

CHAPTER-I

INTRODUCTION

In India, where majority of the population live in rural areas, the development of rural economy is a must for overall economic development of the country. Poverty and inequality are the two major issues which affect the path of development of our country especially in rural areas. Poverty is a social phenomenon which deprives a section of the society to get even its basic necessities of life viz. food, shelter, drinking water and sanitation etc. When a substantial segment of a society is deprived of the minimum level of requirements and also living at a bare subsistence level, it is said to be plagued with mass poverty. The concept of poverty line is measured in terms of minimum requirement of calorie intake, annual household income and monthly per capita consumption expenditure. The Task Force on Minimum Needs and Effective Consumption Demand, constituted by the Planning Commission determined the line of poverty on the basis of per capita daily calorie intake of 2,400 for rural area and 2,100 for urban area to maintain this minimum nutritional standard. In 9th Five Year Plan, per year income level per household was fixed at Rs. 19,650, which has now increased to Rs. 44,000 for rural areas and Rs. 55,000 for urban areas. The Planning Commission also determined monthly per capita consumption expenditure at Rs. 356 and Rs. 538 for rural and urban areas respectively for maintaining the minimum nutritional standard.

The problem of poverty is more acute in the third world countries although it exists even in the developed countries of the world. In most of the developing countries like India, the poor people are disproportionately located in the rural areas and are mainly engaged in agricultural or allied rural activities. According to 2001 census, 72.6 per cent population of our country live in rural areas where many of them do not have any source of income or means of livelihood for which they are deprived of getting the benefit of basic necessities of life. Although a vast majority of rural people depend for their livelihood on farm and non-farm activities but they do not get employment opportunities throughout the year. Moreover, agriculture is seasonal and the existing farming method is also traditional, which are responsible for lowering the productivity of land and labour. Slow industrialisation is another major factor for which alternative employment opportunities can not be created for the rural people. Thus seasonality of agriculture and absence of alternative employment opportunities are the key factors for higher incidence of poverty in rural India. Besides, unchecked population growth, shortage and fragmentation of cultivated land, inequitable distribution of income and growing casual or unemployed labourforce are also liable for increase in rural poverty.

In 1973-74, there were 321.6 million people (i. e. 54.9 per cent of total population) living below the poverty line in India, which was found

to be 260 million (i. e. 26.1 per cent) during 1999-2000. In 2004-05, the absolute number of total poor stood at 302 million. It consisted of 27 per cent of total population in India and one- fourth of the total poor in the world. Table: 1.1 shows the trend of poverty in India and Assam since 1973. Thus it is found that millions of people in our country do not have sufficient food to eat, pure water to drink and shelter to live. It is also observed from the table that the rate of reduction of poverty in rural areas is slightly higher than that in urban areas. Infact, urban poverty is also a reflection of rural poverty as large number of rural poor migrates to urban areas for better wages and thus add to urban poverty.

The poverty alleviation has become one of the major objectives of Indian Planning since the inception of First Five Year Plan in 1951. Accordingly, a number of schemes and programmes have been introduced for alleviation of poverty during all the successive plan periods. The results achieved from these programmes so far are worth mentioning. The rural poverty had reduced from 56.74 per cent in 1973-74 to 37.3 per cent and 28.3 per cent in 1993-94 and 2004-05 respectively However, the estimated number of rural poor is still about 193 millions.

The Swarnajayanti Gram Swarozgar Yojana (SGSY) which is also the area of study is one of major on going programmes for poverty alleviation. The programme was introduced by the Government on 1st

April, 1999 for eradication of poverty through promotion of micro enterprises and self-employment opportunities. During the financial year 1999-2000, the Central Government had allocated Rs. 1105 crores under SGSY, which went upto Rs. 1282.65crores in 2005-06. In the year 1999-2000, the number of assisted group beneficiaries (i. e. Self-Help Groups) under SGSY was 3, 47, 912 which was increased to 5,87,555 in 2005-06. However the number of individual beneficiaries assisted under SGSY was significantly decreased from 5, 85,956 to 2, 67,285 during the same period.

In respect of Assam, during the financial year 2004-05, the Centre had allocated Rs. 7195.2 lakhs under SGSY. The amount under the same was increased to Rs. 14,390.35 lakhs during 2008-09. In the year 2004-05, the number of individual swarozgris and the total member of the SHGs assisted under SGSY were 518 and 64, 296 respectively, which were increased to 1470 and 78,049 respectively in 2007-08, and it was further increased to 2673 and 80,382 respectively in 2008-09.

In case of study district Lakhimpur, the district had received Rs.125.9 lakhs as central allocation in the year 2004-05. The number of SHGs assisted under the programme was 352. During 2008-09, the district had received central share of Rs.260.41 lakhs and thereby the financial assistance has been provided to 1116 SHG members.

