2.5 to 5.0 acres)</b>	9	24		<b>33</b>
<b>Medium Holdings (5.1 to 10 acres)</b>	0	0	0	<b>0</b>
<b>Large Holdings (above 10 acres)</b>	0	0	0	<b>0</b>
<b>Total</b>	<b>46</b>	<b>190</b>	<b>16</b>	<b>252</b>



**Table 3.29: Landholding Pattern of SHG Members- Bihar**

Landholding	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Landless</b>	112	321	32	<b>465</b>
<b>Marginal Holdings (up to 2.5 acres)</b>	0	0	0	<b>0</b>
<b>Small Holdings (2.5 to 5.0 acres)</b>	31	60	2	<b>93</b>
<b>Medium Holdings (5.1 to 10 acres)</b>	0	0	0	<b>0</b>
<b>Large Holdings (above 10 acres)</b>	0	0	0	<b>0</b>
<b>Total</b>	<b>143</b>	<b>381</b>	<b>34</b>	<b>558</b>

**Table 3.30: Landholding Pattern of SHG Members- Chhatisgarh**

Landholding	SGSY SHG Members			Total
	All Men	All Women	Mixed	
<b>Landless</b>	123	178	29	<b>330</b>
<b>Marginal Holdings (up to 2.5 acres)</b>	0	0	0	<b>0</b>
<b>Small Holdings (2.5 to 5.0 acres)</b>	30	12		<b>42</b>
<b>Medium Holdings (5.1 to 10 acres)</b>	0	0	0	<b>0</b>
<b>Large Holdings (above 10 acres)</b>	0	0	0	<b>0</b>
<b>Total</b>	<b>153</b>	<b>190</b>	<b>29</b>	<b>372</b>

# **CHAPTER 4**

## **Self Help Groups: Paradigm of Success and Impediments in Sampled States**

## 4 SELF HELP GROUPS: PARADIGM OF SUCCESS AND IMPEDIMENTS IN SAMPLED STATES

### 4.1 Selection of Swarozgaris

In the entire study area covering the 5 states, BPL census has been the official basis for selection of the swarozgaris. It is mandatory under the SGSY guidelines for the swarozgaris to be selected by the gram panchayat in the presence of gram sabha. However, the degree of involvement of gram panchayat in the selection of swarozgaris varied across the states.

It was observed that in **states of UP and Bihar** there was involvement of GP in the selection process.

States like **Andhra Pradesh**, have ensured that the process of identification and selection of swarozgaris be transparent and adequately cover the poor. It was studied that in most of the sampled villages, the PIA has succeeded in getting community approval for selection of the beneficiaries. For the programme implementing officials, selection of swarozgaris through the approval of gram panchayats was not difficult. However, initially the gram sabhas gave priority to other activities over the selection of swarozgaris. There was some confusion on the BPL card holder's status which led to some states unevenly selecting the beneficiaries.

For instance, the study group analysed that about 15 % of the families covered in **UP**, 12% in **Bihar**, 8% in **Chhattisgarh** were ineligible beneficiaries. In other states like **Andhra Pradesh and Gujarat**, the percentage was less than 4%.

Another area of problem encountered was finding adequate number of qualified and matured SHGs.

In some of the eastern and northern states like **UP and Bihar**, the progress in the formation of SHGs was very slow and in the absence of professional NGOs, the groups identified were not up to the standard at times.

The banks, (**apart from Andhra Pradesh**) was not happy with the manner in which the SHGs were being promoted and swarozgaris identified for SGSY.

The study team members found that some of the SHGs in states like **UP, Bihar and Chattisgarh** did not acquire the minimum capacity to even manage the savings transactions of the members. There was no clarity to what kinds of services and benefits were available under the SGSY. In most of the states, it was analyzed that the process of selection of the beneficiaries has been streamlined recently and maximum coverage has been envisaged and practiced.

#### **4.1.1 SHG Swarozgaris**

Although the programme emphasis is on group approach, the swarozgaris under SGSY are either individuals or groups. The percentage of SHG swarozgaris assisted has increased from 37% in 1999-2000 to 64% in 2003-2004 (MoRD GoI Annual Report). The programme's emphasis on group approach is based on the rationale that a poor in a group can substantially benefit from collective strength, mutual help and scale of economies. It was observed in some of the blocks / districts the quality of SHGs had been built with great care and devotion especially in **Andhra Pradesh and Gujarat**.

But, in states like **Bihar and UP**, where the SHGs were not stable and had not acquired the threshold level maturity, the group projects have got fragmented and the impact has been diluted. In most cases the enterprises were reported as group enterprises for record purposes both at DRDA level and at bank level. Practically, though the swarozgaris shared the group loan, subsidy, and revolving fund they have been pursuing the economic activities individually. They agree that in terms of repayment of loan, group approach was better than the individual approach as collective strength implies not sacrificing ones self resources for obtaining loans. In the opinion of PIAs and the bankers, the group approach was preferred for its relative merit. The study team observed that wherever the quality of SHGs and their members' capacity for group entrepreneurship was built, the swarozgaris have learnt the art of working in group mode and simultaneously retaining their individual identity. So it has been a win win situation for the beneficiaries and the group

Operationalising the group approach for pursuing enterprise was found difficult for the following reasons:

- Capacity building of the SHG members was not done at an optimum level resulting in the poor, illiterate members not acquiring sufficient risk taking ability to run the respective trades on commercial lines especially in states **like Bihar and Chhatisgarh**.
- The banks are reluctant to fund the commercial entrepreneurial activities as they are not sure about the repaying capacity of the Swarozgaris. The Swarozgaris on the other hand lack the knowledge of running the trades and desist from taking loans.
- It was observed in villages of **UP and Bihar** that in the absence of training inputs to run group enterprise, the members were not able to manage the activity as a single enterprise.
- The creation and continuance of permanent positions like presidents and secretaries in the groups creates an environment of stagnancy, wherein the role of other members is marginalized and they refrain from taking initiatives

#### **4.1.2 Bankers involvement**

The involvement of bankers along with the BDO (or his / her representative) and the Sarpanch in the selection of swarozgaris was desirable. This has a merit and ensures the inclusion of potential candidates with aptitude for self-employment. Unfortunately, in almost all of the sample blocks, the bankers were not found to be involved in this function. The banker had to play a significant role in apprising the swarozgaris financial discipline and credit behavior.

In the state of **Andhra Pradesh**, there was not a direct involvement of the bankers with the swarozgaris. Funds were disbursed to the beneficiaries through the Village level organization who in turn received it from the Mandal Samakhya and the Zila Samakhya.

However, **in the other 4 states of Bihar, UP, Chhattisgarh and Gujarat**, the beneficiaries received the funds directly from the banks. The performance of the banks in most of the districts has been suboptimal with many being declared as totally non performing. For instance, in Uttar Pradesh, a total of 304 bank branches were declared as zero performing and 191 banks branches between 0-25 percent. In some of the branches, there was no clarity among the bankers about the roles and responsibilities pertaining to the scheme.

### 4.1.3 Involvement of Line department

Line department's cooperation was observed to be low in majority of the states. However, active cooperation was observed in states like **Gujarat and Andhra Pradesh**.

In states like **Bihar, UP and Chattisgarh**, the study team observed that the block level officials and extension workers were inadequately available and most of the posts were vacant. However, in states like Gujarat, where Sakhi Mandals have been created, the situation is different with lot of resource persons deployed to provide assistance and do effective monitoring. Animal husbandry in the districts was mainly restricted to goatary/ piggary and these were traditional activities of the swarozgaris who opted for this scheme. Hence nothing much could be expected and done by the animal husbandry department. The study team could not establish an effective convergence of the line departments with the SGSY scheme.

### 4.1.4 Poor and non-poor

The mix of poor and non-poor for assistance under the programme was found to be advantageous to the poor under some circumstances and counter productive in other cases. It all depended on the local, socio-political and economic environment, resource endowment, intensity of competition, and the nature of the trades. In trades such as dairy, mixture of poor and non-poor beneficiaries sometimes helped in acquiring the threshold level of volumes and optimum use of infrastructure. In these cases, such mixture of poor and non-poor was welcome. However, not all trades did permit such mutually beneficial participation. Individual enterprises catering to the limited local markets did not allow the poor to benefit from the partnering with the non-poor where their interests were conflicting. Petty trade, service activities and sometimes activities dependent on the limited local resources were found to be in this category. Combining poor with the non-poor sometimes provided opportunities for the former to pick up entrepreneurial skills and also learn from the market participation. This was clearly an opportunity for the poor to graduate on the entrepreneurial scale.

Implementation of special projects under SGSY enabled the DRDAs in some districts to create/develop new entrepreneurial opportunities for the swarozgaris. This was observed with satisfaction in states of Gujarat and Andhra Pradesh where the infrastructure-dependent new projects opened up self-employment opportunities in the local areas. Unfortunately such initiatives were not in plenty.

## 4.2 Key activities

Funding diverse activities under the SGSY aims to identify few select activities in a block and provide complete range of developmental support which includes market survey, credit, technology and training leading to skill up gradation and establishment of forward and backward linkages. Thus SGSY laid stress on cluster approach by selecting few key activities and attend to all aspects of these activities. The choice of the activity was to be based on the local resources, the aptitude and skill profile of the swarozgaris and ready market for the products.

The process of key activity selection required profile mapping of the poor families as reflected in the BPL census. This was to ensure adequate coverage of poor from across all occupations and also avoid/minimize errors of inclusion and exclusion. The Block SGSY Committee was assigned the responsibility to initiate the process at the village level and lead it upto the District SGSY Committee.

The Block SGSY Committee, after consulting the SHGs, gram panchayat representatives, the potential activity plans prepared by NABARD, commercial banks, KVI office, DIC and industrial/technical organizations could identify 8 to 10 activities, rank them in the order of preference, got them endorsed by the panchayat samithi, prepared brief project reports for each activity and submitted to the District SGSY Committee which was to vet them with the help of experts, including line departments.

The choice of the activity, throughout the process, was to be guided by the viability, ready market, availability of the required infrastructure and the potential to generate appreciable incremental incomes that could help the swarozgaris cross the poverty line. After a thorough scrutiny and appraisal, the District Committee finalized the list of key activities, which generally did not exceed 10 in a block. Of course the focus was to be on 4-5 activities.

The finalized list was to be communicated to all the stakeholders including the gram panchayats, the panchayat samithis, BDOs, line departments, banks and NGOs involved in the programme implementation. The suggested process, thus, was participatory, consultative and involved economic / market appraisal. However, in most of the blocks studied, the selection of activities has been kept quite open and the beneficiaries have their discretion in it.

In the following paragraphs, the identification and selection of key activities as analyzed during the field is explained in detail:



#### 4.2.1 Identification of key activities

The guidelines suggested the identification and promotion of 3-4 key activities in a block. The field situation was contrary to this. On average in a given blocks, the study team has observed more than eight activities. The rationale put forward by Block SGSY Committee for exceeding the numbers of key activities suggested by the guidelines are given below:

- The swarozgaris expressed their strong desire to pursue various kinds of activities and demanded the programme implementing agencies viz., DRDA at district level and BDO at block level (PIAs) to consider these for assistance. Their claim was further supported by the fact that the activities were viable and were assuring higher and regular repayment (95%) of bank loans. The banks were supporting the PIAs for the selection of large number of activities and finance.
- Since in the rural areas there was large number of traditional activities, which does not require much forward and backward linkages, so traditional activities like Dairy have been given more preference.



- In a few trades such as handlooms, which were by nature cluster-oriented, the assistance under SGSY was very meager. The rationale for such low coverage of handlooms under SGSY was due to the fact that this activity required higher level of investments whereas the banks were not willing to finance to swarozgaris, who belonged to the BPL category.
- Even though SGSY had budget provision to create infrastructure for any activity, presently the PIAs preferred to establish additional infrastructure to develop the traditional activities like dairy, agriculture, agro-processing etc. For other activities, the minimum threshold number of swarozgaris was not coming forward to take up the activities. Thus, the viability factor was determining the decision regarding the investment for infrastructure, which in turn, was guiding the PIAs' decision in the identification and selection of key activities.

The programme implementation called for very close interaction and rapport between the DRDAs and the banks even after the identification and selection of key activities. Monthly meetings at DLCC level were sought to ensure this. In spite of this, in several districts in **Bihar, UP and Chattisgarh** there was no clarity with regard to the number of approved key activities between the DRDA and the banks.

#### **4.2.2 Involvement of PRIs**

While the representatives of gram panchayats were involved in the selection of swarozgaris they were not involved much in the identification and selection of key activities. In the study region, only 23 per cent of the gram panchayat representatives were consulted in this process. **In UP**, the involvement of the representatives of gram panchayat was almost non-existent.

*The BDOs, who were conveners of Block SGSY Committees, were of the opinion that the gram panchayat representatives did have better knowledge about the poverty profile of their given villages but were not equipped with the required information about the input (resource) availability, viability and market demand for different products.*

During the field level interactions, it was reported that there is a lack of communication and understanding between the Block level officials and Panchayat.

### 4.2.3 Participation of line departments in selection of key activities

The Block Panchayat President and Zilla Panchayat Chairpersons were practically not involved in the selection of key activities. This job did not find priority in their functions. Their interest in the programme was confined to the selection of the swarozgaries, if any.

Although the guidelines did advise the PIAs to seek expertise and help from as many line departments operating in the given development block, in practice not more than three or four were being involved in this process. Of these, agriculture, animal husbandry and horticulture were the prominent ones. The number of line departments to be involved in the identification of key activity depended largely on the local resource endowment, skill and educational level of the swarozgaries and the general atmosphere with regard to the opportunities for self-employment. The field interviews with block development officials suggested that their active involvement of line departments and their cooperation was forthcoming only in about one-third of the cases. Around 36% of the Block SGSY Committees interviewed in the 5 states could involve line departments participation in the identification and appraisal of the key activities.

The block committees in **UP** fared very badly. **In AP**, the performance in this regard varied from district to district. while in **Bihar and Chhattisgarh** it was found to be just average.

### 4.2.4 Involvement of Banker

Involvement of the local banker was very crucial in the selection of key activities. In actual practice, too, the project implementing agencies at the block level (the BDO, Extension Officer and the Village Development officer) was able to involve this important functionary from the banking sector. The convener of the Block SGSY Committee throughout the study region reported that without the cooperation from the banker at the stage of activity identification, it was not possible to operationalise the programme.

The bankers at the branch level too appreciated the need for their involvement in this task and 79% of the branch managers interviewed expressed this feeling. The significance of the bankers' participation at this stage came from the fact that if the activities were selected without the banker's knowledge, it would be difficult later to obtain bank loan. Further, the bankers had always been insisting that the activity should find potential market and should suit to entrepreneurial capability level of the swarozgaris. However, the major constraint in involving the bank manager in the identification of the key activity was the time availability of the bank manager. In single-man branches in the rural areas, it was found extremely difficult for the bank staff to leave the branch to attend to such activities. Their payment should be linked to their performance i.e. number of swarozgaris supported towards self-employment. Their number at the block level/ district level should be decided on the basis of the number of swarozgaris to be supported in a given area.

#### **4.2.5 Hiring of professional expert advice**

The programme guidelines did permit the beneficiaries to seek expert guidance from professional institutions / individuals in understanding the market for various self-employment activities in the given region. During the primary study done by the team, it was reported that the SGSY committees sought professional support in many trades. This was reported in districts of **Andhra Pradesh and Gujarat**. The hiring of such professionals has gone a long way to build the capacity of the beneficiaries. Usually master trainers have been developed who in turn has developed the capacity of the villagers. In other states like **Bihar and UP**, this kind of activity has been almost non existent leading to marginal capacity building. Mostly orientation workshops had been conducted and no training imparted. While the guidelines in this regard were quite encouraging, the DRDAs were not able to avail NGOs' services in states such as **Bihar, Chattisgarh and UP**. Few DRDAs in these states engaged them for SHG formation, social mobilization and training the swarozgaris.

#### **4.2.6 Project Director, DRDA**

PD, DRDA plays a significant role in the key activity identification. In fact, he/she owned the responsibility in this regard. His/her interest, attitude and level of commitment critically decided the degree of success of the programme. The programme design and the guidelines had given this functionary the authority, discretion and financial resources to operationalise his/her decisions.

The discussions with this functionary in the study area suggested that only some of them were able to play this role successfully in respect of a few activities, particularly in planning for infrastructure, forward and backward linkages. His/her leadership played a decisive role in the key activity development and building its viability. His/ her expertise, capabilities and aptitude made all the difference in the success of the programme. In a given district such interventions were confined to one or two activities. The PD's capacities to build market infrastructure, integrate / network with other public programmes for market development, workout partnerships with public / private institutions, provide access to technology proved to be pivotal to the programme. Hence the need for identifying right type of candidates for this post and building their capacity for innovative development support. For example, a leaf can be taken from the experience of the study team in Andhra Pradesh. The level of involvement of the PD can be replicated in other states.

#### **4.2.7 Other Activities**

The study team observed throughout the study area the swarozgaris relying on multiple activities for their livelihood. Of course, among these one activity was invariably the important one. This was contrary to the guidelines. The composition of these activities, in terms of their contribution to the household income, varied significantly. However, the assistance under SGSY was limited to a single activity, which of course had to be so to build economies of scale. Similarly, assistance in the form of skill development as well as training was also confined to one activity. Some of the study team members observed that relying on a single activity would expose the swarozgaris to various risk factors. This apprehension was based on the poor resource base as well as limited market knowledge of the swarozgaris and their lack of confidence in the quality of development support available under the programme. During the study, it was observed that the beneficiaries involved in multiple economic generating activities had a stable flow of income as compared to the ones involved in any single activity.

#### **4.2.8 Project reports for potential key activities at block level**

The guidelines did suggest the Block SGSY Committee to prepare project reports for potential key activities (about ten) and have them consulted with panchayat samithi, branch level bank managers and the officials of line departments operating at the block level. This, in practice, was not practiced by 39% of the respondents in the study region. In UP and Bihar, the block SGSY Committees were not carrying out this job, while in Chhattisgarh the situation was relatively better. These project reports were very simple, basic appraisal exercises. Their nature varied from activity to activity. The selection of simple activities such as goat/sheep/vegetables by swarozgaris was not supported by project reports.

These were the activities that did not demand advanced skills and large investments. Non-traditional activities, however, needed simple, but comprehensive reports, so as to enable the PIAs to plan for and provide development inputs such as forward and backward linkages, technology, market survey, etc. Similarly, group projects required such analysis and reports in order to assess and plan for development support. The study team suggests that the preparation of project reports has to be a part of the process of the key activity selection.

#### **4.2.9 Key activities in the study region**

Dairy emerged as one of the most popular activity among the group swarozgaris. 46% of group swarozgaris took up this activity under the programme. This was followed by agriculture and land development. Non-farm activities like handlooms, handicrafts figured at the bottom of the choices as they require market linkages which are tough to obtain. Similarly, business enterprises too were taken up by very small (7%) proportion.

##### **(i) The predominant choice for dairy**

Dairy accounted for about half of the activities taken up by group swarozgaris in all the states. The respondents as well as programme-implementing officials defended the choice of dairy to the local resource endowment, availability of backward and forward linkages, easier, liquidity options and the beneficiaries' aptitude, skill level and risk perception.