Table : 1.1
Percentage of population living below the poverty line in
Assam and India

Year	Rural					Urban					Total				
	1973-74	1983	1993-94	2004-05	2007	1973-74	1983	1993-94	2004-05	2007	1973-74	1983	1993-94	2004-05	2007
India	56.4	45.6	37.3	28.3	21.1	49.2	42.2	32.4	25.7	15.1	54.9	44.8	36.0	27.5	19.3
Assam	52.65	42.60	45.0	22.3	-	36.92	21.73	7.7	3.3	-	51.21	40.47	40.9	19.7	-

Source :- Datt, R., Sundharam, KPM., Indian Economy.

1.1 Significance of the Study

Removal of poverty is one of the major issues in the context of India where 260 million people are living below the poverty line as per 2001 census. Therefore, for the removal of poverty, a number of poverty alleviation programmes like Integrated Rural Development Programme (IRDP), Development of Women and Children in Rural Areas (DWCRA),

Training of Rural Youth for Self Employment (TRYSEM), Supply of Improved Toolkits to Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY), Million Wells Scheme (MWS), National Rural Employment Programme (NREP), Rural Landless Employment Generation Programme (RLEGP), Food for Work Programme (FWP) and Prime Minister's Integrated Urban Poverty Eradication Programme were introduced in the plan periods to eradicate poverty from the country. Finally, by merging all the poverty alleviation programmes, a new programme was launched as Swarnajayanti Gram Swarozagar Yojana (SGSY) on 1st April, 1999. So, it is a time to make an analysis on the achievement of the said programme for which it was introduced.

The main objective of SGSY is to bring the assisted poor families above the poverty line within three years by promoting micro enterprises and creating self-employment opportunities and thereby generating additional income. Therefore, the present study makes an attempt to examine whether the objectives of the programme are achieved or not.

The programme of SGSY also plays an important role in social life of the poor people especially of women by enhancing the status of women as participants, decision makers and beneficiaries in the democratic, economic and cultural spheres of life. From this point of view the present topic of research is an appropriate one for the study.

In the present scenario of rural development, the evolution of the concepts of group approach and cluster approach are getting topmost priority rather than the individual approach in most of the developmental schemes implemented by the Government. Therefore, it is necessary to make a study on the performance of various group activities undertaken by different groups (i.e. Self-Help Group) and impact of these activities on social and economic life of the rural people and thereby changing the scenario of rural development. Therefore, the present topic has an importance to examine its impact on different aspects of rural development.

The success or failure of a programme can be understood through its evaluation, recommendations as well as suggestions which help for better implementation of the programme in the days to come. Moreover, no research work has been done so far on this topic especially in Lakhimpur district which also led the researcher to make a thorough study on the present topic of research.

For the researcher, who is also the resident of the area of study, and well acquainted with the progress of SGSY that has been going on, this topic of research is found to be very appropriate in the context of alleviation of poverty. In addition to that, the economic backwardness of the study district has also led the researcher to make a detail study on

SGSY in improving the economic conditions of the poor people of the district.

Thus, the present study makes an attempt to review the performance of the SGSY programme in Assam in general and Lakhimpur district in particular.

1.2 Objectives of the Study

The main objectives of the study are:

- i) To analyse the various poverty alleviation plans and programmes in India in its plan periods.
- ii) To study about the implementation of SGSY in the district of Lakhimpur.
- iii) To study the support provided by the Government and other financial institutions in implementation of SGSY in the state of Assam as well as in the study district Lakhimpur.
- iv) To make a field study for collection of primary informations from the sample beneficiaries of SGSY.
- v) To examine the performance of SGSY in terms of generation of employment, additional mandays and income to the assisted families in the study district.

- vi) To study the various problems and difficulties faced by the implementing agencies and the sample beneficiaries of SGSY.
- vii) To summarise the findings of the study and to make recommendations and suggestions for effective implementation of SGSY.

1.3 Hypotheses

Keeping in view the objectives of the present study, the following hypotheses have been framed and tested during the course of study:

- i) The programme of SGSY has been playing an important role in removal of poverty in the study area.
- ii) The programme of SGSY has enough scope for generation of additional mandays, employment and income to improve the living conditions of the poor people in the study district.
- iii) Implementing agencies as well as the beneficiaries of SGSY are facing a lot of problems in implementation of SGSY.
- iv) Better co-operation among the Government, implementing agencies, including financial institutions and public have made

a positive impact on the effective implementation of the SGSY programme.

1.4 Methodology

The present study is based mostly on primary data collected personally by the researcher. The primary data are supplemented by the data collected from the secondary sources like District National Informatics Centre, District Rural Development Agency (DRDA), Department of Economics and Statistics, Office of the Block Development Officer, Bank branches and Gram Panchayat offices etc. The primary data are collected through two types of structured questionnaires for beneficiaries and implementing agencies. For collection of primary data, the following procedure was adopted.

The Community Development Blocks are the implementing agency of SGSY programme. There are nine development blocks in the study district Lakhimpur. Out of the nine development blocks, five blocks have been selected from both the sub-divisions of district viz. North Lakhimpur and Dhakuakhana at a number of three(3) and two(2) respectively considering the number of development blocks in each sub-division. The sample blocks are selected purposively so as to adequate representation of various population groups, such as

scheduled castes, scheduled tribes and general category population in the district.

For the convenient of the study, it has been purposively decided that the study would be carried out on 200 SGSY beneficiaries of the study district Lakhimpur, which consists of 40 SGSY beneficiaries selected randomly from each of five sample blocks. These 40 SGSY beneficiaries have been selected from each sample block on the basis of the percentage wise distribution of population groups i.e. SC, ST and general population in the blocks.

Thus, out of the total 200 sample beneficiaries, 18 beneficiaries have been selected from SC community, 65 beneficiaries from ST community and 117 beneficiaries from general community. A structured questionnaire (Annexure-I) was canvassed among the sample beneficiaries for collecting the necessary information for the study.

In addition to this, the informations regarding the performance of SGSY have also been collected from the sample blocks by using structured questionnaire (Annexure-II) for implementing agency. Visit was also made to financing banks to discuss the matters related to SGSY. Before conducting the field survey, a pilot study was conducted in two development blocks by taking 20 sample beneficiaries from each

development block and accordingly questionnaire was modified for detail study. The field visit was made during September, 2009 to August, 2010.

The collection of primary data was compared with the data made available by the implementing agencies and other secondary sources. Simple statistical tools and techniques have been used to analyse the data for drawing inferences.

1.5 Concepts and Definitions

The definitions of various concepts used in the present study are given below:

(a) Self Help Group (SHG): Self-Help Group is a group of rural poor who voluntarily come together and organise themselves into a group for achieving a common objective i.e. improving the economic conditions of the members. In most cases, SHGs are constituted by persons known to one another and coming from the same village community or neighbourhood. These groups start with savings and not with credit; the group then uses it to give loans to members to meet their emergency and other needs. The members decide the amount of savings per member, maximum size of loans and mechanism for loan sanctions.

Under SGSY, an SHG may consist of 10-20 persons. In the case of minor irrigation project, this number may be a minimum of five and all the members of the group should belong to the families of below poverty line.

(b) Swarozgaris : Under Swarnajayanti Gram Swarozgar Yojana, the beneficiaries are known as Swarozgarie. The swarozgaris may be either individual or groups.

(C) Group Corpus: Group Corpus which is also known as the corpus fund, can be defined as the total amount of fund available with the SHG including of cash with the group, amount in the savings bank account, loans outstanding against the members and interest earned on the loans as well as deposits.

(d) Revolving Fund : Revolving fund is the fund available with the SHG provided by the financing banks and the implementing agency of SGSY. Revolving fund is consists of two parts of finance-one part of it is provided by the financing bank as loan and another part is back end subsidy provided by the Government under SGSY. This fund is provided to the SHGs after 1st grading for making internal lending operations among the members of the group keeping in view the objective of generating more income.

(e) Micro Enterprise: Under poverty alleviation programmes, micro enterprise may be an extremely small unit in industry; service and business organised, owned and managed by a person for survival,

growth and profit. Such an enterprise is sometimes operated by persons in groups for their survival and growth. Under self-employment programmes, micro enterprise may be defined as an enterprise deals in service and business activities where total investment (both working capital and term loan) is not more than Rs. 2 lakhs in case of an individual unit, and not more than Rs. 10 lakhs in case of partnership units.

(f) Empowerment : Empowerment is a multidimensional process, which enables the individual or a group of individuals to realize their full identity and powers in all spheres of life. It consists of greater access to knowledge and resources, greater autonomy in decision making to have greater control over the circumstances that influence their lives and free them from the shackles imposed on them by custom, belief and practice. Women empowerment means equal status, opportunity and freedom to the women for their development.

(g) Micro finance : Microfinance is a financial assistance in a small quantity provided by the financial institutions to the poor. These financial assistance may be in terms of savings, credit, insurance, leasing, money transfer, equity transaction etc. Thus, micro finance is any type of financial support provided to the customers for meeting their normal financial needs of day to day life, economic opportunity and emergency where transaction value is small and customers are poor.

(h) Micro Credit: Micro credit is the smaller amount of credit provided to the poor or needy borrower with 'collateral substitute' instead of traditional collateral and non financial services for increasing the productivity of credit.

(i) Gram Sabha: Gram sabha means a body, consisting of persons registered in the electoral rolls relating to a village comprised within the area of Gram Panchayat.

(j) Gram Panchayat : A Gram Panchayat (GP) is constituted for a group of villages consisting of a president and a good number of members depending upon the size of the population of the villages. The president and the members are elected directly by the voters of the GP area for a specific period, normally for five years.