According to their experience, this activity was sustainable and carried limited risk at the market. The block SGSY committee generally respected this traditional wisdom of the swarozgaris. It was therefore rational to explore and build further potential to enhance the productivity and sustainability of this activity. The programme support in this regard could be:

- Cattle quality up gradation
- Minimizing the cost of cattle-feed
- Improved animal husbandry practices to improve the yield levels

All these could be accomplished only through educating and training the swarozgaris. During field interaction, it was observed that most of the groups were ignorant about the quality of fodder to be provided, animal health, milk testing, etc. Buffaloes are a better alternative for the poor instead of cows, in terms of the fat content in the milk (fetching incremental income) and incidence of diseases. Thus, rearing of buffaloes should be encouraged. Health of the cattle during the non milching period is often ignored and they are not provided proper fodder. It can be suggested that this practice be stopped and stall feeding be provided even during the non milching period. Hiring of resource persons/consultants to educate the groups on scientific methods of cattle rearing and quality issues needs to be in place. Unfortunately the quality of training, as well as the level of knowledge offered through such training was very low.

At the level of programme implementing officials, dairy suited well for easy reporting as a group activity. From the bankers' point of view repayment was prompt and better compared to most other activities. The members of the study team observed that the DRDAs could enlist better coordination and programme support from the line (AH) departments' officials/milk unions. The predominant activities recorded are given below:

**Table 4.1: Predominant Activities Recorded**

State	District	Block	Activity
Gujrat	Ahmedabad	Dascroy	Meenakari & Oxodise work, Diary
Gujrat	Ahmedabad	Dholka	Diary, Handicraft, Canteen
Gujrat	Jamnagar	Dhrol	Handicraft,
Gujrat	Jamnagar	Jamnagar	Handicraft, Silk Saree
Gujrat	Surendranagar	Muli	Patola, Handicraft, Canteen
Gujrat	Surendranagar	Wadhwan	Stitching Work
Gujrat	Vadodra	Vadodra	Pulse Mill, Tent house, Centering work,
Gujrat	Vadodra	Sankheda	Auto Garage, Fabrication, Centering work

State	District	Block	Activity
Andhra Pradesh	Vishakapatnam	S.Rayavaram	Toys, Fashion technology Sarees, Pickles, Powder & Papads
Andhra Pradesh	Vishakapatnam	Yellamanchili	Etikoppaka toys, Pickles & Papds
Andhra Pradesh	Ananthpur	Raptadu	Food items, Handicrafts, Fabrics & Readymades
Andhra Pradesh	Ananthpur	Puttaparthi	Food items, Handicrafts, Beauty Parlour, Massage Center
Andhra Pradesh	Medak	Sadasivpeta	Food items, Handicrafts, Handlooms
Andhra Pradesh	Medak	Sangareddy	Embroidary Saree, Food items
Andhra Pradesh	Nizamabad	Yellaready	Jewellery, toys, Leather work, Jute, Fabrics & Ready Mades
Andhra Pradesh	Nizamabad	Srikonda	Soft toys, Food items, Agarbatti, Tie & Die Saree
Bihar	Muzzaffarpur	Bandra	Small Irrigation, Diary, Rural Artizen, Food Processing
Bihar	Muzzaffarpur	Kanti	Small Irrigation, Diary, Paltry Farm, Bee keeping
Bihar	Gaya	Bodhgaya	Diary, Small Irrigation, Paltry farm
Bihar	Gaya	Nagar	Aggarbatti, Vegetables
Bihar	Madhubani	Benepatti	Mithila Painting, Diary
Bihar	Madhubani	Rahika	Mithila Painting, Diary, Fisheries, Small irrigation
Bihar	Seohar	Seohar	
Bihar	Seohar	Piprahi	
Uttar Pradesh	Rae Bareli	Rae Bareli	Saree, Diary, Bomboo work
Uttar Pradesh	Rae Bareli	Salon	Tent house, Diary
Uttar Pradesh	Mirzapur	Halia	Diary, Dari & Kalin Work, Hand Pump Boaring
Uttar Pradesh	Mirzapur	Rahi	Diary, Small irrigation
Uttar Pradesh	Ghaziabad	Hapur	Walker Sheet, Diary, Stitching, Furniture work
Uttar Pradesh	Ghaziabad	Loni	Bed Sheet, Different work, Handicraft. Hand pump Boaring
Uttar Pradesh	Jaunpur	Mariahu	Ressa Russi, Kalin & Dari
Uttar Pradesh	Jaunpur	Sahganj	Paltry farm, Diary
Chhattisgarh	Raigarh	BaramKela	Bomboo work, Carpet work
Chhattisgarh	Raigarh	Dharamjaigarh	Small Business, Fisheries, Bomboo work, Goat husbandary

#### 4.2.10 Activity clusters

The structure and composition of the markets, intensity of competition, the level of infrastructure development, raw-material distribution, technology transfer, backward and forward linkages, the resource endowment, the density of population were some of the important determinants for taking up of key activities in clusters. The idea was to select a few villages every year under a key activity and concentrate the effort so that the necessary linkages could be established. Many have been assisted for traditional activities like dairy, sheep and goat rearing and other on-farm activities for which the beneficiaries had local market (mostly in cooperative structure or open market). For these activities, concerned departments provided services like veterinary aid, agri-extension and training. Therefore, the SGSY implementing authorities were using the existing infrastructure for these activities and at some places supplementing the additional infrastructure.



Next to traditional activities, the preferred activities by swarozgaris were vegetable / fruit vending followed by service enterprises, petty trade, and other activities for which no separate forward and backward linkages were required. Further, few swarozgaris preferred activities like bamboo works, food products and other skill-based activities where creating separate infrastructure and forward and backward linkages was not feasible.



**In Bihar** the study team observed that the SHGs assisted for dairy and vegetable cultivation were concentrated much in some villages. This helped in providing the assistance on cluster approach for those activities. Similarly, Makkana fishing, Sikimona crafts and Madhubani paintings were some of the key activities identified and were promoted through clusters. In case of traditional activities such as dairy, goat/ sheep rearing etc, for which the swarozgaris had traditional skills for management of IGA and the products has potential local market, development of activity clusters was not difficult

The study teams further observed that considering the geographical area as well as number of groups to be assisted every year, it was not possible for DRDA to engage on its own in a scientific approach in selection of key activities and clusters. Further, the DRDA did not possess required skill to undertake potential surveys and also prepare potential projects that could be promoted in the district through the cluster approach. The services of technical agencies/ line departments at district level were not utilized by many PIAs to survey the district resources, formulate the feasibility studies, and prepare project reports as well as to assess the possibility of cluster promotion.

#### **4.2.11 Monitoring the key activities**

The process of monitoring of the activities at block level was found to be very poor. Only 25 per cent of the respondent block SGSY committees in the study region were monitoring the key activities.

**In Bihar, Chattisgarh and UP**, the block level monitoring of the functioning of activities was almost non-existent.



**In AP and Gujarat** this was found to be moderate. The problems of monitoring as reported involved limited manpower to carry out such an exercise and the lack of initiative.

**In states like Bihar and UP**, no monitoring mechanism was observed.

### **4.3 Capacity Building of SHG Members**

A critical contribution in SGSY is the training of swarozgaris for building entrepreneurial capacity. The component of training was not built into the earlier IRDP programme while in SGSY it has been inculcated as one of the basic and essential components. All the swarozgaris have been provided an opportunity to better their practical, serviceable and entrepreneurial skills through one or two days orientation programme. In this basic orientation training, the beneficiaries were familiarized with the goals, responsibilities, and aspects of book keeping. Envisaged as the prerequisite for swarozgaris to seek institutional fund support, they were imparted knowledge of marketing, familiarity with costing & pricing models and also financing by banks. To achieve this, the DRDAs were provided with the funds and could spend upto Rs. 5000 per swarozgari. In this section an attempt is made to examine the nature, value and magnitude of training provided to the swarozgaris.

Rural poor who join Self-Help Groups are helped to acquire capability and competence to maintain and manage their groups in a productive way. They are encouraged to undertake income-generating activities, to deal with financial, trading and input agencies and to manage their accounts and activities, etc. in such a way that they continue growing socially and economically and become progressive and responsible citizen of the nation. For this, they are exposed to various training programmes to provide them with the necessary knowledge skills, motivation and competence. Hence, the training programmes organized for the SHG members are of great significance in the poverty alleviation programme pursued through Self-Help Groups promoted by SGSY. SHG members interviewed to collect data for this study were also asked questions to collect information about the training programmes they underwent during the last one-year.

The data reported clearly point out that the highest priority was accorded to the training programme for technology education (IGA related) and SHG awareness creation by SGSY management. Next in priority was the training on book-keeping which was organized. The health education was not taken up seriously while organizing training programmes for the last one year.

The data reported further reveals that women members of SHGs have outnumbered their male counterparts consistently in every category of the training exposure. Even though the number of women SHG members is more than the men members, the result conclusively points to the fact that women members received greater exposure to the training programmes than their male counterparts. This is in spite of the common belief that men are more outgoing and women suffer from many social and familiar restrictions in participating in the out-of-home activities. Perhaps, this is a clear indicator of rural women being on the path of social empowerment.

#### **4.3.1 Coverage of Swarozgaris for training**

At a relative level, higher quality of training was imparted in the districts of **Gujarat, Andhra Pradesh and Chattisgarh**. About 66 per cent of group swarozgaris covered in the sample received training leading to general awareness throughout the study region. one-third of group swarozgaris received basic orientation training.

Activity-wise analysis indicates that except in case of skill based, traditional trades such as tailoring / embroidery, hair saloon in which case 100% received skill training, non-traditional / modern enterprises such training was noticeable. In case of dairy which accounted for the largest number of swarozgaris (40 per cent), approximately 18 per cent were trained. In case of land development, garments and service enterprises about half of them were trained. Compared to the individual swarozgaris, the group swarozgaris received better. In trades such as food processing, fisheries, cement products manufacturing and piggery all the group swarozgaris received training. Poultry, sericulture, handicrafts, garments, book binding too were well covered.

#### **4.3.2 Nature of training**

In most of the cases the training was a general exposure about the SGSY scheme and its details. Few swarozgaris received the critical input in the training i.e., the book-keeping skill, which are threshold level requirements for micro-enterprise operations. Interviews with the swarozgaris indicate that the present literacy level being very poor, it is indeed ambitious to expect them to pick-up book-keeping skills.

By and large the training provided to individual swarozgaris as well as the group swarozgaris in the sample districts was of general nature. However, in some districts, in Andhra Pradesh, skill development and book-keeping skills were provided to the group swarozgaris.

#### **4.3.3 Duration of training**

The general awareness training lasted for one or two days. About 32% of group swarozgaris received this kind of informal training.

**In AP, Gujarat and Chattisgarh**, a majority of group swarozgaris had received informal training for 1 or 2 days. 51% of group swarozgaris in the study region received a week long training, which was observed to be quite effective. About 3% of group swarozgaris received training for more than a month specifically for skill development.

#### **4.3.4 Effectiveness and quality of training**

The respondents' opinion and assessment with regard to the effectiveness and usefulness of the training suggests that about 26% of the respondent swarozgaris did not find the training training useful due too much focus on very micro issues, 34 % found the training was useful and productive due to content clarity, 29 % of group swarozgaris felt that the training was somewhat effective in pursuing micro enterprise activity

Among the various methods, field visits, practical exercises, skill acquisitions were more effective. The quality of training leading to entrepreneurship development was good only in such cases where specialized institutions were arranged to provide custom designed curriculum inputs after a comprehensive training need assessment of the swarozgaris.

This was particularly so in case of trades which required exposure to the latest tools and technology, value addition, product diversification, entrepreneurship development, marketing skills, packaging, market survey and product pricing. According to the Project Directors, DRDA, funds were no constraint in this regard.

The DRDAs could spend as much as Rs. 5000 per trainee on all aspects relating to training like boarding, lodging facilities to the trainees, traveling expenses, honorarium to master craftsmen/professionals/resource persons, cost of raw materials required for the training, manuals, institutional charges (if any), etc. However, the district level SGSY committees did not give timely approvals for the training proposals. Whenever the training proposals amount exceeded Rs.5,00,000 the DRDAs looked for guidance from the state government, which did not come in time. These delays explains the inadequate and poor quality training and skill development.

**In a state like Andhra Pradesh** where majority of the SHGs have acquired maturity and have responded positively to the programme opportunities and the state governments gave emphasis to training and entrepreneurship development, the DRDAs engaged professional trainers/institutions to impart EDP inputs. About 74 % of group swarozgaris of the sample indicated that they had acquired the required skills for taking-up Income Generation Activity(IGA).

#### 4.3.5 Trainee' Level of Satisfaction with Training Programmes

As reported earlier, three types of training were imparted to the SHG Members – SHG awareness training, book-keeping related training and technological knowhow related training programmes. Some of them attended only one training programme; some others attended two training programmes; and the remaining attended three training programmes. Because of the multiple attendance of training programmes, the number of members attending each type of training programme, when pooled together, gave a higher number of trainees than the figures reported

These members were asked about each of the training programmes they attended. Whether they were satisfied or dissatisfied with the training programmes so far as their learning is concerned.

**Table 4.2: Satisfaction Level SHG Members with the Training attended (in %)**

Type of Training	Satisfied			Not Satisfied		
	Male	Female	Total	Male	Female	Total
<b>SHG Awareness</b>	65	73	69	65	78	<b>72</b>
<b>Book-keeping</b>	11	12	11	9	12	<b>10</b>
<b>Technological Knowledge Training</b>	24	15	20	26	10	<b>18</b>

The overall picture that emerges is that a number of SHG members were dissatisfied is more than satisfied with the training imparted to them.

#### 4.3.6 Technology Transfer

In respect of non-traditional activities, the technology development and transfer institutions had to be located very much outside the block and even some times outside the district. With appropriate technology inputs, the employment generating potential of local resources could be greatly enhanced and value addition created. A few examples of such interventions of technology inputs in the study region are presented below

**Table 4.3: Technology Inputs provided in the Study Region**

State/sample district	Activity	Functional area Requiring technology inputs	Source of technology inputs	Special effort for acquiring the technology
AP	Dairy	1. Bulk Cooling of Milk 2. Value addition through product diversification	Within the district	Special MOU
AP	Baniam making	A complete range of new technology	Outside the state	Trainees sent to Tirpur, Tamil Nadu for one month training
AP	Leaf cup making	New technology	Within the state	Swarozgaris were trained at the Technology Training and Development Centre with the funds available under SGSY
AP	Manufacturing of plaster of Paris idols	New technology	Within the district	Financial support met out of SGSY funds
AP	Plastic bush manufacturing	Local technology	Local training	Financial support met out of SGSY funds
AP	Plastic wire	Local technology	Local training	Financial support met out of SGSY funds
Bihar	Art paintings	Design improvement	Within the district	Commissioned R & D for exploring niche markets
Bihar	Sikkimoni crafts	Use of appropriate colors	Within the district	Networking SHGs, organizing a trainingcum-production enter at block-level
Chhattisgarh	Washing Soap and powder making	New technology	Outside the state	Financial support met out of SGSY funds
Chhattisgarh	Dhalia (Sufi manufacturing	Improved pricing and better packaging	Within the district	Clientele required in state

State/sample district	Activity	Functional area requiring technology inputs	Source of technology inputs	Special effort for acquiring the technology
	for school hostels)			
<b>Chhattisgarh</b>	Garments marketing	Improved technologies for garments manufacturing (peeko, cutting, stitching)	Outside the district	Professional training for 2 months
<b>Gujarat</b>	Garments marketing	Improved technologies for garments manufacturing	In the district	Professional training required
<b>UP</b>	Mustard oil expelling	Processing, for value addition	Outside the district	Financial support met out of SGSY funds

**Source: Field survey**

The study time identified a few activities in which the productivity could be significantly improved through training and technology exposure. Of these, dairy was the most important activity taken up by larger proportion of the swarozgaris. In some States such as **Bihar and Uttar Pradesh** minor technology additions and training could positively impact the productivity levels. Unfortunately, such technology upgradation did not take place due to the following:

- The financial expenditure demanded by the technical institutions was more than the level admissible under the SGSY.
- The break-even level of technology accessing costs could not be reached.
- The minimum requirement of the infrastructure was not available.
- Administrative/procedural delays in obtaining the clearances at the district/commissioner level.

**Table 4.4: Activities without Technology Support provided to swarozgaris**

Activity	State/sample district	Functional area requiring technology Inputs	Remarks
<b>Dairy</b>	Bihar	Milk chilling plants	1. Could not be accessed the technology for want of funds 2. The request for assistance under SGSY special project is still pending
<b>Vegetable</b>	Bihar	Processing & storage of vegetables	Special project for cold storage not yet approved.

Activity	State/sample district	Functional area requiring technology Inputs	Remarks
Dairy	Uttar Pradesh	AI for up gradation	The present AI unit is unable to cater to the entire district. Dept. of Animal Husbandry is also not equipped to cater AI the needs of the interior villages

**Source: Field survey**

In some districts, for example, **Jaunpur district of Uttar Pradesh**, the PD, DRDAs have advised the swarozgaris to construct common cattle rearing sheds for the group swarozgaris to help them pursue dairy as a group activity. Due to mutual mistrust and breach of group norms, and in some cases due to lack of security, the common cattle-shed model failed. Ultimately, the swarozgaris reverted to individual mode of keeping the animals..

**4.3.7 Fund utilization for training**

For majority of the activities identified the programme success depended on how the swarozgaris were helped to acquire the basic skills for market appraisal, business prospects identification, material costing, product pricing, net working with other SHGs, negotiating with market operators, asset building and management, risk assessment/evaluation etc., Funds were not a constraint in arranging the required training for the swarozgaris. Training expenses for travel, opportunity cost of wages, food and accommodation could be met out of the training funds.

The expenses to the resource persons include travel and fees/ remuneration. The suggested amount (Rs.5000 per swarozgari) mentioned in the guidelines was enough to cater the training needs of swarozgaris. However, the review of the pattern of fund utilization under SGSY for training component in the study region suggests poor utilization against the given provisions.

**4.4 Credit Support**

Credit was a crucial input in the SGSY assistance, and subsidy was viewed only as an enabling component. But this significant role of credit in the development support was not understood at the operational level i.e. at the block level. At this level the thoughts and actions of the all stakeholders including the BDO, his/her staff, the bank, NGO and the swarozgari was influenced by the subsidy component. Timely availability of credit at reasonable rate of interest was viewed only as benefit secondary to the subsidy.

The loan applications were normally processed with in a month and the decision regarding the loan sanction or otherwise were conveyed to the swarojgari with in a quarter. The banks received more than 50 per cent of the applications for loan assistance under the programme in quarterly frequency. In this regard, the banks in the study districts of Gujarat, AP and UP faired better as the loan applications were received monthly.

Over years the participating banks reduced the number of pending loan applications. In most of the study districts bulk of the credit requirements of swarozgaris was found to be disbursed during the last quarter of the year. This was common practice in **Bihar and Uttar Pradesh**. The quality of credit available to the swarozgaris was marked by under-financing. In fact, the incidence of under-financing was rampant throughout the districts while, of course, the degree varied.

Activity-wise average investment per individual swarozgaris ranged from Rs.10,000 in case of agriculture and land development to Rs.50,000 in case of irrigation. The analysis showed that the average investment for dairy, which was a major activity under SGSY, was approximate Rs.24,000 among the group swarozgaris. Further, the average investment per individual was less than the average of group members for goatery, handicrafts, wire bags, piggery, vegetable & fruit vending and agriculture & land development activities. The investment in irrigation, fancy stores, fisheries, poultry, garments, shops, and handlooms was also in practice.

With regard to the quality and level of participation of banks in financing SGSY projects, the states are classified into two groups:

- SHG developed states, where the SHG members had acquired the threshold level of entrepreneurial confidence for taking up economic activity – such as AP and Gujarat;
- SHG laggard backward states where SHG movement is young and the SHGs are just being formed like **Chhattisgarh, Bihar and Uttar Pradesh** .