(k) Main Workers: Main workers are those who have to work for major part of the year. In other words, the workers who are engaged in any economically productive activity for 183 days or six months or more in a year, are called main workers.

(l) Marginal Workers : Marginal workers are those who do not work for a major part of the year. That is, who work for less than 183 days or six months are known as marginal workers.

(m) Cultivator : A person is considered as cultivator if he or she is engaged either as employer, single worker or family worker in cultivation of land owned or held from government or from private

persons or institutions for payment in money, kind, share of crop. Cultivation also includes supervision or direction of cultivation.

(n) Household : A household is a group of persons who commonly live together and take their meals from a common kitchen. There may be a household of persons related by blood or a household of unrelated persons or having a mix of both.

(o) Labour Force : Persons who are either working or seeking or available for work (i.e. unemployed) during the reference period constitute the labour force.

(p) Casual Labour : A person casually engaged in other's farm or non-farm enterprises (both household and non-household) and getting in return wage according to the terms of the daily or periodic work contract is a casual labour.

(q) Manual Work : A job essentially involving physical labour is considered as manual work.

(r) Rural Labour : Manual labour, living in rural areas, working in agricultural or non-agricultural occupation, in return for wages paid either in cash or in kind (excluding exchange labour) is considered as rural labour.

(s) Underemployment : Underemployment is commonly defined as the underutilisation of labour time of the workers. Some of the persons categorised as usually employed, do not have work throughout

the year due to seasonality in work or otherwise their labour time is not fully utilized-they are therefore unemployed.

(t) Rural Labour Household : A household is classified as rural labour household if its income during the last 365 days was more from wage paid to manual labour than either from payment to non-manual employment or self-employment.

(u) Agricultural Labour Household : Household earning 50 per cent or more of their total income during the last 365 days from wage paid manual labour in agriculture are treated as agricultural labour household.

(v) Landless Household : A household having cultivated land of less than one bigha excluding home and homestead is treated as landless household.

(v) Marginal Farmer : A person with a land holding of one hectare or below is a marginal farmer. In the case of class-I irrigated land, the ceiling will be 0.5 hectare.

(w) Small Farmer : A cultivator with land holding of two hectares or below is a small farmer. Where a farmer has class -I irrigated land, as defined in the State Land Ceilings Legislation with one hectare or less, he will also be considered as small farmer. Again, where land is irrigated but not of the State Land Ceilings Legislation with one hectare or less, he will also considered as small farmer.

1.6 Review of Literature

A number of studies have been conducted on Swarnajayanti Gram Swarozgar Yojana (SGSY) and Self-Help Groups both at the national, regional, state, district, and block levels by a number of scholars, institutions or organisations in order to evaluate, examine and analyse its impact on socio-economic life of the people. Major findings of some of the important studies are reviewed below.

Archana Dwivedi in her article 'SHGs and Micro-Credit' shows that nearly seven to eight million SHGs are active in the country to serve around 70 to 80 million families. Out of these, nearly 92 percent SHGs are of women. She also found that nearly 80-85 per cent of the beneficiaries of micro credit programmes are from self-help groups. She observed that the women borrowers are not only more conscious for meeting the family needs and necessities but also they are more regular in repayment of loan installment.

According to a Mexican micro credit specialist Alphonzo Christilo, poverty eradication and capacity development have a direct and deep connection. She felt that if the Governmental efforts are limited only to extending credits through group formation, then the programme should be better called poverty promotion rather than poverty alleviation. She observed that in absence of capacity building, poor women are

incompetent to utilize the loan amount received as resource money in a positive manner. She viewed that in absence of proper capacity development in SHG programmes, the success of these programmes can not be expected.

Prof. Arjun Y. Pangannavar in his article "Self-Help Groups and Rural Poverty" was of the view that in India, the poorest among the poor are women, that is why, the women empowerment through self-help group programme (SGSY) could help to prevent the feminisation of poverty. SHGs by taking up different activities like savings, setting up of micro enterprises, credit linkage with credit institutions etc. functioning as the agent of development at the grass- root level and primary units in the development process of the country. SHGs empower women by providing them access to economic resources, enable them to participate in decision making at every level on financial and non financial issue, improve the socio-economic status and make them from housekeeper to organizer manager and decision maker. He further revealed that SHG movement which was initially started as micro finance institution movement has now taken the form of women empowerment paradigm as a group approach to eradicate rural poverty.

Dr. K. Sivachithappa in his article "Success Story- Poverty Alleviation Through Self-Help Groups", analysed three success stories

of SHG members of Mysore District promoted under SGSY, to show how SHGs can play an important role in alleviating poverty from the society. He found that before joining the SHGs their household income was much lower that they were unable to meet their day to day expenditure. Moreover, the banks were reluctant to provide loan to them individually although they approached banks for loan. But after joining the SHGs, they were able to get bank loan through group linkage which helped them to take up economic activities and thereby increased the household income.

In an article 'Economic Empowerment of Women Through SHGs', M.L Gupta and Namita Gupta are of the view that Self-Help Groups (SHGs) can be considered as one of the most significant tools to adopt participatory approach for economic empowerment of women. It is pointed out by them as an important institution for improving the life of women on various social and economic components such as health, education, human rights, water and sanitation etc.

Dr. Renu Verma in her article "Microfinance and Empowerment of Rural Women" revealed that the inability of the credit institutions to deal with credit requirements of the poor, particularly poor women in rural areas effectively had led to the emergence of the microfinance and micro credit system for the poor. In rural India, it is seen that poor section of the society can not avail the credit from banks and other

formal financial institutions due to their inability to deposit collateral security and mortgage property. Verma further revealed that the Government sponsored poverty alleviation programmes are involved centrally and planned without participation of the local people and therefore, often failed to address the needs and requirements of the poor. Thus, lack of participatory approach in planning and execution of these programmes result in complete failure to improve social and economic condition of the poor masses for whom they were evolved. She found that microfinance provided to the SHGs under SGSY helps specially one particular section of the society, i.e. poor women by providing independent sources of income outside the home, which reduces the dependency on the husband's income and makes the women a decision maker in the sphere of life.

Amarjit Kour in his research paper "Self-Help Group (SHG) and Rural Development", which was prepared on the basis of a study carried out in Marh Block of Jammu District by taking 66 respondents from 22 SHGs formed under SGSY, shows that SHGs made them self reliant and developed co-operation among the people. The study further revealed that the members of SHGs are not conscious about the bank loan and other government schemes, which are launched for their development.

An Impact Assessment Study on SGSY and JGSY was conducted in the state of Orissa covering 22 development blocks of five sample districts, namely Khurda, Nayagarh, Cuttack, Dhenkanal and Puri. It was found in the study that the information on physical achievements of SHGs was very impressive and overall performance was rated "good". The physical achievement in coverage of individual swarozgaris under SGSY in Dhenkanal and Puri district during 1999-2000 was very good. Regarding the organization of Basic Orientation Training Programmes under SGSY, in the sample districts, it was observed that State Institute of Rural Development (SIRD) and National Institute of Rural Development (NIRD) had organised training programmes for office personnel to enhance their efficiency. The study revealed that the SGSY training programme was very useful and there was marked improvement in the level of knowledge, skills, interest and confidence of the office personnel while dealing with the aspects of implementation of SGSY.

S.P Singh in his research paper 'Promoting Group Entrepreneurship for Rural Industrialization', is of the view that agriculture can not provide gainful employment to the entire rural workforce. Singh pointed out that all of the earlier rural self-employment schemes had laid more emphasis on poverty alleviation rather than creation of income and wealth on sustainable basis. He identified

mainly three sectors namely, i) services (hotels and dhabas, transport and communication, repairs shops, tailoring and hair cutting, cobblers etc.), ii) trade and commerce (wood, iron, cloth, grocery shops and medical store) and iii) manufacturing (shoe making, farm implements, soap making, rice mill sugar and khansari, fruits and vegetable processing units etc.) as viable areas to generate more employment opportunities in the rural non farm sector.

A study was carried out by the Ministry of Rural Development, Government of India, in the states of Maharashtra and Uttar Pradesh to assess the performance of Swarnajayanti Gram Swarozgar Yojana (SGSY) in the year 2002. The study found that subsidy credit ratio in Maharashtra was poor and could not achieve the prescribed target of 1:3 by the DRDAs except one, i.e. Ahmednagar, which was close to state average of 1:1.98. Regarding the working of the SHGs, the study showed that in most of the districts, poor persons were taking interest to form SHGs. It was observed in the study that in some cases, like carpet-weaving swarozgaris (beneficiary of SGSY), they had to arrange the raw materials and sell their product in the market by themselves. In addition to this, many swarozgaris were not informed about repayment schedule even after final sanction of loan. Yet, the study revealed that the activities taken under SGSY or SHG approach improved the level of income of the swarozgaris and thereby changing the economic condition of many poor people in the state.

In the state of Uttar Pradesh, the Centre had allocated Rs. 105.09 crores under SGSY in 2001-02 and out of which the state could draw only 63.16 crores for the said programme. The study revealed that some of the DRDAs could not draw the sanctioned amount and 54 number of DRDAs were able to draw only 1st installment, which was a matter of great concern. The utilization of funds to the total available funds was not found to be satisfactory. i.e. only 58.9 per cent at the state level. Even, some DRDAs could not utilise 50 per cent of the available funds.