While in the SHG-developed states the maturity of SHGs and the state pressure over the banks for higher credit coverage had lead the banks to go for higher level of credit exposure to more BPL families. In SHG-underdeveloped states the banks were operating in a different environment. Without confidence on the quality of SHGs the banks in these states were financing merely to fulfill the targets. It was also observed that the SHGs in these states had not matured for entrepreneurial activities and as such could not absorb even moderate doses of credit.

This lack of confidence on the borrowers was one strong reason why the banks in some states persuaded / forced the swarozgaris to deposit with them as savings bank deposits major portion of the released credit.

Regarding repayment, the level of repayment in SGSY was clearly better than that in the erstwhile IRDP. At the national level this was reported to be 57% and it has been steadily increasing over years (MoRD annual reports). The repayment performance was found to have positive relation with the age of the SHG. The older group members had higher repayment as against younger groups. This suggests that the training and capacity building of SHG groups has bearing the financial discipline and of members' attitude towards loan obligations. This reflects on the quality of training. The lead district bank managers observed the percentage of loan recovery ranging between 40 – 95 per cent in the study districts.

The opinion of Branch Managers of banks who were directly in contact with the swarozgaris with regard to the choice of group / individual mode of financing was obtained through a structured questionnaire. The group mode of financing was preferred due to Proper utilization of credit, Good recovery performance, Peer pressure on repayment and Easy monitoring

The activity wise analysis also shows that the over all bank loan repayment rate was higher among group swarozgaris than with individual swarozgaris. Activity-wise analysis suggests that in the case of dairy – which is taken up by larger proportion of swarozgaris – the repayment rate was higher

The swarozgaris feedback regarding the performance monitoring of the bankers shows that most of them were not visiting the Income generating activities. Only 25 per cent of group swarozgaris revealed that the bankers were visiting IGAs. The analysis further revealed that the post assistance monitoring was almost nil in the states of **Bihar, Chattisgarh and UP**.

**In Andhra Pradesh** bankers visited 79% of group swarozgari units. In case of **UP and Bihar** more than 70% of units were not visited by the bankers. Sustainability of the projects under SGSY would require continuous credit support from the institutional sources. In fact, this has been highlighted as one of the major facilitating growth agents for entrepreneurial graduation among the swarozgaris. The field data across the five states suggest that multiple doses of credit were not coming forth easily.

This non-availability of multiple doses of credit was more prominent in states such as **UP, Bihar and Chhattisgarh** where the SHG movement was picking up.

#### **4.5 Marketing Support**

Traditionally the self-employment programmes concentrated on the input supply than outputs marketing and it is very common to find production patterns overlooking the market strategies. In SGSY, too, one often finds that the recommendation of a key activity is not preceded by the much needed market survey. This is in spite of the fact that market surveys are essential to identify viable activities to be taken up by the swarozgaris. SGSY guidelines in fact emphasized the need for preparation of project profiles of key activities based on scientific understanding of the potential markets. In the entire study region, no professional market survey for swarozgaris' products was carried out. As such, the DRDAs / other development agencies were not able to assess the size of the market. The swarozgaris took decisions on the basis of their past experience. Hunch, rather than scientific analysis, was the basis for these decisions. This was the reason why most of the swarozgaris concentrates on local village markets .

#### 4.5.1 Marketing initiatives & Channels adopted

In the study area, 50% of the DRDAs in **Bihar and UP** were organizing melas at half yearly intervals and other DRDAs were organizing at fortnightly / monthly /quarterly interval. These melas or exhibitions were organized at district level followed by block and regional level and village level. Most of the PDs interviewed, however stated that very few SHGs participated in the National / international exhibitions. The ultimate success in promotion of self-employment lies in understanding the market and positioning the product/service accordingly. This was an art, which had to be acquired by self because there were hardly any replicable models that suited all occasions. In fact, every self-employment project profile had to be preceded by market appraisal. Further, the swarozgaris under SGSY had to be market-savvy so that they could identify the demand for their products. However, innovative market support by external agencies in several parts of the country had greatly enhanced the viability prospects of swarozgaris under SGSY.

The nature of market channels varied from activity to activity for group swarozgaris. While out-ward market dependent trades such as fisheries and handicrafts had depended on non-local channels, enterprises like brick-manufacturing entirely on local demand. Similar was the channel dependency in case of cattle development and poultry.

In case of dairy, the while channel collected at the primary level, it had been well organised to reach terminal markets. Of all the trades, dairy was well established with terminal markets linking with primary producers. This well established channel system was in fact a motivating factor for bankers to lend credit support to the swarozgaris. It may be recalled here that credit gap in dairy was lowest (just eight per cent) in the study region. Majority of swarozgaris, who took up agricultural and allied activities, small / petty trade, services, tailoring and brick making, could find market within the village or near by village. Only a few swarozgaris marketed their products i.e. dairy, sheep, poultry, handlooms, handicrafts, leather, and other products in near by town. Handloom products were sold at regional level. Products like dairy, sheep, goat, sericulture, handicrafts, handlooms, binding, and other products were sold in near by towns by the group swarozgaris.

#### **4.5.2 Networking the SHGs for building micro-enterprise potential**

Of different enterprise development strategies, the networking of SHGs was most promising. Activity-based groups or associations of working poor could bring in substantial gains for enterprise development. These networks could help in securing backward linkages of input markets and forward linkages of output markets. The Gujarat and Chhatisgarh study team too identified large market potential for SGSY products if intra-SHG sales was encouraged and promoted. Networks could enable the members to articulate their problems, evolve collective and appropriate solutions and operationalize them. These bodies could give them size and strength to negotiate with other entities of business. Such networking could be possible through linking up with strengthening of rural infrastructure such as the roads, telephone, storage facilities, etc. Most important in this was the collection of business information. Federation of networks could enable one. Networking was not attempted sincerely in respect of agriculture and allied activities.

#### **4.5.3 Marketing strategies**

In micro-enterprise sub-sector, the 'entry' as well as 'exit' costs were lower. However, these costs were formidable for the resource-poor wage earners who set their aim to make it into self-employment. That also explained their high risk-perception. But, then, as the micro enterprises grew in size they did tend to explore and even move into areas of higher value addition and better earnings.

As they vacated the low-margin, high-volume product lines/activities the potential first generation entrepreneurs got into these areas. This was possible where the existing markets were permissive. If they were not permissive the competition was intense and the new entrants operated under constant pressure.

The incidence of risk was minimum if one had access to market intelligence or information. Only then one could penetrate into an existing market. Two market strategies, viz., market penetration and market creation could be followed for identifying the self-employment potential. Of these, market-penetration merits the first mention.

Under this strategy, the new entrepreneur was trained to enter the market essentially on non-price considerations. Usually, the focus was on physical placement in the market. New compositions of market structure, more-self employment avenues, Price-competition, etc could be created. Market creation was the second strategy worth exploring. Market creation has higher incidence of risk. The application of this strategy called for comprehensive assessment of market. Although larger investments enabled the enterprises to grow beyond local markets, the level of investment was always a decisive factor in exploring the non-local markets. Market-acceptability of the product/service was crucial. However, several other factors like the adaptability of the machines and equipment to the intensity of competition, the growth rate of the demand and management expertise determined the pace at which these adapters could respond to the opportunities. Rural SHGs could also access urban and large size terminal markets through networking.

# **CHAPTER 5**

## **Physical and Financial Performance of SHGs**

## 5 PHYSICAL AND FINANCIAL PERFORMANCE OF SHGS

Under SGSY, funds from Center and State are disbursed to the DRDAs in the proportion of 75:25. The distribution to the blocks is decided by the governing body of the respective DRDA based on the poverty profile and other local needs. The available funds for training, capacity building and other economic activities was critically examined by the DRDAs. The following table gives a snapshot of the total expenditure incurred in the states studied. It can be inferred that UP has spent the maximum fund on various activities followed by Chhatisgarh and Andhra Pradesh. Few of the districts like Rae barelli in UP, Ananthpur in AP, Bilaspur in Chhatisgarh, etc deserves special mention. **Bihar** has spent the least amount on fund on various activities undertaken in the scheme. The 5 year trend of expenditure shows a healthy trend, even in **Bihar** and it may be deciphered that states have been spending more funds for infrastructure building, training and capacity building, etc. The 5 years total expenditure of sample states and districts is given below

**Table 5.1: Total Expenditure in Sampled States and Districts**

State	District	2004	2005	2006	2007	2008
<b>Andhra Pradesh</b>	Ananthapur	0	0	384	346	601
	Medak	0	0	236	316	431
	Nizamabad	0	0	223	279	383
	Visakhapatnam	0	0	150	434	657
<b>Andhra Pradesh Total</b>		<b>0</b>	<b>0</b>	<b>994</b>	<b>1377</b>	<b>2074</b>
<b>Bihar</b>	Gaya				625	
	Madhubani				904	
	Muzaffarpur				633	
	Sheohar				69	
<b>Bihar Total</b>					<b>2231</b>	
<b>Chhattisgarh</b>	Bilashpur	345	393	398	479	771
	Raigarh	237	282	235	23	565
	Rajnand gaun	180	241	175	327	
	Sarguja	397	634	489	465	
<b>Chhattisgarh Total</b>		<b>1161</b>	<b>1552</b>	<b>1299</b>	<b>1296</b>	<b>1337</b>
<b>Gujrat</b>	Ahmedabad	0	0	106	116	146
	Jamnagar			114	100	93
	Surendranagar			81	76	128
	Vadodra			161	168	270
<b>Gujrat Total</b>		<b>0</b>	<b>0</b>	<b>464</b>	<b>462</b>	<b>639</b>
<b>Uttar Pradesh</b>	Ghaziabad	78	65	89	53	70
	Jaunpur	367	583	544	511	847
	Mirzapur	424	546	554	546	702
	Raebareli	317	839	900	979	1169
<b>Uttar Pradesh Total</b>		<b>1187</b>	<b>2034</b>	<b>2089</b>	<b>2091</b>	<b>2789</b>
<b>Grand Total</b>		<b>2348</b>	<b>3586</b>	<b>4847</b>	<b>7655</b>	<b>6840</b>

## 5.1 Expenditure on training and capacity building

One of the most important facets of SGSY is elements of training and capacity building. The fund allocated for training was based on the entrepreneurial and risk taking ability of swarozgaris. Interesting field observations in this regard are:

- Coverage of swarozgaris for training itself was on lower side and most of the beneficiaries did not receive a training of more than 1 month.
- Wherever training has been imparted, it has been of the informal nature imparted by officials in the field visits. Such training didn't involve significant expenditure.
- There was unsatisfactory participation by beneficiaries in the training as most of the training centers are located at the district headquarters, which are inaccessible to swarozgaris from remote villages
- The unspent training fund for the subsequent periods could be met through multiple training/ even mid-course, need-based training.

**Table 5.2: Per capita expenditure on training and capacity building under SGSY**

State	No. of swarozgaris trained	Training expenditure (Rs. Lakhs)	Percapita training expenditure in Rs.
<b>AP</b>	109584	371.36	<b>339</b>
<b>Bihar</b>	65904	456.55	<b>693</b>
<b>Chhattisgarh</b>	NA	NA	<b>NA</b>
<b>Gujarat</b>	NA	NA	<b>NA</b>
<b>Uttar Pradesh</b>	474333	1641.22	<b>346</b>
<b>All India</b>	1666331	5152.54	<b>309</b>

Source: Annual reports of MoRD, 2003-04

The break up of the SHGs trained in the studies states is given below. In 2006-07, the maximum number of SHGs was trained and Andhra Pradesh had the lion share of 40639. Chhattisgarh is another state which has taken up this activity in spirit and trained a lot of SHGs recently.

**Table 5.3: SHGs Trained in Sampled States**

State	District	2004	2005	2006	2007	2008
<b>Andhra Pradesh</b>	Ananthapur	0	0	13723	3777	5316
	Medak	0	0	4912	28538	5100
	Nizamabad	0	0	3374	3572	2040



State	District	2004	2005	2006	2007	2008
	Visakhapatnam	0	0	2266	4752	3371
<b>Andhra Pradesh Total</b>		<b>0</b>	<b>0</b>	<b>24275</b>	<b>40639</b>	<b>15827</b>
<b>Bihar</b>	Gaya				1864	
	Madhubani				4681	
	Muzaffarpur				14977	
	Sheohar				230	
<b>Bihar Total</b>					<b>21752</b>	
<b>Chhattisgarh</b>	Bilashpur	275	4352	1716	1030	1547
	Raigarh	282	5332	1312	105	9567
	Rajnand gaun	4955	735	1613	1028	
	Sarguja	10886	8287	14533	0	
<b>Chhattisgarh Total</b>		<b>16398</b>	<b>18706</b>	<b>19174</b>	<b>2163</b>	<b>11114</b>
<b>Gujrat</b>	Ahmedabad	271	253	221	347	1789
	Jamnagar			290	116	265
	Surendranagar			273	0	90
	Vadodra			3280	778	2381
<b>Gujrat Total</b>		<b>271</b>	<b>253</b>	<b>4064</b>	<b>1241</b>	<b>4525</b>
<b>Uttar Pradesh</b>	Ghaziabad	0	0	0	0	864
	Jaunpur	2768	0	3846	1144	33644
	Mirzapur	16291	847	0	2160	0
	Raebareli	7088	30337	0	4775	7008
<b>Uttar Pradesh Total</b>		<b>26147</b>	<b>31184</b>	<b>3846</b>	<b>8079</b>	<b>41516</b>
<b>Grand Total</b>		<b>42816</b>	<b>50143</b>	<b>51359</b>	<b>73874</b>	<b>72982</b>

## 5.2 Expenditure on infrastructure

Infrastructure development needed in view the various requirements of swarozgaris is very important. Currently, the process has been quite slow, except in **Andhra Pradesh**. The study teams observed that at times it took two to three years to identify the specific infrastructure need, design and approve the infrastructure proposals. This process requires to be speeded up. Because of these long delays, the actual proportion of SGSY funds utilization for infrastructure development was low. The table below shows the expenditure incurred by various states on infrastructure building and development for the last 5 years.

It may be stated that **UP, Chhattisgarh and Bihar** have been front runner in this, while the states like **AP and Gujarat** have spent lesser amount on infrastructure creation. The reason for this is the under capacity in the former three states, as compared to the already developed states like AP and Gujarat. This did not necessitate them to spend funds on incremental infrastructure creation. However, it is heartening to note that newer states like Chhattisgarh and relatively under developed states like UP and Bihar have stepped up their infrastructural capacity by utilizing the funds of SGSY

**Table 5.4: Expenditure on Infrastructure Development**

State	District	2004	2005	2006	2007	2008
<b>Andhra Pradesh</b>	Ananthapur	0	0	22	13	46
	Medak	0	0	28	33	51
	Nizamabad	0	0	12	32	41
	Visakhapatnam	0	0	34	13	20
<b>Andhra Pradesh Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>97</b>	<b>91</b>
<b>Bihar</b>	Gaya				72	
	Madhubani				152	
	Muzaffarpur				110	
	Sheohar				21	
<b>Bihar Total</b>				<b>355</b>		
<b>Chhattisgarh</b>	Bilashpur	61	82	55	99	137
	Raigarh	18	28	2	0	13
	Rajnand gaun	13	31	0	40	
	Sarguja	21	67	32	22	
<b>Chhattisgarh Total</b>	<b>113</b>	<b>113</b>	<b>208</b>	<b>89</b>	<b>161</b>	
<b>Gujrat</b>	Ahmedabad	15	20	20	23	37
	Jamnagar			8	20	8
	Surendranagar			6	18	8
	Vadodra			26	22	41
<b>Gujrat Total</b>	<b>15</b>	<b>20</b>	<b>60</b>	<b>84</b>	<b>94</b>	
<b>Uttar Pradesh</b>	Ghaziabad	0	9	0	3	3
	Jaunpur	2	21	24	46	60
	Mirzapur	70	35	18	16	11
	Raebareli	76	228	66	36	204
<b>Uttar Pradesh Total</b>	<b>147.74</b>	<b>148</b>	<b>293</b>	<b>108</b>	<b>101</b>	
<b>Grand Total</b>	<b>276</b>	<b>521</b>	<b>354</b>	<b>792</b>	<b>680</b>	

### 5.3 Expenditure towards subsidy

Self-employment seeking rural poor having the basic as well as entrepreneurial skills (developed through training,) infrastructure support and establishment of forward and backward linkages were designed in the scheme to help the poor to get access to institutional credit. In a small way the swarojgari was also provided a minor but “enabling” subsidy. While the guidelines prescribed maximum limits regarding the subsidy, the level of institutional credit and investments on other support elements (such as infrastructure, training, marketing support, backward and forward linkages) were not linked to the level of subsidy. The following table gives the performance of the expenditure by the selected states on subsidy.

**Chattisgarh and UP** are the front runner in the studied states with maximum expenditure while **Bihar and Gujarat** have been laggards. Andhra Pradesh has spent on moderation over the years on subsidy.