The study showed that in Jaunpur district, where 1.50 lakh people were living below poverty line, the formation of SHGs was yet to take a momentum. In many of the villages SHGs were not formed where even 50 per cent families are living below the poverty line. The study revealed that the pace of 2nd grading and subsequent starting of economic activities were very slow. A rough calculation has showed that if the progress takes place in that manner, 500 years would be required to eradicate poverty from the district. Another important aspect observed in the study was that bank officials were reluctant to co-operate with the SHGs. In most of the cases the banks adopted dilly-dally technique for releasing CCL. Thus SGSY was not successfully

implemented in the districts due to non-co- operation of the financing banks.

In 2003, the Reserve Bank of India conducted a quick study throughout the country on the issue of gap between sanction and disbursement of loans under SGSY. The study had been conducted through Regional Offices of RBI of Chandigarh, Chennai, Guwahati, Kolkata, Luknow, Patna, Mumbai and Thiruvanthapuram to ascertain the reasons for pendency of applications at bank branch level and the reasons for the gap between the sanction and disbursement of loans. The study was geographically spread across 14 states including the seven North Eastern States, covering 35 districts and 144 rural and semi-urban branches of commercial banks. It covered the target group comprised of 282 SHGs and 577 individual beneficiaries financed under SGSY. The study revealed that non-receipt of subsidy or delay in receipt of subsidy from DRDA (forming 60 per cent and 40 per cent of the pending applications pertaining to group and individuals respectively), was one of the important reasons for the inordinate delay in disbursement of loans under SGSY. It was observed that banks and sponsoring agencies did not follow the guidelines issued by Government of India/RBI in implementation of scheme. In addition to this, lack of co-ordination between bank and Govt. agencies was hampering the smooth implementation of the scheme. Delay in grading

system, delay to fulfill the various formalities in the loan proposals, lack of awareness of dealing staff about the guidelines of the scheme and lack of commitment, enthusiasm and participation on the part of banks were identified as main reasons by the study, for delay in sanction and disbursement of loans under SGSY. It was also observed in the study that most of the assisted group members and individuals were not aware of implementation of SGSY.

Regional Development Centre (North Eastern Region) of SIDBI, (2004), conducted a study in seven Rural Industry Programme implemented districts of the North Eastern Region on the support provided by the banking sector to rural enterprises. The study revealed that banks are in search of credit opportunities but they do not get worthwhile proposals to finance. The individual bank branch can not lend beyond the target as fixed by annual credit plan. Moreover, the branch managers have not been delegated adequate sanctioning power for clearing the loan proposals received by them within a short period as it required to refer the cases to the regional, zonal or local head office for taking the final decision.

A study was conducted by National Institute of Rural Development Hyderabad,(2007) under the supervision of Prof. Chatterjee in Sitapur District of Uttar Pradesh, Ramgarh district of Jharkhand, Howrah district of West Bangal and Alwar district of

Rajasthan on the implementation of SGSY. The study revealed that bank credit is an important component of SGSY. It was found in the study that credit disbursed in Uttar Pradesh, Jharkhand, and West Bengal during 2006-07 were 81,49 and 17 per cent respectively. Against this back drop achievement, it was 316 per cent in Andhra Pradesh and 147 per cent in Rajasthan.

In Uttar Pradesh, the study was carried out in Debiapur village of Sidhauri block where poor people of the village had some skill in designing of clothes preferred to do 'Chikan works'. The 62 families in the village formed six SHGs and all of them were involved in 'Chikan Works' The 62 families in the village formed 6 SHGs and all of them were involved in that particular work. A thorough study was conducted on one SHG who after Grade-I got Rs.25,000 as cash credit loan and revolving fund assistance; and after getting Grade-II, the SHG got Rs.2.0 lakh with Rs. 1 lakh as back end subsidy and same as loan component under SGSY. It was found in the study that the loan and subsidy received under SGSY helped the SHG members to expand their business and enabled them to earn higher income than before.

In the state of Jharkhand while a study was carried out on one SHG formed by 15 women members of Chitarpur village of Ramgarh block, Ramgarh district, it was observed that after Second Grading, 2.50

lakh was provided to the SHG as a bank loan subsidy on 50:50 basis under SGSY, which was invested by the members for the development of agriculture in their 2.75 acres of land. They started to produce crops on informal co-operative basis by using HYV seeds, fertilizers pesticides etc. They could harvest three types crops in a year, which inter alia, included different type of vegetables, paddy, maize, chilly etc. The study revealed that in addition to the agricultural activity the SHG members were also involved in animal husbandry activities like dairy, goatery, poultry and piggery which also gave some amount of income to them.

In the state of West Bengal, the study was conducted on an SHG (Aparajita) located at Mohiary-2 village of Domjur Block in Howrah district. It was found that the SHG after 1st grading received a sum of Rs. 22,000 (Revolving fund of Rs.5000 and Rs. 17,000 as CCL) under SGSY which helped the SHG members to expand their business to some extent. After 2nd grading, a sum of Rs. 1,0,975 lakh was provided to the SHG, Rs.9750 as subsidy to take up economic activities. It was found that the whole amount of money was invested in expanding their running business and increased their level of income than before.

In Rajasthan, a depth study was carried out on an SHG (Laxmi) formed by 10 poor women in Ramsinghpara village of Rajgarh Block of Alwar district. It was observed in the study that before getting assistance under SGSY the SHG was functioning for nine years and

therefore instead of assisting the SHG with CCL and revolving fund, the SHG was directly brought under 2nd grading and a sum of Rs. 4.16 lakh was (Rs.1 lakh subsidy) provided to take up economic activities. With this received amount of money, each SHG member purchased two buffaloes and they were fully involved in the dairy activity. Marketing of milk was not a problem for them, because milk was collected by a dairy unit. The study revealed that the SHG fully repaid the bank loan during the period of study and each SHG member was earning in the range of Rs. 1500 and Rs. 1700 per month.

The Programme Evaluation Organisation (PEO) of the Planning Commission conducted an evaluation study on Swarnajayanti Gram Swarozgar Yojana (SGSY) in jammu and Kashmir in 2009 to assess the physical and financial progress of the programme. The study was carried out in four districts viz. Anantang, Kupwara, Doda and Rajouri, and 5-7 villages were selected randomly from two development blocks of each sample district for the study. The study revealed that the SGSY was implemented in all the districts of Jammu and Kashmir more or less as per the guidelines of the scheme. It was observed that on an average Rs. 800-900 lakhs were made available to the state annually during 2001-07 for the implantation of SGSY. The utilization of funds by the state was found within the range from a maximum of 85 per cent in 2004-05 to a minimum of 73 per cent in 2003-04.

The study showed that a total 7,622 number of SHGs were formed in the state during 2001-07. Majority of SHGs were formed in the initial years of the implementation of SGSY. The study further revealed that no steps had been taken by the implementing agency to upgrade the technology of production of the swarozgaris. In addition to this, it was found in the study that proper marketing linkage was not provided to the SHGs. Lack of commitment of the officials and illiteracy of rural women were some of the reasons for poor performance of SGSY in the state.

B. Vijayachandran Pillai and Harikumar conducted a survey among few SHGs functioning in the state of Kerala which were assisted under SGSY, to find out the problems and difficulties faced by the SHGs. The main problems faced by the SHGs as identified by the survey are ignorance of the members about the scheme, inadequate training facility, high cost of raw materials, instability of the SHG, domination of strong members and problem of marketing the products. Some other problems faced by the SHGs in smooth functioning of the units as reported by the SHGs were low return on investment inadequate financial assistance, non-co-operative attitude of the financial institutions and inadequate support from other line departments etc.

C. Gangaiah, B. Nagaraja and C. Vasudevulu Naidu conducted a study on 17 SHGs formed by an NGO in Chittoor District of Andhra Pradesh, to assess the impact of SHGs on income and employment generation and to appraise the performance of SHGs on alleviating rural poverty. They viewed that poverty continues to be a serious problem in both rural and urban India and its intensity varies widely across the state of our country. In this context, by adopting the 'Self-Help Group' strategy, the excluded and neglected women can be brought into mainstream of economic development through saving-investment-employment and income generation strategy. The study also revealed that the micro finance provided by SHGs under SGSY was much productive and had a favourable effect on employment and income generation.

Joseph Lalrianliana and Easwaran Kanagraj conducted a study in two villages of Aizawal district of Mizoram to assess the levels of member's participation in SHGs, the member's perception on the cohesion of SHGs and to identify the constraints in the functioning of SHGs in Mizoram. They found in their study that except one SHG (out of five SHGs) assisted under SGSY majority of the respondents were aged between 40 and 60 years and of the five SHGs, only one was women SHG and one women member was found in two SHGs, which reflects the patriarchal nature of Mizo society. It also shows the

restriction to entry of women in entering into the public sphere. The study revealed that the primary occupation of all the respondents was agriculture and more than two thirds of the respondent as a whole had no secondary occupation (agricultural labour, petty trade, piggery, dairy, farming etc.) at all. The study showed that there was no significant difference in the perception of the members on the impact of SGHs on tribal development. The study found that lack of Government attention was first and foremost problem faced by the respondents as 39 per cent respondents reported this problem. In addition to this, high rate of interest, delay in releasing the loans by banks, inadequacy of loan amount to take up economic activity, inability to repay the loan high price of raw materials and problem of marketing were some major problems as faced by the respondents in implementation of SGSY.

M. Soundarapandian carried out a study in Madurai District of Tamilnadu to focus the performance and achievements of the SHGs in terms of generation of employment and income through the development of rural enterprises. The study covered 30 women SHGs assisted under SGSY functioning in 20 villages in Madurai District. The study showed that most of the SHGs were involved in running the business of cooking powder preparation, tailoring and type writing, milch animals and fair price shops for generation of employment and income.