**Table 5.5: Expenditure on Subsidy**

State	District	2004	2005	2006	2007	2008
<b>Andhra Pradesh</b>	Ananthapur	0	0	308	166	145
	Medak	0	0	126	250	139
	Nizamabad	0	0	176	215	211
	Visakhapatnam	0	0	104	396	333
<b>Andhra Pradesh Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>714</b>	<b>1027</b>
<b>Bihar</b>	Gaya				505	
	Madhubani				615	
	Muzaffarpur				354	
	Sheohar				38	
<b>Bihar Total</b>				<b>1512</b>		
<b>Chhattisgarh</b>	Bilashpur	223	252	282	325	513
	Raigarh	208	235	215	22	11
	Rajnand gaun	122	146	156	177	
	Sarguja	367	374	441	426	
<b>Chhattisgarh Total</b>	<b>920</b>	<b>920</b>	<b>1008</b>	<b>1094</b>	<b>950</b>	
<b>Gujrat</b>	Ahmedabad	70	64	64	72	93
	Jamnagar			100	66	65
	Surendranagar			68	45	77
	Vadodra			126	126	191
<b>Gujrat Total</b>	<b>70</b>	<b>64</b>	<b>358</b>	<b>309</b>	<b>427</b>	
<b>Uttar Pradesh</b>	Ghaziabad	72	49	44	47	58
	Jaunpur	321	432	446	423	640
	Mirzapur	256	450	483	504	612
	Raebareli	159	472	736	810	851
<b>Uttar Pradesh Total</b>	<b>808</b>	<b>808</b>	<b>1403</b>	<b>1709</b>	<b>1784</b>	
<b>Grand Total</b>		<b>1797</b>	<b>2474</b>	<b>3875</b>	<b>5581</b>	<b>3940</b>

The per capita expenditure towards subsidy under SGSY (in Rs.) is given in the table below:

**Table 5.6: Per capita expenditure towards subsidy under SGSY**

State	No. of swarozgaris assisted	Expenditure towards subsidy	Percapita subsidy extended
<b>AP</b>	79736	3756	<b>4711</b>
<b>Bihar</b>	111613	8454.32	<b>7575</b>
<b>UP</b>	140622	12045.74	<b>8566</b>
<b>All India</b>	896424	71291.37	<b>7953</b>

Source: Annual reports of MoRD, 2003-04

#### 5.4 Expenditure towards revolving fund

Utilizing SGSY funds for revolving fund is important as it helps in stepping up the capacity to handle group funds for the benefit of members. Further, it could also help in inculcating the financial discipline among the members. The following table presents the five year performance of studied states in utilizing the revolving fund

**Table 5.7: Expenditure On Revolving Fund**

State	District	2004	2005	2006	2007	2008
<b>Andhra Pradesh</b>	Ananthapur	0	0	0	53	0
	Medak	0	0	48	0	0
	Nizamabad	0	0	1	0	0
	Visakhapatnam	0	0	0	0	96
<b>Andhra Pradesh Total</b>		0	0	0	49	53
<b>BIHAR</b>	Gaya				15	
	Madhubani				61	
	Muzaffarpur				50	
	Sheohar				7	
<b>BIHAR Total</b>				133		
<b>Chhattisgarh</b>	BILASHPUR	10	20	18	47	63
	RAIGARH	8	6	14	2	5
	RAJNAND GAUN	15	48	6	8	
	SARGUJA	2	5	7	13	
<b>Chhattisgarh Total</b>		35	35	79	44	71
<b>Gujrat</b>	AHMEDABAD	5	8	8	7	12
	JAMNAGAR			2	0	1
	SURENDRANAGAR			1	2	23
	VADODRA			5	7	33
<b>Gujrat Total</b>		5	8	15	17	68
<b>Uttar Pradesh</b>	GHAZIABAD	7	4	4	3	5
	JAUNPUR	35	73	41	21	38
	MIRZAPUR	56	20	32	15	45
	RAEBARELI	71	60	33	35	45
<b>Uttar Pradesh Total</b>		168.6	169	156	110	74
<b>Grand Total</b>		209	243	218	348	366

## 5.5 Credit Disbursed By Commercial Banks

Credit disbursed by commercial banks in sampled states and districts is given in table below

**Table 5.8: Credit Disbursed By Commercial Banks**

State	District	2004	2005	2006	2007	2008
<b>Andhra Pradesh</b>	Ananthapur	0	0	654	997	727
	Medak	0	0	505	1838	721
	Nizamabad	0	0	409	1310	1069
	Visakhapatnam	0	0	271	2376	1725
<b>Andhra Pradesh Total</b>		0	0	0	1839	6520
<b>Bihar</b>	Gaya				608	
	Madhubani				825	
	Muzaffarpur				568	
	Sheohar				71	
<b>Bihar Total</b>				2071		
<b>Chhattisgarh</b>	Bilaspur	424	421	496	822	1310
	Raigarh	312	541	376	43	785



State	District	2004	2005	2006	2007	2008
	Rajnand gaun	250	277	275	449	
	Sarguja	536	532	660	603	
<b>Chhattisgarh Total</b>		1521.888	1522	1770	1808	1917
<b>Gujrat</b>	Ahmedabad			100	148	167
	Jamnagar			213	135	145
	Surendranagar			127	66	203
	Vadodra			393	197	236
<b>Gujrat Total</b>				832	546	752
<b>Uttar Pradesh</b>	Ghaziabad	93	588	62	61	106
	Jaunpur	533	736	679	774	979
	Mirzapur	385	673	581	517	843
	Raebareli	261	805	1172	1554	1925
<b>Uttar Pradesh Total</b>		1271.19	1271	2802	2493	2906
<b>Grand Total</b>		<b>2793</b>	<b>4572</b>	<b>6972</b>	<b>13960</b>	<b>10943</b>

## 5.6 Sector wise (primary, secondary and Tertiary) Investment

Sectorwise investment in sampled states and districts is given in table below

**Table 5.9: Sectorwise Investment**

State	District	2004			2005			2006			2007			2008		
		Primary Sector	Secondary Sector	Tertiary Sector	Primary Sector	Secondary Sector	Tertiary Sector	Primary Sector	Secondary Sector	Tertiary Sector	Primary Sector	Secondary Sector	Tertiary Sector	Primary Sector	Secondary Sector	Tertiary Sector
<b>Andhra Pradesh</b>	Ananthapur	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Medak	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Nizamabad	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Visakhapatnam	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Andhra Pradesh Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bihar</b>	Gaya										596	183	333			
	Madhubani										437	104	899			
	Muzaffarpur										631	52	233			
	Sheohar										58	32	19			
<b>Bihar Total</b>											<b>1722</b>	<b>371</b>	<b>1484</b>			
<b>Chhattisgarh</b>	Bilashpur	484	52	110	433	91	149	390	32	356	720	80	347	467	81	1275
	Raigarh	255	94	171	239	78	223	279	127	186	11	3	50	327	217	677
	Rajnand gaun	251	66	55	256	102	65	231	84	115	300	186	140			
	Sarguja	618	156	129	638	149	118	796	141	165	866	49	114			
<b>Chhattisgarh Total</b>	<b>1608</b>	<b>368</b>	<b>466</b>	<b>1566</b>	<b>420</b>	<b>556</b>	<b>1696</b>	<b>384</b>	<b>822</b>	<b>1897</b>	<b>318</b>	<b>651</b>	<b>794</b>	<b>298</b>	<b>1951</b>	
<b>Gujrat</b>	Ahmedabad							197	64	282	486	99	352	619	208	384
	Jamnagar							595	237	429	320	201	175	313	252	308
	Surendranagar							171	175	422	76	137	239	71	346	510
	Vadodra							1798	76	675	1119	33	26	1488	145	578
<b>Gujrat Total</b>							<b>2761</b>	<b>552</b>	<b>1808</b>	<b>2001</b>	<b>470</b>	<b>792</b>	<b>2491</b>	<b>951</b>	<b>1780</b>	
<b>Uttar Pradesh</b>	Ghaziabad	147	16	2	106	7	2	94	24	0	88	17	3	140	11	13
	Jaunpur	769	23	62	1072	36	59	962	45	118	1110	22	64	1333	51	236
	Mirzapur	485	657	11	844	248	31	892	172	0	831	190	0	1009	446	0
	Raebareli	355	19	45	1108	47	122	1665	44	198	2064	33	266	2336	9	431
<b>Uttar Pradesh Total</b>	<b>1756</b>	<b>715</b>	<b>121</b>	<b>3130</b>	<b>338</b>	<b>215</b>	<b>3613</b>	<b>285</b>	<b>316</b>	<b>4093</b>	<b>263</b>	<b>333</b>	<b>4818</b>	<b>516</b>	<b>680</b>	
<b>Grand Total</b>		<b>3364</b>	<b>1083</b>	<b>586</b>	<b>4696</b>	<b>758</b>	<b>771</b>	<b>8070</b>	<b>1221</b>	<b>2945</b>	<b>9713</b>	<b>1423</b>	<b>3261</b>	<b>8103</b>	<b>1765</b>	<b>4411</b>

## 5.7 Allocation, Fund Available and Total Expenditure

Allocation, Fund Available and Total Expenditure in sampled states and districts is given in table below

**Table 5.10: Allocation, Fund Available and Total Expenditure**

State	District	2004			2005			2006			2007			2008		
		Allocation	Funds Available	Total Expend	Allocat	Funds Available	Total Expend	Allocat	Funds Available	Total Expend	Allocat	Funds Available	Total Expend	Allocat	Funds Available	Total Expend
Andhra Pradesh	Ananthapur	0	0	0	0	0	0	331	339	384	367	369	436	420	609	602
	Medak	0	0	0	0	0	0	241	269	236	267	338	317	306	451	431
	Nizamabad	0	0	0	0	0	0	222	229	223	246	281	279	282	385	384
	Visakhapatnam	0	0	0	0	0	0	310	314	151	344	436	435	393	659	658
<b>Andhra Pradesh Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1104</b>	<b>1151</b>	<b>994</b>	<b>1224</b>	<b>1425</b>	<b>1466</b>	<b>1401</b>	<b>2105</b>	<b>2074</b>
Bihar	Gaya										582	1054	626			
	Madhubani										886	1707	904			
	Muzaffarpur										677	1270	634			
	Sheohar										105	152	69			
<b>Bihar Total</b>											<b>2251</b>	<b>4184</b>	<b>2233</b>			
Chhattisgarh	Bilashpur				278	418	393	278	410	399	308	480	479	471	794	
	Bilaspur	296	383	346												
	Raigarh	173	241	237	217	305	282	217	267	236	241	402	241	367	628	
	Rajnand gaun	125	198	180	156	247	242	156	162	176	156	336	328			
	Sarguja	267	259	398	334	654	635	334	489	489	371	494	465			
<b>Chhattisgarh Total</b>		<b>861</b>	<b>1081</b>	<b>1161</b>	<b>985</b>	<b>1624</b>	<b>1552</b>	<b>985</b>	<b>1328</b>	<b>1299</b>	<b>1076</b>	<b>1712</b>	<b>1513</b>	<b>838</b>	<b>1422</b>	
Gujrat	Ahmedabad	54	75	100	78	104	106	104	107	106	116	121	117	177	181	147
	Jamnagar							90	105	114	100	104	101	153	163	93
	Surendranagar							73	76	82	81	83	77	123	129	128
	Vadodra							160	162	101	178	180	168	271	287	271
<b>Gujrat Total</b>		<b>54</b>	<b>75</b>	<b>100</b>	<b>78</b>	<b>104</b>	<b>106</b>	<b>427</b>	<b>450</b>	<b>404</b>	<b>474</b>	<b>488</b>	<b>463</b>	<b>723</b>	<b>760</b>	<b>639</b>
Uttar Pradesh	Ghaziabad	30	66	79	37	70	65	37	49	49	41	57	54	63	90	90
	Jaunpur	327	293	367	408	543	584	408	550	544	452	609	512	690	972	847
	Mirzapur	311	459	289	389	560	546	389	569	555	432	590	203	659	850	703
	Raebareli	469	663	319	587	1417	840	587	1501	901	650	1332	980	992	1673	1169
<b>Uttar Pradesh Total</b>		<b>1136</b>	<b>1481</b>	<b>1054</b>	<b>1421</b>	<b>2590</b>	<b>2034</b>	<b>1421</b>	<b>2669</b>	<b>2048</b>	<b>1576</b>	<b>2588</b>	<b>1748</b>	<b>2405</b>	<b>3584</b>	<b>2809</b>
<b>Total</b>		<b>2051</b>	<b>2637</b>	<b>2315</b>	<b>2484</b>	<b>4319</b>	<b>3693</b>	<b>3937</b>	<b>5598</b>	<b>4746</b>	<b>6601</b>	<b>10396</b>	<b>7424</b>	<b>5367</b>	<b>7871</b>	<b>5522</b>

## 5.8 Loan Application submitted, sanctioned and Disbursed

Loan Application submitted, sanctioned and Disbursed in sampled states and districts is given in table below

**Table 5.11: Loan Application submitted, sanctioned and Disbursed**

State	District	2004				2005				2006				2007				2008			
		No. of Appls Submt d to Banks	No of Loans Sanct by Banks	No. of Loans Disbur sed	No. of Appl Pendin g in Banks	No. of Appls Submt d to Banks	No of Loans Sanct by Banks	No. of Loans Disbur sed	No. of Appl Pendin g in Banks	No of Loans Sanct by Banks	No. of Loans Disbur sed	No. of Appl Pendin g in Banks	No of Loans Sanct by Banks	No. of Loans Disbur sed	No. of Appl Pendin g in Banks	No of Appls Submt d to Banks	No of Loans Sanct by Banks	No. of Loans Disbur sed	No. of Appl Pendin g in Banks		
<b>Andhra Pradesh</b>	Ananthapur	0	0	0	0	0	0	0	0	1341	1341	1341	0	701	701	701	0	441	441	441	0
	Medak	0	0	0	0	0	0	0	0	540	510	500	10	308	308	308	0	1430	1430	1430	0
	Nizamabad	0	0	0	0	0	0	0	0	78	787	787	0	595	595	595	0	611	611	611	0
	Visakhapatnam	0	0	0	0	0	0	0	0	211	203	203	8	792	792	792	0	561	561	561	0
<b>Andhra Pradesh Total</b>		0	0	0	0	0	0	0	0	2170	2841	2831	18	2396	2396	2396	0	3043	3043	3043	0
<b>Bihar</b>	Gaya													310	204	168	142				
	Madhubani													711	503	457	254				
	Muzaffarpur													427	393	345	82				
	Sheohar													98	80	80	18				
<b>Bihar Total</b>													1546	1180	1050	496					
<b>Chhattisgarh</b>	Bilashpur	23	17	17	6	149	105	105	44	153	150	143	6	308	252	232	56	410	362	345	48
	Raigarh	37	27	27	10	193	163	162	30	192	155	155	37	24	16	16	8	365	332	332	25
	Rajnandgaun	52	26	18	26	118	85	78	33	89	69	68	20	102	77	76	25				
	Sarguja	103	38	49	65	60	43	40	17	62	33	32	29	147	80	77	67				
<b>Chhattisgarh Total</b>		215	108	111	107	520	396	385	124	496	407	398	92	581	425	401	156	775	694	677	73
<b>Gujrat</b>	Ahmedabad									53	40	31	7	44	28	28	3	16	11	10	0
	Jamnagar									9	7	6	0	14	10	10	1	7	6	6	0
	Surendranagar									17	10	8	7	26	16	16	2	21	9	9	7
	Vadodra									126	114	99	7	85	56	50	12	112	100	83	3
<b>Gujrat Total</b>									205	171	144	21	169	110	104	18	156	126	108	10	
<b>Uttar Pradesh</b>	Ghaziabad	90	83	66	24	59	52	42	7	44	42	42	0	44	44	44	0	55	55	50	5
	Jaunpur	425	386	316	109	569	549	531	38	510	503	497	13	492	488	480	12	534	532	528	6
	Mirzapur	268	240	212	28	516	481	447	35	431	406	393	25	370	362	357	8	437	422	416	0
	Raebareli	290	247	228	38	658	637	618	22	705	688	685	10	604	601	601	3	598	592	592	4
<b>Uttar Pradesh Total</b>		1073	956	822	199	1802	1719	1638	102	1690	1639	1617	48	1510	1495	1482	23	1624	1601	1586	15
<b>Grand Total</b>		1288	1064	933	306	2322	2115	2023	226	4561	5058	4990	179	6202	5606	5433	693	5598	5464	5414	98



## 5.9 Subsidy and credit to weaker section

Subsidy and credit to weaker section in sampled states and districts is given in table below

**Table 5.12: Subsidy and credit to weaker section**

State	District	2005				2006				2007				2008			
		SC Total	ST Total	Women Total	Disabled Total	SC Total	ST Total	Women Total	Disabled Total	SC Total	ST Total	Women Total	Disabled Total	SC Total	ST Total	Women Total	Disabled Total
Andhra Pradesh	Ananthapur	0	0	0	0	451	67	847	852	479	77	909	3	307	68	585	98
	Medak	0	0	0	0	106	85	222	22	490	93	385	23	318	119	508	52
	Nizamabad	0	0	0	0	185	45	432	558	719	314	1501	9	597	169	1177	33
	Visakhapatnam	0	0	0	0	87	43	221	8	1112	265	2098	61	813	281	2058	63
<b>Andhra Pradesh Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>829</b>	<b>240</b>	<b>1722</b>	<b>1441</b>	<b>2800</b>	<b>748</b>	<b>4893</b>	<b>97</b>	<b>2035</b>	<b>637</b>	<b>4328</b>	<b>246</b>
Bihar	Gaya									740	0	306	0				
	Madhubani									747	0	1043	0				
	Muzaffarpur									132	0	528	0				
	Sheohar									19	0	6	0				
<b>Bihar Total</b>									<b>1638</b>	<b>0</b>	<b>1882</b>	<b>0</b>					
Chhattisgarh	Bilashpur	179	168	171	1	218	234	260	2	298	453	815	32	274	801	1259	93
	Raigarh	88	196	189	1	97	233	394	3	17	23	52	0	222	424	985	1
	Rajnandgaun	40	97	57	4	38	94	61	3	58	140	140	6				
	Sarguja	75	489	74	3	75	466	131	3	24	298	87	43				
<b>Chhattisgarh Total</b>	<b>382</b>	<b>951</b>	<b>491</b>	<b>9</b>	<b>427</b>	<b>1027</b>	<b>848</b>	<b>11</b>	<b>398</b>	<b>913</b>	<b>1095</b>	<b>81</b>	<b>496</b>	<b>1225</b>	<b>2244</b>	<b>93</b>	
Gujrat	Ahmedabad	65	3	58	1	65	3	61	35	46	14	65	1	66	3	80	5
	Jamnagar					53	0	36	2	24	0	24	1	43	1	28	1
	Surendranagar					62	3	25	4	27	2	8	2	102	4	50	2
	Vadodra					16	291	102	3	27	179	78	7	47	233	146	10
<b>Gujrat Total</b>	<b>65</b>	<b>3</b>	<b>58</b>	<b>1</b>	<b>196</b>	<b>297</b>	<b>223</b>	<b>43</b>	<b>124</b>	<b>195</b>	<b>176</b>	<b>11</b>	<b>257</b>	<b>241</b>	<b>305</b>	<b>17</b>	
Uttar Pradesh	Ghaziabad	39	0	7	1	40	0	43	0	32	0	39	2	69	0	47	3
	Jaunpur	585	0	531	4	563	1	595	2	599	2	530	0	800	0	730	48
	Mirzapur	448	0	286	17	587	3	179	0	533	4	238	0	752	4	388	0
	Raebareli	493	0	405	3	742	0	599	3	962	0	615	7	1093	0	749	11
<b>Uttar Pradesh Total</b>	<b>1564</b>	<b>0</b>	<b>1228</b>	<b>25</b>	<b>1932</b>	<b>5</b>	<b>1416</b>	<b>6</b>	<b>2126</b>	<b>6</b>	<b>1422</b>	<b>8</b>	<b>2714</b>	<b>4</b>	<b>1915</b>	<b>62</b>	
<b>Grand Total</b>		<b>2012</b>	<b>954</b>	<b>1778</b>	<b>35</b>	<b>3384</b>	<b>1568</b>	<b>4209</b>	<b>1501</b>	<b>7086</b>	<b>1863</b>	<b>9468</b>	<b>197</b>	<b>5502</b>	<b>2107</b>	<b>8792</b>	<b>419</b>

## 5.10 Credit and Subsidy Disbursed to SHGs

Credit and Subsidy Disbursed to SHGs in sampled states and districts is given in table below

**Table 5.13: Credit and Subsidy Disbursed to SHGs**

State	District	2004		2005		2006		2007		2008	
		Credit Disbursed to SHGs	Subsidy Disbursed SHGs	Credit Disbursed to SHGs	Subsidy Disbursed SHGs	Credit Disbursed to SHGs	Subsidy Disbursed SHGs	Credit Disbursed to SHGs	Subsidy Disbursed SHGs	Credit Disbursed to SHGs	Subsidy Disbursed SHGs
Andhra Pradesh	Ananthapur	0	0	0	0	537	269	843	124	441	88
	Medak	0	0	0	0	355	78	1573	1838	583	97
	Nizamabad	0	0	0	0	287	145	1288	202	976	173
	Visakhapatnam	0	0	0	0	264	102	2373	396	1407	281
<b>Andhra Pradesh Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1442</b>	<b>593</b>	<b>6077</b>	<b>2560</b>	<b>3408</b>	<b>639</b>
BIHAR	Gaya							215	210		
	Madhubani							457	457		
	Muzaffarpur							499	323		
	Sheohar							38	14		
<b>BIHAR Total</b>							<b>1210</b>	<b>1004</b>			
Chhattisgarh	Bilashpur	23	16	162	110	199	129	609	256	1006	345
	Raigarh	26	25	150	138	282	167	30	17	717	400
	Rajnand gaun	27	21	128	75	92	73	130	72		
	Sarguja	42	38	53	44	40	36	105	82		
<b>Chhattisgarh Total</b>	<b>117</b>	<b>101</b>	<b>494</b>	<b>367</b>	<b>613</b>	<b>405</b>	<b>874</b>	<b>427</b>	<b>1724</b>	<b>745</b>	
Gujrat	Ahmedabad					33	27	47	25	10	9
	Jamnagar					16	6	10	9	9	5
	Surendranagar					15	13	18	17	16	8
	Vadodra					96	49	45	32	75	66
<b>Gujrat Total</b>					<b>160</b>	<b>95</b>	<b>119</b>	<b>84</b>	<b>110</b>	<b>87</b>	
Uttar Pradesh	Ghaziabad	92	71	50	40	62	44	60	47	95	55
	Jaunpur	533	321	719	420	668	442	774	423	735	528
	Mirzapur	375	251	604	404	513	426	455	447	674	499
	Raebareli	256	156	671	398	1048	672	1142	616	1371	617
<b>Uttar Pradesh Total</b>	<b>1256</b>	<b>799</b>	<b>2044</b>	<b>1262</b>	<b>2291</b>	<b>1584</b>	<b>2432</b>	<b>1533</b>	<b>2875</b>	<b>1699</b>	
<b>Grand Total</b>	<b>1374</b>	<b>899</b>	<b>2538</b>	<b>1630</b>	<b>4506</b>	<b>2677</b>	<b>10712</b>	<b>5607</b>	<b>8117</b>	<b>3171</b>	

## 5.11 Number of members of SHGs Trained

Number of members of SHGs Trained in sampled states and districts is given in table below

**Table 5.14: Number of members of SHGs Trained**

State	District	2004	2005	2006	2007	2008
<b>Andhra Pradesh</b>	Ananthapur	0	0	13723	3777	5316
	Medak	0	0	4912	28538	5100
	Nizamabad	0	0	3374	3572	2040
	Visakhapatnam	0	0	2266	4752	3371
<b>Andhra Pradesh Total</b>		<b>0</b>	<b>0</b>	<b>24275</b>	<b>40639</b>	<b>15827</b>
<b>Bihar</b>	Gaya				1864	
	Madhubani				4681	
	Muzaffarpur				14977	
	Sheohar				230	
<b>Bihar Total</b>				<b>21752</b>		
<b>Chhattisgarh</b>	Bilashpur	275	4352	1716	1030	1547
	Raigarh	282	5332	1312	105	9567
	Rajnand gaun	4955	735	1613	1028	
	Sarguja	10886	8287	14533	0	
<b>Chhattisgarh Total</b>	<b>16398</b>	<b>18706</b>	<b>19174</b>	<b>2163</b>	<b>11114</b>	
<b>Gujrat</b>	Ahmedabad	271	253	221	347	1789
	Jamnagar			290	116	265
	Surendranagar			273	0	90
	Vadodra			3280	778	2381
<b>Gujrat Total</b>	<b>271</b>	<b>253</b>	<b>4064</b>	<b>1241</b>	<b>4525</b>	
<b>Uttar Pradesh</b>	Ghaziabad	0	0	0	0	864
	Jaunpur	2768	0	3846	1144	33644
	Mirzapur	16291	847	0	2160	0
	Raebareli	7088	30337	0	4775	7008
<b>Uttar Pradesh Total</b>	<b>26147</b>	<b>31184</b>	<b>3846</b>	<b>8079</b>	<b>41516</b>	
<b>Grand Total</b>		<b>42816</b>	<b>50143</b>	<b>51359</b>	<b>73874</b>	<b>72982</b>



## 5.12 Number of SHGs formed, Passed and taken up Economic Activities

Number of SHGs formed, Passed and taken up Economic Activities in sampled states and districts is given in table below

**Table 5.15: Number of SHGs formed, Passed and taken up Economic Activities**

State	District	2004						2005						2006						2007						2008					
		I	II	III	IV	V	VI	I	II	III	IV	V	VI	I	II	III	IV	V	VI	I	II	III	IV	V	VI	I	II	III	IV	V	VI
Andhra Pradesh	Ananthapur	0	0	0	0	0	0	0	0	0	0	0	0	171	377	134	134	964	134	511	171	178	178	511	178	784	125	174	174	784	217
	Medak	0	0	0	0	0	0	0	0	0	0	0	0	928	353	575	500	928	500	341	928	300	300	341	300	589	162	132	132	589	195
	Nizamabad	0	0	0	0	0	0	0	0	0	0	0	0	906	96	810	787	906	787	129	906	107	107	129	107	136	362	256	256	136	398
	Visakhapatnam	0	0	0	0	0	0	0	0	0	0	0	0	100	650	350	203	100	203	738	100	835	835	738	835	407	884	384	384	407	562
<b>Andhra Pradesh Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>455</b>	<b>147</b>	<b>307</b>	<b>283</b>	<b>379</b>	<b>283</b>	<b>171</b>	<b>455</b>	<b>142</b>	<b>142</b>	<b>171</b>	<b>142</b>	<b>155</b>	<b>153</b>	<b>946</b>	<b>946</b>	<b>155</b>	<b>137</b>
Bihar	Gaya																			151	200	160	168	96	131						
	Madhubani																			122	102	458	457	110	411						
	Muzaffarpur																			509	855	353	345	287	151						
	Sheohar																			95	74	15	15	78	12						
<b>Bihar Total</b>																			<b>656</b>	<b>215</b>	<b>986</b>	<b>985</b>	<b>415</b>	<b>705</b>							
Chhattisgarh	Bilashpur	0	26	8	17	0	5	0	255	135	105	0	55	340	203	162	143	175	67	625	749	439	232	456	198						
	Bilaspur																									626	941	518	345	592	310
	Raigarh	0	0	0	27	0	21	539	211	171	126	351	336	266	275	161	155	584	132	57	41	11	16	16	372	126	611	320	312	540	
	Rajnandgaun	34	150	13	18	7	0	33	68	74	78	12	27	110	84	73	68	38	43	96	71	63	76	18	19	0	0	0	0	0	0
	Sarguja	32	102	18	49	18	0	29	63	102	40	0	10	441	94	36	32	178	19	17	285	95	77	35	31	0	0	0	0	0	0
<b>Chhattisgarh Total</b>	<b>66</b>	<b>278</b>	<b>39</b>	<b>111</b>	<b>25</b>	<b>26</b>	<b>601</b>	<b>597</b>	<b>482</b>	<b>349</b>	<b>363</b>	<b>428</b>	<b>115</b>	<b>656</b>	<b>432</b>	<b>398</b>	<b>975</b>	<b>261</b>	<b>795</b>	<b>114</b>	<b>608</b>	<b>401</b>	<b>525</b>	<b>264</b>	<b>998</b>	<b>220</b>	<b>112</b>	<b>665</b>	<b>904</b>	<b>850</b>	
Gujrat	Ahmedabad	0	0	0	0	0	0	0	0	0	0	0	0	195	126	76	95	101	0	90	86	28	22	74	0	316	123	13	10	197	0
	Jamnagar	0	0	0	0	0	0	0	0	0	0	0	0	196	23	9	6	111	0	45	27	10	7	2	0	24	7	2	6	10	0
	Surendranagar	0	0	0	0	0	0	0	0	0	0	0	0	423	11	14	13	3	0	310	23	20	16	285	0	25	236	23	15	6	0
	Vadodra	0	0	0	0	0	0	0	0	0	0	0	0	214	98	133	99	110	0	228	51	52	50	89	0	434	324	114	83	196	0
<b>Gujrat Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>102</b>	<b>258</b>	<b>232</b>	<b>213</b>	<b>325</b>	<b>0</b>	<b>673</b>	<b>187</b>	<b>110</b>	<b>95</b>	<b>450</b>	<b>0</b>	<b>799</b>	<b>690</b>	<b>152</b>	<b>114</b>	<b>409</b>	<b>0</b>	
Uttar Pradesh	Ghaziabad	70	85	72	66	2	6	7	24	28	42	0	3	39	40	35	42	5	7	10	28	36	44	2	7	129	53	39	50	16	13
	Jaunpur	239	529	423	316	558	71	203	664	452	531	72	103	0	507	428	497	0	189	0	342	427	480	0	197	565	441	467	528	178	149
	Mirzapur	147	663	229	212	253	12	124	722	552	447	12	84	374	484	393	393	0	10	138	195	477	357	12	12	532	248	383	416	4	8
	Raebareli	335	999	237	228	536	112	937	881	593	618	220	187	389	628	704	685	118	225	756	591	587	601	254	177	722	789	582	592	220	156
<b>Uttar Pradesh Total</b>	<b>730</b>	<b>227</b>	<b>961</b>	<b>822</b>	<b>134</b>	<b>201</b>	<b>127</b>	<b>229</b>	<b>162</b>	<b>163</b>	<b>304</b>	<b>377</b>	<b>802</b>	<b>165</b>	<b>156</b>	<b>161</b>	<b>123</b>	<b>431</b>	<b>904</b>	<b>115</b>	<b>152</b>	<b>148</b>	<b>268</b>	<b>393</b>	<b>194</b>	<b>153</b>	<b>147</b>	<b>158</b>	<b>418</b>	<b>326</b>	
<b>Grand Total</b>	<b>736</b>	<b>255</b>	<b>100</b>	<b>933</b>	<b>137</b>	<b>227</b>	<b>187</b>	<b>288</b>	<b>210</b>	<b>198</b>	<b>667</b>	<b>805</b>	<b>753</b>	<b>404</b>	<b>530</b>	<b>505</b>	<b>522</b>	<b>352</b>	<b>106</b>	<b>919</b>	<b>174</b>	<b>171</b>	<b>711</b>	<b>155</b>	<b>192</b>	<b>197</b>	<b>369</b>	<b>331</b>	<b>172</b>	<b>254</b>	



6 4 0 4 2 8 7 7 9 9 0 9 1 3 53 6 48 80 6 79 66 75 8 1 52 8

I= No. of SHGs Formed

II= No. of SHGs Passed Grade I

III= No. of SHGs passed Grade II

IV= No of SHGs Taken up Economic Activities

V= No. of Woman SHGs Formed

VI= No. of Woman SHG taken up Economic Activities

### 5.13 No. of Member's of SHGs assisted for Economics activities

No. of Member's of SHGs assisted for Economics activities in sampled states and districts is given in table below

**Table 5.16: No. of Member's of SHGs assisted for Economics activities**

State	Name of District	2004	2005	2006	2007	2008
<b>Andhra Pradesh</b>	Ananthapur	0	0	13723	18711	2124
	Medak	0	0	4912	28538	2430
	Nizamabad	0	0	3374	11277	2796
	Visakhapatnam	0	0	2266	87748	6728
<b>Andhra Pradesh Total</b>		<b>0</b>	<b>0</b>	<b>24275</b>	<b>146274</b>	<b>14078</b>
<b>Bihar</b>	Gaya				1864	
	Madhubani				4681	
	Muzaffarpur				3515	
	Sheohar				740	
<b>Bihar Total</b>				<b>10800</b>		
<b>Chhattisgarh</b>	Bilashpur	142	1159	1495	2355	3614
	Raigarh	282	2049	1661	159	3280
	Rajnand gaun	199	784	690	788	0
	Sarguja	683	3287	346	794	0
<b>Chhattisgarh Total</b>	<b>1306</b>	<b>7279</b>	<b>4192</b>	<b>4096</b>	<b>6894</b>	
<b>Gujrat</b>	Ahmedabad	0	0	31	282	98
	Jamnagar	0	0	62	78	64
	Surendranagar	0	0	94	162	99
	Vadodra	0	0	989	460	841
<b>Gujrat Total</b>	<b>0</b>	<b>0</b>	<b>1176</b>	<b>982</b>	<b>1102</b>	
<b>Uttar Pradesh</b>	Ghaziabad	711	443	474	475	552
	Jaunpur	3553	5837	5601	5672	5282
	Mirzapur	2544	4910	4708	4649	4993
	Raebareli	2236	6472	7256	6689	6787
<b>Uttar Pradesh Total</b>	<b>9044</b>	<b>17662</b>	<b>18039</b>	<b>17485</b>	<b>17614</b>	
<b>Grand Total</b>		<b>10350</b>	<b>24941</b>	<b>47682</b>	<b>179637</b>	<b>39688</b>

# **CHAPTER 6**

## **Role and Perception of Stakeholders**

## 6 ROLE AND PERCEPTION OF STAKEHOLDERS

For successful implementation of SGSY, clarity and a common platform in the perception of all the stakeholders is required. The important stakeholders in the program are Gram Panchayat, Panchayat Samithi, BDO, DRDA, Banks, Line Departments and NGO. It is clearly spelt out in the programme guidelines what each stakeholder at every stage of the program has to do. In establishing the micro enterprises, the emphasis has to be on the identification of key activities under cluster approach. This was analyzed by the study team during the field visits in the sampled states. The selection of key activities was carried out with the approval of panchayath samitis at block level and the DRDA / ZP at the district level. Further, as mentioned in earlier sections, separate project reports were to be prepared in respect of identified key activities. The programme guidelines aimed at closer involvement of banks and other financial institutions in this regard. Close facilitation in credit sanction, disbursement, monitoring and repayment was envisaged in the program. It is clear from the program objectives that the emphasis was on group approach.

The SHPIs were to form and nurture the groups and stay in touch with them for a period of 2-3 years so as to develop closer rapport. DRDAs were expected to play a lead role in training and monitoring these SHPIs / facilitators. The identification of swarozgaris was to be carried out by Gram Sabha based on the BPL list and forwarded to BDO for onward transmission to banks for further processing of loan applications. The planning for training of swarozgaris, identification of training institutes was required to be done by DRDA. For the successful implementation of the program at each stage, a closer involvement of all stakeholders/agencies was essential. The following were the some of the important observations regarding the role and perception of various stakeholders involved in the programme implementation:

### 6.1 Gram Panchayats:

According to program objectives, the Gram Panchayats were supposed to play an important role in selection of swarozgaris, monitoring the performance and repayment by the swarozgaris. However, in reality the role of gram panchayats was limited to some extent in selection of swarozgaris and monitoring of repayments and they were not much involved in the identification and selection of key activities.



In the study area, 55% of the Panchayat Secretaries felt the implementation / performance of SGSY was good, while 14% felt it was very good . The findings of the field are given in the table below:

**Table 6.1: Implementation of SGSY Rating of the village by Gram Panchayat**

Rating	No. of GP representatives	Percent
<b>Nil</b>	40	12
<b>Poor</b>	23	7
<b>Average</b>	40	12
<b>Good</b>	182	55
<b>Very Good</b>	46	14
<b>Total</b>	331	100

Source: Field survey

**Table 6.2: Role of GP in implementation of SGSY**

Opinion	Yes	No	No response
	%	%	%
<b>Economic viability of the Activities</b>	86	7	7
<b>Involvement of Panchayat Secretaries in the selection of swarozgaris</b>	68	29	3
<b>Coverage of poorest of the poor while selecting swarozgaris / SHGs</b>	73	11	16
<b>Intactness of assets</b>	9	10	1
<b>Monitoring of repayments by Panchayat Secretary</b>	71	25	4
<b>Visit of development Functionaries</b>	84	11	5

Source: Field survey

The suggestion given by the gram panchayats for improving the implementation process is given in the table below:

**Table 6.3: Suggestion of gram panchayat representatives for improvement of implementation of SGSY**

Suggestion(s)	Gram Panchayat representatives		
	Yes	No	No response
	%	%	%
Scope to improve the SGSY programme	79	3	18
Improving the quality of SHGs	64	36	-
Impart entrepreneur's skills	40	61	-
Imparting training for basic skills	52	48	-
Quick release of loans	36	64	-
Quick release of funds	21	79	-
Quick release of subsidy	16	84	-
Arrange raw material	23	77	-
Provision of market support	37	63	-

Source: Field survey

## 6.2 Panchayat Samiti (Block level)

According to SGSY guidelines, the Panchayat Samiti (Block level) was supposed to approve the key activities that were identified for the blocks before the list was sent to BDO. They were also to review every month the reports sent by Block SGSY committee and recovery performance. In practice, only a small proportion (25%) of BPPs expressed satisfaction regarding the programme implementation. Contrary to this, majority of BDOs opined that the programme was well implemented.. Further, the guidelines did suggest the Block SGSY Committee should prepare project reports for potential key activities (about ten) in consultation with panchayat samithi, branch level bank managers and the officials of line departments operating at the block level. But, at operational level, this was not practiced by a large proportion (39%) of the respondents in the study region. The performance of SGSY in the block by BPP and BDO is given below:

**Table 6.4: Performance of SGSY in the block by BPP and BDO**

Rating	BPP opinion		BDO's opinion	
	Number	Percent	Number	Percent
Poor	1	4	3	11
Average	16	67	12	43
Good	2	8	9	32
Very Good	4	17	3	10
Excellent	1	4	1	4

Source: Field survey

**Table 6.5: Perception of BPP and BDO**

Role	No. of BPP		
	Yes	No	No response
	%	%	%
<b>SGSY implementation through Panchayat Samiti</b>	83	13	4
<b>Constitution of block SGSY committee</b>	79	17	4
<b>Approval of list of key activities by Block SGSY committee</b>	71	21	8
<b>Feasibility and economic viability of key Activities identified</b>	38	58	4
<b>Monitoring of repayments by BPP through panchayat</b>	63	25	13

Source: Field survey

GP representatives/ sarpanchs did not participate seriously in the SGSY review / monitoring meetings held at block level by BPP. Only 38% of them did attend these meetings. However 60% of the BPPs and 79% of the BDOs stated to be conducting the review meetings. Poor monitoring was the weakest part of the programme implementation process. Majority of BDOs point out that lack of cooperation from banks was hindering the programme implementation. Lack of awareness and illiteracy among swarozgaris were other contributing factors for this. About half of the BPPs suggested that the quality of SHGs should be improved and they should be imparted basic skills, training and also should ensure quick release of loans.

### 6.3 Bankers

Close association of bankers at all stages of programme implementation right from identification of key activities, selection SHGs swarozgaris and planning for all the elements of key activities, post credit monitoring and loan recovery is important for the success of SGSY. Majority of bankers during the study region had a positive perception regarding programme implementation. About 59 % of branch managers expressed that they were getting cooperation from development functionaries in the recovery of loan. In the states of **AP, Gujarat and Chhatisgarh**, the cooperation was better as compared to the states like **Bihar and UP**.

The cooperation was least in Uttar Pradesh. 89% of the bank managers preferred group financing to individual financing for better repayment or management of IGA. Further, the bank managers in the study districts stated that most of them visited the swarozgaris once in a month (67 per cent) and some quarterly (25 per cent). Less than eight per cent visited the swarozgaris fortnightly. However, the swarozgaris' feedback regarding the performance monitoring of the bankers showed that most of them (bankers) were not visiting the IGAs. Bank branch managers felt that the success of SGSY depended to a large extent on the maturity and quality of SHGs. However, many (52%) of these respondents did not participate in the selection of swarozgaris and also in training them. While the SGSY guidelines accorded certain discretion to the bankers in the selection of swarozgaris, they were not able to exercise this discretion meaningfully for want of time at their disposal.

#### **6.4 PD (DRDA)**

The real leadership and direction for the programme implementation comes from the PD, DRDA. The BDO on the other hand takes the responsibility for the implementation process. Hence, the DRDA perception was crucial for understanding the way the programme was being implemented.

It was heartening to note that the majority of the PDs, DRDA felt they had adequate flexibility, discretion and access to fund support to implement the programme. Other district level officials, particularly the lead bank manager, did not share the perception of PDs, DRDA with regard to the number of the key activities under SGSY clusters in the district in similar manner.

The study team observed clear variations with regard to the key activities. Majority of the PDs, DRDA felt that the SHGs had not acquired adequate maturity to participate in planning as well as networking of SHGs to develop federations. PDs believed that the quality of SHGs should be improved to streamline the implementation of SGSY. This had to be accomplished through frequent, need-based training, exposure/ field visits leading to capacity built up. Other important suggestions of the PDs in this regard were imparting entrepreneurial skills, providing market support. The synopsis of the suggestion given by PDs and DRDAs is given in the table below:

**Table 6.6: Suggestions of PD, DRDAs for improvement of SGSY**

Suggestion(s)	%
Improve the quality of SGHs	57
Impart entrepreneurial skills	64
Training for improving basic skills	29
Quick release of loans	36
Arrange raw material	36
Provide marketing support	57

Source: Field survey

PDs, DRDA felt that bankers' cooperation was absolutely necessary for the successful programme implementation. However, very few of them (7%) extended cooperation to the bankers in loan recovery operations. The PDs, DRDA believed that frequent, regular and effective district level coordination committees (DLCC) meetings could help in ensuring better coordination with the bankers. The bankers did not share this view.

They believed that, apart from the DLCC meetings, the DRDA's presence at the field level in recovery operations made huge impact as it had sent very effective signals among the swarozgaris. In this context, it is worth-mentioning the view of PDs, DRDA from AP who said that it was their responsibility to ensure higher recovery rate while urging the bankers to extend maximum credit assistance to swarozgaris. Most of the ZP chairpersons interviewed felt that their involvement in SGSY implementation was very limited because it did not figure high in their list of priorities. They suggested that they were more interested in covering larger number of swarozgaris under the scheme rather than in identifying viable economic activities and monitoring the implementation of the programme.

## 6.5 NGOs

The services of NGOs have been utilized effectively only in a few districts of Gujarat, **Chattisgarh and Bihar**.

**Uttar Pradesh** has notched a healthy performance with tailoring the services of NGOs in the state. The common inputs sought from them were in the formation of SHGs and their training. They were consulted in selection of group swarozgaris as well. Being the major facilitator (SHPIs), the NGOs were supposed to provide the above services for success of the groups nurtured by them. During the primary study, it was opined by the NGO representatives that the sustainability of project is hampered by unavailability of market potential. Only half of the NGOs felt that the assisted projects under SGSY were sustainable and could help the swarozgaris to cross the poverty line. Hence, it is suggested that the NGOs should render their whole hearted support in all the facets of the program.

The model of **Andhra Pradesh**, is different and not based on NGO involvement in the scheme. The table below gives a birds eye view on the expenditure incurred by different states over years.

**Table 6.7: Expenditure on NGOs/ Facilitators**

State	District	2004	2005	2006	2007	2008
<b>Andhra Pradesh</b>	Ananthapur		NA	NA	NA	NA
	Medak	NA	NA	NA	NA	NA
	Nizamabad	NA	NA	NA	NA	NA
	Visakhapatnam	NA	NA	NA	NA	NA
<b>Andhra Pradesh Total</b>		NA	NA	NA	NA	NA
<b>Bihar</b>	Gaya				2	
	Madhubani				21	
	Muzaffarpur				37	
	Sheohar				0	
<b>Bihar Total</b>				60		
<b>Chhattisgarh</b>	Bilashpur	10	2	6	1	0
	Raigarh	1	3	5	0	32
	Rajnand gaun	3	0	0	1	
	Sarguja	0	1	0	0	
<b>Chhattisgarh Total</b>	14.98	15	7	11	2	
<b>Gujrat</b>	Ahmedabad	0	0	0	0	0
	Jamnagar			0	0	0
	Surendranagar			0	0	0
	Vadodra			0	0	0
<b>Gujrat Total</b>	0	0	0	0	0	
<b>Uttar Pradesh</b>	Ghaziabad	0	3	1	1	3
	Jaunpur	4	55	18	16	45
	Mirzapur	18	33	19	7	31
	Raebareli	3	17	39	54	52
<b>Uttar Pradesh Total</b>	24.86	25	108	76	78	
<b>Grand Total</b>	40	114	87	140	164	

## 6.6 Perception of PIA officials and PRIs

In the implementation process of any program, several stakeholders were supposed to be involved. A program can be implemented only when all these partners have a common understanding of the processes and objectives of the program. However, situations studied in the sampled states varied from block to block. For instance, the importance of involvement of Panchayati Raj Institutions in every rural development programme has been increasing during the recent past. In SGSY, the elected representatives of these institutions did not have a pivotal role to play in the implementation process.

Bearing in mind, the importance of PRIs in the implementation of SGSY, an attempt was made to elicit their opinion on its implementation process. The following were some of the views expressed by these leaders across the three tiers. It was reported that women still needed to be motivated to form into SHGs and there was non co-operation within the SHG members. It was also reported that the proportion of SHG coverage needed to be increased. In some states the groups were not able to tackle the individual problems because of lack of awareness on proper utilization of loans by the members of SHGs.

There was also non cooperation from the bankers in states like **UP and Bihar**. In the absence of any viable market/ lack of marketing support, the desired results have been delayed in these states. Besides, the involvement of officials in the implementation of SGSY was very crucial. SGSY guidelines envisaged different roles to different officials including DRDA, BDO, VDO and other line department officials at all the three levels. The officials perceived that there was a lack of awareness on SGSY at all levels and the training for skill up gradation and lack of sufficient staffs were impeding the process. The line department officials opined that regular monthly meetings with all the banks and other important stake holders can be beneficial in sorting out important issues and help in drawing fruitful solutions. Unfortunately, such initiatives have been by and far remote.

# **CHAPTER 7**

## **Impact of SHGs on Swarozgaris**



## 7 IMPACT OF SHGS ON SWAROZGARIS

Self-employment is a significant step to have sustained incomes and remove the shackles of poverty. Earlier programme like IRDP were good but were not adequate to meet all the requirements. SGSY is important in this regard. Programme for self-employment of the poor has been an important objective of the antipoverty programmes. During the study, adequate attention was given to cover various aspects of the program and understand the impact of the support on the slated objectives. Detailed information was collected on the income generating activities being undertaken by the groups and analysis done on the benefits percolated.. The contribution of the scheme in creating sensitivity towards health and hygiene, fostering entrepreneurial skills, etc was also analyzed. The concern of the group for livelihood security was inferred from their behaviours like taking interest in planning and initiating income-generating activities, mobilizing group resources like corpus fund generation, interloaning and taking interest in the outreach activities for cash credit limit (CCL) finalization and securing bank credits, etc. The program performance and the impact is covered in the following sections of the report:

The impact of SGSY has been varied across the sampled states. The states were primarily studied with respect to the emphasis given to socially disadvantaged, vulnerable communities, (viz., SC, ST etc.), Per cent of SHGs graduating from grade I to grade II, the average investment by a swarozgaris, Credit-subsidy ratio, thrust given to group approach vis-à-vis the individual approach., Incremental income generated from the swarozgaris SGSY projects, utilization of infrastructure fund under SGSY, and utilization of training fund under SGSY. Primary data as well as the secondary information has been used to measure the programme performance and its impact.

### 7.1 Incremental employment

Various economic activities have been pursued by the group in the sampled states. Activity wise analysis of incremental employment and income suggests that swarozgaris involved in activities like dairy and other farm based activities which require lesser amount of forward and backward linkages have been more successful. The activities requiring more linkages and service inputs have not been successful to that extent.

There was a positive relationship between incremental employment and incremental income suggesting MPL in these trades. Tertiary activities like restaurants, retail sale of fruits & vegetables, public telephone booth services, recreation, personal health / hygiene were not found to be sustainable

## **7.2 Activity-wise Analysis of Incremental Income and Employment**

There is no doubt that the SGSY has generated substantial increase in the incomes of swarozgaris in the sample states. Maximum increase was found in Andhra Pradesh, followed by **Gujarat, Chhatisgarh, Bihar and UP** in that order. The growth of incremental income in **Chhatisgarh and some districts of Bihar** was due to relatively low level of pre-project (SGSY) income. Though a very high level of income was not observed in most of the states, in Andhra Pradesh, on an average each Swarogaries have been earning Rs 2500. The average incremental employment (man-days) among the states ranged between eight in Bihar and 28 in UP. A positive relation between the incremental income and activity investment was observed.

## **7.3 Group Enterprises**

To understand the entrepreneurship skills imparted, the team studied the models of enterprises in the sampled states. Enterprises covered included handicrafts, garments, dairy, nursery, vermi- compost, fisheries and land development. Out of these, Dairy seems to be the most successful trade. The understanding of these group members in running the enterprise varied across groups and activities. In some of the cases, enterprises which started with enthusiasm could not be sustained because of lack of maturity of the members. However, the group meetings and utilisation of funds was not satisfactory in some cases..

## **7.4 Impact on Poverty**

The assistance under SGSY was found to have enabled the swarozgaris enhance their earnings. However, these incremental levels of income are largely due to the low level of earning prior to interventions under SGSY. As such a small increase in income has resulted in a significant rise in the group income. The employment activity taken up under SGSY ranged from 8 days to 11 mandays per month.

## **7.5 Occupational Preference**

Among the group of swarojgaris, majority of those dependent on agricultural slab took up dairy. Dairy was found to be a sensible as it helped them retain their village base and also continue to casual farm work available in the region. Besides, there was hardly any kind of forward and backward linkages to be developed in trades like Dairy. In case of artisans, the swarojgaris opted for their traditional activities within the crafts range. However, they have taken low risk loans to support their activities. Though service sector is a more attractive source of employment and income in the rural areas, it was not actively pursued under SGSY.

## **7.6 Insurance**

Lack of access to insurance remained a major deficiency in the studies states. The concept is at its infancy and has to be properly nourished

## **7.7 Linkage with banks**

Proper linkage with the banks was not observed in any state apart from Andhra Pradesh. The general complaint about the banks are that they do not find the groups credit worthy and their risk taking ability is not properly hedged

# **CHAPTER 8**

## **Conclusion and Recommendations**

## 8 CONCLUSION AND RECOMMENDATIONS

### 8.1 Conclusions

Policy-makers in India would like to promote an image of the country as being both fast developing and humane. The one major stumbling block in their project is the vast and persistent problem of poverty, especially rural poverty. After having tried many different projects for its alleviation, the Union government launched the Swarnajayanti Gram Swarozgar Yojana; the SGSY was not just to give some dole or some one-time grants or loans to the poor; it aimed to nurture their economic activities for as long as three years so as to ensure that the poor do rise above the poverty line.

While the aim was admirable, the way devised for doing so has left a lot to be desired. If one examines the design of the scheme in details, several aspects come up. These are briefly summed up below:

#### 8.1.1 Funding

It has been observed that few people even at the state headquarters or at the district level have really understood the funding pattern. For example, at least in some places, the subsidy part of the money given for the revolving fund is being treated as a non-refundable one-time gift to the participants. However, the guidelines have mentioned that the subsidy is to the group as a whole, the individuals who borrow from the revolving fund, must return the entire borrowed amount to the group. They are merely exempt from paying interest on the part represented by the subsidy. However, in the districts we visited we came across instances when the beneficiaries were not required to return even the full principle.

Similarly, the banks have been interpreting the provision for "back-ended subsidy" in ways that make their operations completely risk-free. The other agencies have not understood this fully.

Even if they had, they would have no authority to challenge the banks. The funding pattern is not just not transparent; it simultaneously involves several agencies without any chain of authority between them.

Thus apart from possible delays in the funds passing from the MORD and State governments to the DRDOs, the banks can, in addition, hold up the project at any stage. The guidelines say that banks have to be involved at all stages starting from choosing the beneficiaries. Who has the authority to question the banks if their decisions obstruct the progress of work?

### **8.1.2 Training**

The designers of the programme had realized that persons are poor not because they do not work, but because they work on low productivity work. So, to reduce poverty, people had to be given:

- Thorough analysis of market opportunities to find out what production is to be encouraged in each area.
- The skills required for activities to generate those products; these are to be modern professionally imparted skills.
- Technical expertise to acquire the required tools.

Again, these requirements have been completely ignored. Instead, women 's traditional roles and traditional ideas about sexual division of labour are being reinforced.

### **8.1.3 Workload**

Another purpose behind the idea of revamping poor people's activities was to reduce the enormous workload that poor women especially carry in their multiple roles as reproducers and producers. It was hoped that the new activities would be sufficiently productive for them to earn better incomes with less physical labour. Instead, in our interviews with the beneficiaries, it was repeatedly pointed out by the women how joining the SHGs had increased their workload. This was mainly because joining the SHGs had provided them with some supplementary work, but the new activities could not generate enough income for them to give up any of their earlier tasks.

#### **8.1.4 A top-down approach**

Policy makers need to appreciate the fact that, the poor do intensely use the limited knowledge and experience at their command. If their lives are to be changed significantly, then outside agencies have to bring in substantial inputs of a kind that they want but cannot get. For this it is important to find out what they do know and have. It is only then that schemes can be devised that can give right inputs in right quantities.

#### **8.1.5 The BPL List**

Defects in the BPL lists are perhaps the main reason why most projects for poverty alleviation so far have proved ineffective. The SGSY is also likely to suffer the same fate. Over time, almost all projects for helping the poor at the grassroots have become tied with the BPL lists. Whether it is giving ration cards for subsidized food, or providing training and credit for self-employment- every facility is reserved for those on the BPL list. As a result, inclusion in this list has become the most important criterion for being eligible for whatever largesse that are made available for distribution at the grassroots. As such, its politicization was only to be expected.

Problem is, whether a household is poor or not is supposedly based on the money value of its monthly per capita consumption expenditure. And it is quite impossible for local workers and busy administrators to ascertain that systematically for each village household. So alternatively, the poor are identified on the basis of an amalgam of several rough criteria such as amount of land owned by a household, whether it's dwelling is pucca or not, whether members possess a bicycle, a watch, etc. The criteria are sufficiently vague and elastic to leave considerable room for manipulations to bring in all the sympathizers of those in power. It is reported that in many villages nearly 80% of households get to figure on the list. Therefore when it comes to actually selecting the beneficiaries for any scheme, it is easy to focus on one's supporters and give the genuine needy a go-by.

### **8.2 Recommendations**

Our general recommendation would be to seriously consider decentralizing the scheme. Each region should be given the authority to tailor the use of the funds to its problem of poverty and the poor. That way the authorities can also take into account the organizational facilities that are locally available.



Secondly, there must be lot more publicity given among the potential beneficiaries about the scheme and its contents as well as the authorities in charge and their responsibilities. That way the targeted population can seek help and question authorities if the latter fail to deliver. For this extensive use should be made of all forms of media and particularly of the visual media.



Some specific recommendations are as follows:

Themes	Recommendations	Action To be taken	By Whom	By When
<b>Guidelines</b>	<b>The guide lines must be made more transparent</b>	National Level meeting with state level stakeholders to discuss framework for guidelines	By Department of Rural Development in consultation with Planning Commission	Within 6 months
<b>Guidelines</b>	<b>Complicated procedures and obscure terms like ‘back-ended subsidies’ should be clearly explained</b>	Development of easy to ready document explaining various components of scheme	By Department of Rural Development in consultation with Planning Commission	Within 6 months
<b>Guidelines</b>	<b>The line of authority must be clear to the organizers as well as the beneficiaries</b>	TOT for the organizers at state level	Central / State government	Within 1 year
<b>Pre Implementation</b>	<b>The economic activities must be selected after careful feasibility report based on market studies and local resources</b>	Availability of funding for carrying out local level feasibility studies	Central Department	Within 6 months
<b>Implementation</b>	<b>At present, the gestation period of an SHGs to get through the grading process and avail the loan for economic activity is almost one year It has been reported that SHGs not getting loan from the bank even after more than one year of its formation and group activities . The grading exercise should be given to an independent agency since in the present system of grading, wherein the same agency, which has been involved in the group formation stage, grading the group, can be partial</b>	Selection of grading agency	Central Government	Within 6 months
<b>Implementation</b>	<b>Gram Panachayat are closely associated with the identification of BPL families to be assisted and other activities in the initial phases of the implementation of the scheme They may be given a greater role in the recovery of loans</b>	Redefining roles and responsibility of PRI representatives in context of SGSY scheme	Central Government in consultation with state departments	Within 6 months
<b>Implementation</b>	<b>To take account of local difference many of the details of the procedure</b>	Introducing concept of	Central	Within 6

Themes	Recommendations	Action To be taken	By Whom	By When
	<b>should be left to local discretions or discretions local organizers They should consult beneficiaries in such matters</b>	flexi approach in the scheme	Government in consultation with state departments	months
<b>Implementation</b>	<b>It is crucially important that the activities that the beneficiaries are encouraged to undertake are more productive and remunerative than what they have traditionally being doing</b>	PRI should play more proactive role for identification of activities in consultation with BPL families	PRI representatives	With in 1 year
<b>Banks and financial Institutions</b>	<b>Efforts should be made to motivate banks to take active interest in the project and reduce the time taken for processing the applications and disbursing loan The loan should be given immediately after the swarozgri completes the training for skill development as envisaged in the guidelines</b>	Orientation of banking institutions by state department functionaries. Development of things to do guidelines for bankers.	State Department	Within 6 months
<b>Capacity Building</b>	<b>The services of professional agency should be taken to identify local activities, availability of raw material and aptitude as well as the skill of the people</b>	Development of guideline for selection of professional agencies	State department	Within 1 year
<b>Capacity Building</b>	<b>The training for the work must not be on an ad hoc and informal basis but by professional people knowledgeable about modern technology</b>	Identification of good training institutions/ master trainers and developing a system for evaluation of training conducted by them	State Department	Within 6 months
<b>Capacity Building</b>	<b>The aim should be that people's quality of life after joining the SHGs significantly improve and they are not overburdened with poorly remunerated extra work</b>	Generating awareness about the schemes and its benefits	State government in consultation with PRI representatives	Within 1 year
<b>Monitoring and Evaluation</b>	<b>The performance of the SGSY should be monitored continuously at all level In order to develop a consistent system of monitoring the implementation of SGSY at the block/ DRDA level through field visits and physical verification of assets as well as progress of the swarozgaris towards income generation, a schedule of inspection of swarozgaris by</b>	Developing a system for concurrent monitoring and developing a system for taking corrective actions on the basis of	Central Government in consultation with state government	Within 1 year

Themes	Recommendations	Action To be taken	By Whom	By When
	<b>various levels of officers is suggested</b>	findings		
<b>Capacity Building</b>	<b>For empowerment of women it is essential that the attitudes and perceptions of organizers be radically changed Women must be seen not just as reproducers and home makers and supplementary earners but as productive members of the economy and society</b>	Generating awareness about the schemes and its benefits	State government in consultation with PRI representatives	Within 1 year
<b>Monitoring and Evaluation</b>	<b>Almost all the successful SHGs are observed to be not conducting regular meetings and keeping accounts In this aspect, a greater role of NGOs may be sought in guiding the swarozgaris and in their capacity building At present, the presence of NGOs as facilitates is found to be limited</b>	Selection of right type of NGOs and monitoring their work on regular basis	Central Government in consultation with state government	Within 1 year
<b>Implementation</b>	<b>Wherever the group is not cohesive, interpersonal differences should be removed through counseling and organizing special training programmes for them</b>	Appointment of counselor at state level	State Government	Within 1 year
<b>Capacity Building</b>	<b>SHGs awareness programme should lay greater emphasis on creating faith in the people about the potential of SHGs rather than overemphasizing the procedural and formal aspects of SHGs</b>	Generating awareness about the schemes and its benefits	State government in consultation with PRI representatives	Within 1 year
<b>Implementation</b>	<b>Rotation of office-bearers of SHGs at regular intervals should be made mandatory</b>	Issuing an office order	State government	Within 1 year
<b>Capacity Building</b>	<b>Motivation training for income-generating activities and technological training for capacity building should be organized by competent agencies with greater seriousness</b>	Identification of good training institutions/ master trainers and developing a system for evaluation of training conducted by them	State Department	Within 6 months
<b>Capacity Building</b>	<b>Training programme on (a) Health education (b) formal education for school going, school dropout children and awareness about prevalent social evils should be given adequate priority</b>	Identification of good training institutions/ master trainers and developing a system for evaluation of training conducted by them	State Department	Within 6 months
<b>Banks and Financial</b>	<b>The bank functionaries who deal with SHGs and branch managers should be exposed to SHGs sensitization programme especially designed</b>	Orientation of banking institutions by state	State Department and lead banks	Within 6 months

Themes	Recommendations	Action To be taken	By Whom	By When
<b>Institutions</b>	<b>for them</b>	department functionaries.		
<b>Banks and Financial Institutions</b>	<b>Motivational training programmes should be organized for bank functionaries to generate in them a sense of cooperation and positive orientation towards SHGs' office-bearers</b>	Orientation program for key bank officials	State Department and lead banks	Within 1 year
<b>Banks and Financial Institutions</b>	<b>A rapport-building programme may be offered in the which bank functionaries, NGO functionaries, SHGs' office-bearers and other grass roots level stakeholders should participate</b>	Regular Stakeholders meeting	State Department and lead banks	Within 6 months
<b>NGO</b>	<b>The NGOs should be imparted skills in organizing motivational camps and training programmes so that they may motivate the villagers and create faith in them in the potential of SHGs, with greater transparency to avoid current mal -practices at DRDA level, particularly for SGSY-supported programmes</b>	Induction program for NGOs	State government/ NGOs	Within 1 year
<b>NGO</b>	<b>NGOs should not be deployed only for the formation of SHGs they must stay and work with the SHGs till they mature</b>	Monitoring of NGOs work	State government	Within 1 year
<b>NGO</b>	<b>The officials of SHG-promoting organizations should also be exposed to SHGs sensitization programme so that they do not hold skeptic views towards SHGs and must have faith in the SHGs' ability to alleviate rural poverty</b>	Organizing regular exposure programs for the functionaries	State government	Within 1 year
<b>NGO</b>	<b>The NGOs should actively help the SHGs in both backward and forward linkage and provide them market support in particular</b>	Active participation of NGOs by training program for key functionaries	State government	Within 1 year
<b>Policy level</b>	<b>The subsidy provided under the SGSY programme should be discontinued and the amount should be spent on creating market support to the SHGs for their IGA products and also provide some sort of reward to the successful SHGs as an incentive for good work</b>	Review of benefits of subsidy in consultation with state departments	Central Government	Within 6 months

# **APPENDIX**

## Appendix A List states, districts, blocks, villages covered under study

State	District	Block	Village	No of SHG
Andhra Pradesh	Nizamabad	Yellareddy	VENKATAPUR	7
Andhra Pradesh	Nizamabad	Yellareddy	VELLUTLA	7
Andhra Pradesh	Nizamabad	Yellareddy	VELLUTLA PET	7
Andhra Pradesh	Nizamabad	Yellareddy	ADVILINGAL	7
Andhra Pradesh	Nizamabad	Yellareddy	KOKONDA	7
Andhra Pradesh	Nizamabad	Yellareddy	JANKAMPALLIKUD	7
Andhra Pradesh	Nizamabad	Yellareddy	LAXMAPUR	7
Andhra Pradesh	Nizamabad	Yellareddy	HAJIPUR	7
Andhra Pradesh	Nizamabad	Yellareddy	KALYANI	7
Andhra Pradesh	Nizamabad	Yellareddy	THIMMAREDY	7
Andhra Pradesh	Nizamabad	Yellareddy	SOMAARPET	7
Andhra Pradesh	Nizamabad	SIRIKONDA	SIRIKONDA	7
Andhra Pradesh	Nizamabad	SIRIKONDA	PEDDA WALGOT	7
Andhra Pradesh	Nizamabad	SIRIKONDA	POTHNUR	7
Andhra Pradesh	Nizamabad	SIRIKONDA	CHINNAWOLGOTE	7
Andhra Pradesh	Nizamabad	SIRIKONDA	NYAVANANDI	7
Andhra Pradesh	Nizamabad	SIRIKONDA	NARSINGAPALLI	7
Andhra Pradesh	Nizamabad	SIRIKONDA	KURDULPETTHANDA	7
Andhra Pradesh	Nizamabad	SIRIKONDA	RAVUTLA	7
Andhra Pradesh	Nizamabad	SIRIKONDA	THATAPALLI	7
Andhra Pradesh	Nizamabad	SIRIKONDA	CHIMANPALLI	7
Andhra Pradesh	Medak	Sadasivapet	ANKENPALLY	7
Andhra Pradesh	Medak	Sadasivapet	AROOR	7
Andhra Pradesh	Medak	Sadasivapet	ATMAKUR	7
Andhra Pradesh	Medak	Sadasivapet	BOBBILGAM	7
Andhra Pradesh	Medak	Sadasivapet	CHANDAPUR	7
Andhra Pradesh	Medak	Sadasivapet	ENKEPALLY	7
Andhra Pradesh	Medak	Sadasivapet	Etigaddasangam	7
Andhra Pradesh	Medak	Sadasivapet	Gollagudem	7
Andhra Pradesh	Medak	Sadasivapet	KAMBALPALLY	7
Andhra Pradesh	Medak	Sadasivapet	Kolkur	7
Andhra Pradesh	Medak	Sadasivapet	KONAPUR	7
Andhra Pradesh	Medak	Sangareddy	ANGADIPET	7
Andhra Pradesh	Medak	Sangareddy	ARUTLA	7
Andhra Pradesh	Medak	Sangareddy	BEGUM PET	7
Andhra Pradesh	Medak	Sangareddy	BYATHOL	6
Andhra Pradesh	Medak	Sangareddy	CHERLAGUDEM	7
Andhra Pradesh	Medak	Sangareddy	CHERYAL	6
Andhra Pradesh	Medak	Sangareddy	CHIDRUPPA	7
Andhra Pradesh	Medak	Sangareddy	CHIMNAPUR	7
Andhra Pradesh	Medak	Sangareddy	EDRANOOR	7
Andhra Pradesh	Medak	Sangareddy	FASALWADI	7
Andhra Pradesh	Ananthpur	Rapthadu	Raptadu	6
Andhra Pradesh	Ananthpur	Rapthadu	Bandameedapalli	7
Andhra Pradesh	Ananthpur	Rapthadu	Parasannayapalli	7
Andhra Pradesh	Ananthpur	Rapthadu	Cherlopalli	7



State	District	Block	Village	No of SHG
Andhra Pradesh	Ananthpur	Rapthadu	Chapatla	7
Andhra Pradesh	Ananthpur	Rapthadu	Bommeparthy	7
Andhra Pradesh	Ananthpur	Rapthadu	Gangulakunta	7
Andhra Pradesh	Ananthpur	Rapthadu	Palabhavi	7
Andhra Pradesh	Ananthpur	Rapthadu	Pesarakunta	6
Andhra Pradesh	Ananthpur	Rapthadu	Gollapalli	6
Andhra Pradesh	Ananthpur	Rapthadu	Ramanepalli	7
Andhra Pradesh	Ananthpur	Rapthadu	Marur	7
Andhra Pradesh	Ananthpur	Puttaparthi	Pedaballi	7
Andhra Pradesh	Ananthpur	Puttaparthi	Kotlapalli	7
Andhra Pradesh	Ananthpur	Puttaparthi	Rayalavari Palli	6
Andhra Pradesh	Ananthpur	Puttaparthi	Buggapalli	6
Andhra Pradesh	Ananthpur	Puttaparthi	Puttaparthi	7
Andhra Pradesh	Ananthpur	Puttaparthi	Yenumalapalli	7
Andhra Pradesh	Ananthpur	Puttaparthi	Vengalammacheruvu	7
Andhra Pradesh	Ananthpur	Puttaparthi	Beedupalli	6
Andhra Pradesh	Visakhapatnam	S Rayavaram	Bheemavaram	7
Andhra Pradesh	Visakhapatnam	S Rayavaram	Chingummuluru	7
Andhra Pradesh	Visakhapatnam	S Rayavaram	Darlapudi	7
Andhra Pradesh	Visakhapatnam	S Rayavaram	Dharmavaram Agraharam	7
Andhra Pradesh	Visakhapatnam	S Rayavaram	Geddapalem	7
Andhra Pradesh	Visakhapatnam	S Rayavaram	Gudivada	7
Andhra Pradesh	Visakhapatnam	S Rayavaram	Kotharevupolavaram	6
Andhra Pradesh	Visakhapatnam	S Rayavaram	Lingarajupalem	7
Andhra Pradesh	Visakhapatnam	S Rayavaram	Pedagummaluru	6
Andhra Pradesh	Visakhapatnam	Yelamanchili	Bayyavaram	7
Andhra Pradesh	Visakhapatnam	Yelamanchili	Etikoppaka	6
Andhra Pradesh	Visakhapatnam	Yelamanchili	Gundrubill	7
Andhra Pradesh	Visakhapatnam	Yelamanchili	Jampapalem	7
Andhra Pradesh	Visakhapatnam	Yelamanchili	Kattupalem	6
Andhra Pradesh	Visakhapatnam	Yelamanchili	Kokkirapalli	7
Andhra Pradesh	Visakhapatnam	Yelamanchili	Kothali	7
Andhra Pradesh	Visakhapatnam	Yelamanchili	Krishnapuram	6
Andhra Pradesh	Visakhapatnam	Yelamanchili	Lakkavaram	7
Andhra Pradesh	Visakhapatnam	Yelamanchili	Line Kothuru	6
Andhra Pradesh	Visakhapatnam	Yelamanchili	Pedda Pall	6
Andhra Pradesh	Visakhapatnam	Yelamanchili	Pulaparthi	7
Gujrat	Ahmedabad	Dascroy	Nandej	7
Gujrat	Ahmedabad	Dascroy	Zanu	7
Gujrat	Ahmedabad	Dascroy	Badrabad	7
Gujrat	Ahmedabad	Dascroy	Bareja	7
Gujrat	Ahmedabad	Dascroy	Barejdi	6
Gujrat	Ahmedabad	Dascroy	Bharkunda	6
Gujrat	Ahmedabad	Dascroy	Bibipur	6
Gujrat	Ahmedabad	Dholka	Badarkha	6
Gujrat	Ahmedabad	Dholka	Begva	6
Gujrat	Ahmedabad	Dholka	Bholad	6
Gujrat	Ahmedabad	Dholka	Ambaliyara	6
Gujrat	Ahmedabad	Dholka	Anandpura	6





State	District	Block	Village	No of SHG
Gujrat	Vadodara	Vadodara	Por	6
Gujrat	Vadodara	Vadodara	Dumad	6
Gujrat	Vadodara	Vadodara	Bil	6
Gujrat	Vadodara	Vadodara	Bugli	6
Gujrat	Vadodara	Vadodara	Vadsala	6
Gujrat	Vadodara	Vadodara	Vasna Kotariya	6
Gujrat	Vadodara	Vadodara	Vemali	6
Gujrat	Vadodara	Sankheda	Khadila	6
Gujrat	Vadodara	Sankheda	Zzand	6
Gujrat	Vadodara	Sankheda	Virampua	6
Gujrat	Vadodara	Sankheda	Zampa	6
Gujrat	Vadodara	Sankheda	Bamroli	6
Gujrat	Vadodara	Sankheda	Zankharpura	6
Gujrat	Vadodara	Sankheda	Bihora	6
Gujrat	SurendraNagar	Muli	Digsar	6
Gujrat	SurendraNagar	Muli	Khakrala	6
Gujrat	SurendraNagar	Muli	Khatdi	6
Gujrat	SurendraNagar	Muli	Kukda	6
Gujrat	SurendraNagar	Muli	Limli	6
Gujrat	SurendraNagar	Muli	Liya	6
Gujrat	SurendraNagar	Wadhwan	Baldana	6
Gujrat	SurendraNagar	Wadhwan	Bhadiyad	6
Gujrat	SurendraNagar	Wadhwan	Chamaraj	6
Gujrat	SurendraNagar	Wadhwan	Dedadara	6
Gujrat	SurendraNagar	Wadhwan	Fulgram	6
Gujrat	SurendraNagar	Wadhwan	Gomta	6
Gujrat	SurendraNagar	Wadhwan	Kariyani	6
Gujrat	Jamnagar	Dhrol	Modpar	6
Gujrat	Jamnagar	Dhrol	Manekpar	6
Gujrat	Jamnagar	Dhrol	Bed	6
Gujrat	Jamnagar	Dhrol	Bareza	6
Gujrat	Jamnagar	Dhrol	Latipur	6
Gujrat	Jamnagar	Dhrol	Katda	6
Gujrat	Jamnagar	Jamnagar	Khambalida Motovas	6
Gujrat	Jamnagar	Jamnagar	Khara Bareja	6
Gujrat	Jamnagar	Jamnagar	Khara Vedha	6
Gujrat	Jamnagar	Jamnagar	Khijadiya	6
Gujrat	Jamnagar	Jamnagar	Khilosh	6
Gujrat	Jamnagar	Jamnagar	Lavadiya	6
Gujrat	Jamnagar	Jamnagar	Lonthiya	6
Uttar Pradesh	Rae Bareli	Salon	Kachnava	6
Uttar Pradesh	Rae Bareli	Salon	Rewali	6
Uttar Pradesh	Rae Bareli	Salon	Raipur Tori	6
Uttar Pradesh	Rae Bareli	Salon	Tarapur	6
Uttar Pradesh	Rae Bareli	Salon	Tekari Sahan	6
Uttar Pradesh	Rae Bareli	Salon	Tewaripur	6
Uttar Pradesh	Rae Bareli	Rae Bareli	Jamalpur Nankari	6
Uttar Pradesh	Rae Bareli	Rae Bareli	Barghada	6
Uttar Pradesh	Rae Bareli	Rae Bareli	Barwaripur	6







State	District	Block	Village	No of SHG
Uttar Pradesh	Ghaziabad	Hapur	Bhikanpur	6
Uttar Pradesh	Ghaziabad	Hapur	Bhikanpur	6
Uttar Pradesh	Ghaziabad	Hapur	Bhudiya	6
Uttar Pradesh	Ghaziabad	Hapur	Bhudiya	6
Uttar Pradesh	Ghaziabad	Hapur	Bhudiya	6
Uttar Pradesh	Ghaziabad	Hapur	Bhudiya	6
Uttar Pradesh	Ghaziabad	Hapur	Bhudiya	6
Uttar Pradesh	Ghaziabad	Hapur	Bhudiya	6
Uttar Pradesh	Ghaziabad	Hapur	Brijnathpur	6
Uttar Pradesh	Ghaziabad	Hapur	Brijnathpur	6
Uttar Pradesh	Ghaziabad	Hapur	Brijnathpur	6
Uttar Pradesh	Ghaziabad	Hapur	Brijnathpur	6
Uttar Pradesh	Ghaziabad	Hapur	Brijnathpur	6
Uttar Pradesh	Ghaziabad	Hapur	Brijnathpur	6
Uttar Pradesh	Ghaziabad	Ghaziabad	Chirodi	6
Uttar Pradesh	Ghaziabad	Ghaziabad	Ristal	6
Uttar Pradesh	Ghaziabad	Ghaziabad	Raghunathpur	6
Uttar Pradesh	Ghaziabad	Ghaziabad	Nagla Firoz Mohanpur	6
Uttar Pradesh	Ghaziabad	Ghaziabad	Nahal	6
Uttar Pradesh	Ghaziabad	Ghaziabad	Nanu	6
Uttar Pradesh	Jaunpur	Mariahu	Kutubpur	6
Uttar Pradesh	Jaunpur	Mariahu	Purbha	6
Uttar Pradesh	Jaunpur	Mariahu	Raghampur	6
Uttar Pradesh	Jaunpur	Mariahu	Raipur	6
Uttar Pradesh	Jaunpur	Mariahu	Rajapur	6
Uttar Pradesh	Jaunpur	Mariahu	Rataulli	6
Uttar Pradesh	Jaunpur	Mariahu	Ramnagar	6
Uttar Pradesh	Jaunpur	Shahganj	Akbarpur	6
Uttar Pradesh	Jaunpur	Shahganj	Alipur	6
Uttar Pradesh	Jaunpur	Shahganj	Anguli	6
Uttar Pradesh	Jaunpur	Shahganj	Chandauli	6
Uttar Pradesh	Jaunpur	Shahganj	Chukiya	6
Uttar Pradesh	Jaunpur	Shahganj	Burhampur	6
Uttar Pradesh	Jaunpur	Shahganj	Firojpur	6
Uttar Pradesh	Jaunpur	Shahganj	Gobaraha	6
Bihar	Madhubani	Benepatti	Katiya	6
Bihar	Madhubani	Benepatti	Damodharpur	6
Bihar	Madhubani	Benepatti	Barha	7
Bihar	Madhubani	Benepatti	Loha	7
Bihar	Madhubani	Benepatti	Dhanga Pachim	5
Bihar	Madhubani	Benepatti	Sarso	6
Bihar	Madhubani	Benepatti	Behta	7
Bihar	Madhubani	Rahika	Satlakha	6
Bihar	Madhubani	Rahika	Dhanshyampur	7
Bihar	Madhubani	Rahika	Rahika	6
Bihar	Madhubani	Rahika	Lakshya	7
Bihar	Madhubani	Rahika	Pokhrauni	7
Bihar	Madhubani	Rahika	Sapta	7
Bihar	Muzaffarpur	SAHEBGANJ	AHIYAPUR	6



State	District	Block	Village	No of SHG
<b>Bihar</b>	Muzaffarpur	SAHEBGANJ	BAIDHYANATHPUR	6
<b>Bihar</b>	Muzaffarpur	SAHEBGANJ	BISHUNPUR KALYAN	6
<b>Bihar</b>	Muzaffarpur	SAHEBGANJ	BISHUNPUR PATTI	6
<b>Bihar</b>	Muzaffarpur	SAHEBGANJ	GAURA	6
<b>Bihar</b>	Muzaffarpur	SAHEBGANJ	GULAB PATTI	6
<b>Bihar</b>	Muzaffarpur	SAHEBGANJ	HALIMPUR	6
<b>Bihar</b>	Muzaffarpur	SAHEBGANJ	HUSSEPUR	6
<b>Bihar</b>	Muzaffarpur	Motipur	BANSGHAT	6
<b>Bihar</b>	Muzaffarpur	Motipur	BARHAMPUR KARMAN	6
<b>Bihar</b>	Muzaffarpur	Motipur	BARIYARPUR EAST	6
<b>Bihar</b>	Muzaffarpur	Motipur	BARJI	6
<b>Bihar</b>	Muzaffarpur	Motipur	HARDI	6
<b>Bihar</b>	Muzaffarpur	Motipur	FATEHAN	6
<b>Bihar</b>	Muzaffarpur	Motipur	MANGURAHAN TAJPUR	6
<b>Bihar</b>	Sheohar	Sheohar	Tajpur	6
<b>Bihar</b>	Sheohar	Sheohar	Sugiya	6
<b>Bihar</b>	Sheohar	Sheohar	Malipokharbhinda	6
<b>Bihar</b>	Sheohar	Sheohar	Chamanpur	6
<b>Bihar</b>	Sheohar	Sheohar	Sarsaula Khurd	6
<b>Bihar</b>	Sheohar	Sheohar	Khairwadar	6
<b>Bihar</b>	Sheohar	Piprahi	Belba Nakatiya Nijamat	6
<b>Bihar</b>	Sheohar	Piprahi	Amba Uttri	6
<b>Bihar</b>	Sheohar	Piprahi	Amba Kala	6
<b>Bihar</b>	Sheohar	Piprahi	Basahiya Shekh	6
<b>Bihar</b>	Sheohar	Piprahi	Piprahi	6
<b>Bihar</b>	Sheohar	Piprahi	Kuama	6
<b>Bihar</b>	Sheohar	Piprahi	Mohanpur	6
<b>Bihar</b>	Sheohar	Piprahi	Minapur Balha	6
<b>Chhattisgarh</b>	Billashpur	Billaha	Hariobara	6
<b>Chhattisgarh</b>	Billashpur	Billaha	Barawan	6
<b>Chhattisgarh</b>	Billashpur	Billaha	Basari	6
<b>Chhattisgarh</b>	Billashpur	Billaha	Bataspur	6
<b>Chhattisgarh</b>	Billashpur	Billaha	Bela Dih	6
<b>Chhattisgarh</b>	Billashpur	Billaha	Bhaiya Bigha	6
<b>Chhattisgarh</b>	Billashpur	Takhatpur	Bhalua	6
<b>Chhattisgarh</b>	Billashpur	Takhatpur	Bhanwarbar	6
<b>Chhattisgarh</b>	Billashpur	Takhatpur	Bhusia	6
<b>Chhattisgarh</b>	Billashpur	Takhatpur	Birhut	6
<b>Chhattisgarh</b>	Billashpur	Takhatpur	Sambhalpuri	6
<b>Chhattisgarh</b>	Billashpur	Takhatpur	Ghutku	6
<b>Chhattisgarh</b>	Raigarh	BaramKela	ChingriDeeh	6
<b>Chhattisgarh</b>	Raigarh	BaramKela	Lodhia	6
<b>Chhattisgarh</b>	Raigarh	BaramKela	Sariya	6
<b>Chhattisgarh</b>	Raigarh	BaramKela	Tora	6
<b>Chhattisgarh</b>	Raigarh	Dharamjaigarh	Gidhkalan	6
<b>Chhattisgarh</b>	Raigarh	Dharamjaigarh	Kumarta	6
<b>Chhattisgarh</b>	Raigarh	Dharamjaigarh	Alola	6
<b>Chhattisgarh</b>	Raigarh	Dharamjaigarh	Kapun	6
<b>Chhattisgarh</b>	Raigarh	Dharamjaigarh	Charampuri	6



State	District	Block	Village	No of SHG
<b>Chhattisgarh</b>	Raigarh	Dharamjaigarh	Bandhanpur	6
<b>Chhattisgarh</b>	Rajnandgaon	Dongargarh	Banjari	6
<b>Chhattisgarh</b>	Rajnandgaon	Dongargarh	Basantpur	6
<b>Chhattisgarh</b>	Rajnandgaon	Dongargarh	Bhaisra	6
<b>Chhattisgarh</b>	Rajnandgaon	Dongargarh	Achholi	6
<b>Chhattisgarh</b>	Rajnandgaon	Dongargarh	Aliwara	6
<b>Chhattisgarh</b>	Surguja	Lundra	Dorma	6
<b>Chhattisgarh</b>	Surguja	Lundra	Sumerpur	6
<b>Chhattisgarh</b>	Surguja	Lundra	Mohar	6
<b>Chhattisgarh</b>	Surguja	Raipur	Khukri	6
<b>Chhattisgarh</b>	Surguja	Raipur	Dhandapur	6
<b>Chhattisgarh</b>	Surguja	Raipur	Kakna	6
<b>Chhattisgarh</b>	Rajnandgaon	Dongargarh	Khalari	6
<b>Chhattisgarh</b>	Rajnandgaon	Dongargarh	Kusmi	6
<b>Chhattisgarh</b>	Rajnandgaon	Rajnandgaon	Jogidalli	6
<b>Chhattisgarh</b>	Rajnandgaon	Rajnandgaon	Padumtara	6
<b>Chhattisgarh</b>	Rajnandgaon	Rajnandgaon	Atra	6
<b>Chhattisgarh</b>	Rajnandgaon	Rajnandgaon	Badra Tola	6
<b>Chhattisgarh</b>	Rajnandgaon	Rajnandgaon	Bagdwar	6
<b>Chhattisgarh</b>	Rajnandgaon	Rajnandgaon	Bhanpuri	6
<b>Chhattisgarh</b>	Rajnandgaon	Rajnandgaon	Bendadi	6
<b>Bihar</b>	Gaya	Bodhgaya	Ehiyapur	6
<b>Bihar</b>	Gaya	Bodhgaya	Rasulganj	6
<b>Bihar</b>	Gaya	Bodhgaya	Jamari	6
<b>Bihar</b>	Gaya	Bodhgaya	Kurmawan	6
<b>Bihar</b>	Gaya	Bodhgaya	Dirawan	6
<b>Bihar</b>	Gaya	Bodhgaya	Birhut	6
<b>Bihar</b>	Gaya	Bodhgaya	Sahade Khap	6
<b>Bihar</b>	Gaya	Bodhgaya	Bagha Khap	6
<b>Bihar</b>	Gaya	Bodhgaya	Bela Dih	6
<b>Bihar</b>	Gaya	Bodhgaya	Khap	6
<b>Bihar</b>	Gaya	NAGAR BLOCK	Molwi chak	6
<b>Bihar</b>	Gaya	NAGAR BLOCK	Dumra	6
<b>Bihar</b>	Gaya	NAGAR BLOCK	Deguna	6
<b>Bihar</b>	Gaya	NAGAR BLOCK	Kesru Dharampur	6
<b>Bihar</b>	Gaya	NAGAR BLOCK	Chatarghat	6
<b>Bihar</b>	Gaya	NAGAR BLOCK	Katahra	6
<b>Bihar</b>	Gaya	NAGAR BLOCK	Lakhno	6
<b>Bihar</b>	Gaya	NAGAR BLOCK	Sadipur	6
<b>Bihar</b>	Gaya	NAGAR BLOCK	Kumar Bigha	6



## Appendix B Questionnaire

### Planning Commission, Government of India

#### SUCCESS AND FAILURE OF SHG'S IN INDIA –IMPEDIMENTS AND PARADIGM OF SUCCESS (VOLUNTARY OPERATION IN COMMUNITY AND ENVIRONMENT)

#### I- IDENTIFICATION

1. District:

2. Block: \_\_\_\_\_

3. Village: \_\_\_\_\_

4. Name of group:

5. Name of Activity: \_\_\_\_\_

6. Name of respondent / swarozgari, Designation, \_\_\_\_\_

#### II. BACKGROUND INFORMATION OF SHG

1. Month and Year of formation of the SHG:

Month: \_\_\_\_\_ Year: \_\_\_\_\_

2. Number of members in the SHG: Total: \_\_\_\_, Male: \_\_\_\_, Female: \_\_\_\_

3. Type of the SHG:

(Code: 1 – Minor irrigation SHG, 2 - Exclusively disabled persons' SHG, 3- Exclusively women's SHG, 4 – Others)

4. Educational status of members: *(Indicate Number)*

Illiterate	
Literate	
Primary	
Middle School	
Matriculate	
Plus 2	
Technically Qualified	
Graduate and Above	
<b>Total</b>	

5. Current Occupation of members:

*(Indicate Number)*



Agriculture and Related Activities	
Livestock, Forestry, etc.	
Mining and Quarrying	
Household Industry	
Other Industry	
Construction	
Trade and Commerce	
Transport, Communication, etc.	
Service	
Others (Specify)	

6. Members belonging to: (*Indicate Number*)  
1. SC: \_\_\_\_\_ 2. ST : \_\_\_\_\_ 3. Others \_\_\_\_\_ 4. Physically Challenged: \_\_\_\_\_

### III. PERCEPTION OF SHG's

#### 1. Regarding selected activities

1. Are the physical & human resources required for the selected activity is available in the village?
2. Is there any member in your SHG having following quality;  
A. leadership            B. micro planning  
C. documentation and D. critical decision making processes
3. Is there any ready made market available for your product/selected activity at;  
A. Local level            B. Regional level C. National level
4. Is there any linkages identified with marketing agencies/cooperative bodies?  
A. Yes                      B. No
5. Is there any training agency identified for the activity?  
A. Yes                      B. No  
If yes, Name of the Training Agency
6. Is there any training programme identified for the selected activity?  
A. Existing marketing potential and linkages  
B. Product development & marketing linkages

### IV. ROLE OF SHG's IN IDENTIFICATION OF ACTIVITIES

1. Does your SHG helped SGSY committee in the identification of activity?  
A. Yes                      B. No
2. If yes, Are they (SHG) provided information regarding
  - A. Existing knowledge and skill base of the persons residing in the cluster/village?
  - B. Existing level of resources/raw material in the villages
  - C. local, regional and national marketing potential
  - D. In all three mentioned above

### V. CAPACITY/SKILLS EXISTING WITH THE BENEFICIARIES

1. Does the existing group Swarozgaris are able to strengthen the organization's ability to perform specific functions  
A. Yes                      B. No
2. Is the SHG enables and stimulates their members for;
  - A. Better interaction, communication
  - B. Conflict resolution in society, and
  - C. Enhancing social capital



3. Does the existing group Swarozgaris are able to improves the;
  - A. Groups viability
  - B. Their sustainability, and
  - C. Impact in relation to its mission

#### VI. TRAINING IMPARTED

1. Did the members in your SHG undergo with orientation training programme?
  1. Yes
  - 2.No
  - 3.Not Applicable
2. Did the members in your SHG undergo any skill development training?
  1. Yes
  - 2.No
  - 3.Not Applicable
3. If yes, what type of skill development training programme organised?
  - A. Technical skill
  2. Management skill
  - 3.Not Applicable
4. In case of Technical skill development programme who was the organiser?
  1. Line departments
  - 2.NGO
  - 3.Others
5. In case of managerial skill development programme who was the organiser?
  1. Bankers
  - 2.NGO
  - 3.Others

#### VII. MARKETING SUPPORT PROVIDED

1. Does the DRDA/Administration provide any marketing support to the group?
  1. Yes,
  2. No,
  3. Not applicable
2. If yes, what kind of support is provided by the DRDA?
  1. Act as a facilitator and tie-up groups with local & outside market
  - 2.Organised Sale out let
  4. Through participating in various Exhibitions
  3. Institutional selling
  - 5.Others)

#### VIII. SCHEME PARTICULARS

1. How did the members in your SHG come to know about the scheme?  
(Use Code - Multiple answers)  
         
 (Code: 1 - Through local dailies/TV/AIR, 2 - Through Extension Officers, 3 - Gramsabha, 4 - Intermediate Panchayat/Block 5 - Gram Panchayat/Lowest elected body, 6 - DRDA/Zilla Parishad, 7 - Other Swarozgaris, 8 - Friends/Neighbours/Public figures/ Members of local bodies, 9-Others (\_\_\_\_))
2. When did you open the account in the bank? Month: \_\_\_\_\_, Year : \_\_\_\_\_
3. Where is the application form for loan submitted?   
(Code: 1 - Gram sabha, 2 - BDO's office, 3 - Bank, 4 - DRDA, 5 - Any other \_\_\_\_\_)
4. Have the SHG invested in on-farm activities?   
(Code: 1 - Yes, 2 - No)  
If 'Yes', (a) The facilities created/improved

Particulars	Approx. cost (Rs.)
Open wells	
Bore/tube wells	
Lift irrigation	
Check dams	
Pump sets	
Other lifting devices	
Others (specify)	



If 'No', type of activity your SHG is involved in   
 (Code: 1 – Buffalo rearing, 2-Poultry, 3- Piggery, 4- Tools for Handloom or handicrafts,  
 5- Tools for Carpentry/ black smithy and other vocations, 6- open a shop, 7- others  
 (\_\_\_\_\_))

6. Indicate the stages of evolution, which your SHG has undergone: (Use Tick Marks)

Stage 1	Formation, development and strengthening of the groups	
Stage 2	Capital formation through revolving fund and skill development for managing the enterprise	
Stage 3	Taking up economic activity for income generation	

6. Are the following simple basic records regularly maintained by the SHG?

(Multiple Answers – Use Code) (Code: 1 - Yes, 2 - No)

S.No	Documents	Code	S. No.	Documents	Code
1	Minutes Book		5	Bank Passbook	
2	Attendance Register		6	Individual Passbook	
3	Loan Ledger		7	Repayment Particulars	
4	Cash Book				

7. When did your SHG (after its formation) come into contact with the local bank?   
 (Code: 1 – In the first month, 2 – In the second month, 3 – In the third month, 4 – In the fourth month, 5 – After four months)

8. Did the BDO/bank officials visit the members in your SHG and explain about the opportunities for self-employment?

S.No	Officials	Use code: 1- Yes, 2-No
1	BDO	
2	Bank	

9. What is the frequency of meetings of members in your SHG? (Code: 1 - Weekly, 2 – Fortnightly, 3 – Monthly, 4 – At irregular intervals, 5- No meetings)

10. Do the members participate in the decision-making process?   
 (Code: 1 Yes, 2 No)

11. Are there thrift and credit activities in your SHG? (Code: 1 Yes, 2 No)

12 How much do they deposit in SHG on monthly basis? Rs. \_\_\_\_\_





12. Has the group developed financial management norms covering loans, sanction procedure, repayment schedule, interest rates, etc.?  
(Code: 1 - Yes, 2 - No)

14. Has revolving fund been provided to your SHG?

(Code: 1 - Yes, 2 - No)

If 'Yes',

(a) when : Month: \_\_\_\_\_ Year: \_\_\_\_\_

(b) Amount received Rs. \_\_\_\_\_

15. How was the revolving fund used? (Multiple Answers – Use Code)

(Code: 1 - Purchase of raw materials/equipments, 2 - To aid marketing/infrastructure support for income generating activities, 3 - Urgent loans to individual members, 4 - Any other (Specify)

16. Did the members in your SHG undergo any skill development training?

(Code: 1 - Yes, 2 - No, 3 - Not Applicable)

17. When did your SHG (after its formation) apply for the loan/subsidy of the scheme?

(Code: 1 - Did not apply till date, 2 - In the first three months, 3 - Between 4-6 months, 4 - Between 7-8 months, 6 - Between 8-12 months, 7- after one year)

18. Did your SHG receive loan under SGSY from bank/financial institutions?

(Code: 1 - Yes, 2 - No)

If 'Yes',

(a) When : Month: \_\_\_\_\_, Year: \_\_\_\_\_

(b) Please give the following details on Project Cost? (Rs.)

Project Cost	Loan Amount	Subsidy	Own contribution	Others (Specify)

(c) How many members in your group possess individual loan books/pass books? \_\_\_\_\_

(d) How much was your SHG's loan repayment instalment? Rs. \_\_\_\_\_

(e) What was the loan repayment period allotted to your SHG? \_\_\_\_\_ years

(f) What was the stipulated frequency of loan repayment?  
(Code: 1 - Monthly, 2 - Once in two months, 3 - Once in three months, 4 - Once in six months, 5 - Any others (specify) \_\_\_\_\_)

(g) How much amount has your SHG repaid? Rs. \_\_\_\_\_

(h) What is the loan repayment due till now? Rs. \_\_\_\_\_

(i) What is your SHG's lock in period?  
(Code: 1 - Three years, 2 - Four years, 3 - Five years, 4 - Others (specify) \_\_\_\_\_)

- (j) Did your SHG find any difficulty in getting the loan? *(Use Code)*   
*(Code: 1 - Yes, 2 - No)*
- If 'Yes' explain the type of difficulty *(Use Code - Multiple answers)*  
      
*(Code: 1- Indifferent attitude of Officials, 2- Demand for bribe,  
3- Difficulty in providing collateral security, 4- Difficulty in providing required documents,  
5- Others specify \_\_\_\_\_)*
- (k) Was any commission or bribe paid in availing the benefit?   
*Code: 1 Yes, 2 No*  
If 'Yes', specify the amount Rs. \_\_\_\_\_
19. How long have your SHG taken to acquire the asset after release of loan amount from the bank?   
*(Code: 1 – In the first month, 2 – In the second month, 3 – In the third month, 4 – In the fourth  
month, 5 – After four months, 6 – Not Applicable)*
20. Did the line depts./DRDA/bank check/verify & mark the assets created/ purchased?   
*(Code: 1 - Yes, 2 – No, 3 – Not Applicable)*
- |                  |                          |  |
|------------------|--------------------------|--|
| Line Departments | <input type="checkbox"/> |  |
| DRDA/BDO         | <input type="checkbox"/> |  |
| Bank             | <input type="checkbox"/> |  |
21. Whether the assets created/procured under the scheme are maintained properly?   
*(Code: 1 - Yes, 2 – No, 3- Not Applicable)*
22. Have your SHG done any kind of market assessment prior to starting the unit?   
*(Code: 1 - Yes, 2 – No, 3 - Not Applicable)*
23. How does your SHG market the products/ services? *(Multiple Answers – Use Code)*  
     
*(Code: 1 – On our own, 2 – Through melas/exhibitions, 3 - With the help of government departments, 4 -  
With the help of DRDA, 5 - Associated with other SHGs, 6 - With the help of NGOs/other agencies, 7 -  
Others (specify) \_\_\_\_\_)*
24. Does your SHG participate in trade fairs/exhibitions organised by governmental/ non-  
governmental agencies regularly?   
*(Code: 1 - Yes, 2 – No, 3 – Not Applicable)*
- If 'Yes', indicate the number of such functions in which your SHG has participated during 2001-  
2002: *(Number)*
25. Does your group participate in Gramshree melas/ Saras?   
*(Code: 1 - Yes, 2 – No, 3 – Not applicable)*
26. Does your SHG face problems in marketing your product/service?   
*(Code: 1 - Yes, 2 - No)*  
If 'Yes', give details \_\_\_\_\_
27. Distance to the nearest market where products are sold/service provided? \_\_\_\_\_ km
28. Is your SHG carrying out marketing related activities?   
*(Code: 1 - Yes, 2 – No, 3 – Not applicable)*
29. Is your SHG marketing products of Individual swarozgaris also?



(Code: 1 - Yes, 2 - No, 3 - Not Applicable)

30. Has your SHG received any assistance in product design/product development?

(Code: 1 - Yes, 2 - No, 3 - Not Applicable)

If 'Yes', who provided the assistance?

(Code: 1 - Rural Development Commissionerate (State level), 2 - DRDA,  
Bank, 4 - Others (specify) \_\_\_\_\_)

3 -

31. What is the current annual turnover of your SHG from SGSY activities?

Rs. \_\_\_\_\_

32. Are the assets created/procured under SGSY insured?

(Code: 1 - Yes, 2 - No)

If 'Yes', has any insurance claims on assets made so far?

(Code: 1 - Yes, 2 - No)

33. Are the members in your SHG aware of the group life insurance scheme for swarozgaris under the scheme? (Code: 1 - Yes, 2 - No)

34. Are periodic meetings organised by DRDA to give necessary guidelines in quality control? (Code: 1 - Yes, 2 - No, 3 - Not Applicable)

35. Does your SHG possess the 'Vikas Patrika'?

(Code: 1 - Yes, 2 - No, 3 - Not Applicable)

If 'Yes', is it maintained properly? (Code: 1 - Yes, 2 - No)

36. How much did your group earn from SGSY activities? (Amount in Rs.)

2004-2005	2005-2006	2006-2007

37. How much is the increment in net annual income of the group generated from the project?

Rs. \_\_\_\_\_

38. Does your SHG find any problem in managing the activities of the Group?

(Code: 1 - Yes, 2 - No)

If 'Yes', what is the nature of the problem? (Multiple Answers - Use Code)

(Code: 1 - Differences among members, 2 - Difficulties in earning the amount for repayment of loan, 3 - Operational difficulties of the enterprise (including difficulties in marketing), 4 - Delay in getting the loan amount from the bank, 5 - Non co-operation of officials/bank, 6 - Others (specify) \_\_\_\_\_)

39. Does SGSY activity help in the following? (Multiple Answers - Use Code)

(Code: 1 - A greater desire for self employment, 2 - Bring women together to work in groups, 3 - Increase in income, 4 - Increase in savings, 5 - Better health & educational facilities, 6 - Improved social prestige, 7 - Others (Specify)

Comments of the Investigator:

Date & Signature of the Investigator