A study was conducted by P. Longanathan and R. Asokan to analyse the regional development of micro credit programmes under SHGs (SGSY) and interregional performance of SHGs in terms of their total number, level of credit and per SHG credit. The study revealed that there was vast credit variation among the states and among the regions. The study revealed that SHGs had provided sufficient amount of credit to their members, promoted savings, reduced dependence on money lenders, increased involvement of SHGs in economic activities, improved the economic conditions of the group members, brought about social upheaval through collective work and above all empowered rural women.

Ritu Jain, R.K Khuswaha and A.K Srivastava conducted a study in Kanpur Dehat District of Kanpur to assess the operational mechanism of SHGs which were promoted under SGSY and to study the impact of SHGs on socio economic status, covering 25 villages of five development blocks of the district by taking one SHG from each sample village. The study observed that social mobilisation through self-help group was inevitable for economic empowerment and poverty alleviation. They observed that SHGs could provide economic benefit in certain areas of production process by undertaking common action programme like cost effective credit delivery generation a forum for collective learning with rural people, promoting democratic culture,

providing a firm base for dialogue and co-operation in programmes with other institutions possessing creditability and power to ensure participation and helping to assess an individual member's management capacity. While studying the socio-economic status of the SHG members and non-members, it was observed in the study that the quantum of total SHG members had increased their level of education than those of non-SHG members. The SHG members had higher housing facility than the non-SHG members, and family pattern of both SHG members and non-SHG members was found to be similar.

T.Ramchandran and S. Balakrishnan conducted a study to examine the pre and the post-SHG status of the SHG members and to find out the impact of SHGs in empowering women by taking 120 sample beneficiaries from 120 SHGs (which were formed under SGSY programme) from 12 villages of five development blocks of Kanyakumari District. The study revealed that 34.17 per cent SHG members had not occupation in the pre SHG stage, whereas in the post-SHG stage, none of the SHG members was found without occupation. The study further observed that the development of saving habits was the major benefit received by the SHG members which made them able to contribute towards the family income, in addition to giving them knowledge of the banking operations, better leadership and communication skills, taking decision in community, village and in household and thereby improving the status of the members.⁴⁰

1.7 Limitation of the Study

The present study has been conducted in the Lakhimpur District of Assam covering both two sub-divisions of the district i.e. North Lakhimpur and Dhakuakhana. The area has been chosen deliberately because no such studies have been conducted in the district till now. As a part of research work, collection of the data is inevitably a duty for the research to test the hypotheses as well as for presentation of data for drawing inferences. Since the data have been collected from both primary and secondary sources. so there must be certain differences between the field data and available data which indicates the limitation of the study. During the period of field survey, it was observed that although the assisted SGSY beneficiaries had group records on earning, spending and borrowing, but they did not maintain any of its own record individually. The beneficiaries did not maintain any individual record relating to their own investment on the SGSY activity, total annual expenditure, total annual income, generation of additional mandays and interest paid on the loan amount etc. Moreover, some of the beneficiaries were reluctant to provide actual information due to diversion of SGSY fund from the SGSY activity to some other activities. In addition, the informations collected from the implementing agency of SGSY also reveal some differences between the paper work and the field work. Thus, the limitation arises in carrying out the research work

which restricts the researcher's analysis. However, the performance of the implementing agencies and assisted families under SGSY have been examined considering these limitations.

For making an in depth study, facts and figures related to the performance of SGSY programme have covered for last ten years i.e facts and figures form 1999 to 2009 have been taken into consideration. However, the informations from the assisted SGSY beneficiaries have been collected for the reference period of 2008-09 and 2009-10 to analyse the impact of the programme.

1.8 Chapterisation

The entire research work has been divided into Eight Chapters along with paraphernalia's like tables, map, annexure etc. for convenient and better understanding. Utmost care has been taken to present each and detail pertaining to the scheme and also most importantly the views of the beneficiaries and implementing agencies who are the key persons and agencies for highlighting the failures and successes of the prrogramme. The chapter plans for the entire research work has been designed with a view to provide detail informations on the present study. The chapterisation of the present study has been arranged in the following manner:

Chapter-I named as introduction chapter, includes significance of the study, objectives of the study, hypotheses, methodology, review of literature, concepts and definitions used in the study and the limitation of the study.

Chapter-II gives a brief outline of the study district Lakhimpur eliciting the geographical location, river system, climate, population, agriculture, industry, transport and communication, forest resources, sericulture and education etc.

Chapter-III deals with a detail overview of the major poverty alleviation programmes implemented by the Government of India during the planning era. It is to be mentioned that the Government has introduced a number of poverty alleviation programmes like IRDP, DWCRA, SGRY, JGSY, and IAY etc. for improving the living conditions of the poor people in the country.

Chapter-IV analyses the genesis of Swarnajayanti Gram Swarozgar Yojana (SGSY) as a poverty alleviation programme including the target group, objectives and features of the programme and different formalities for getting assistance under the same.

Chapter-V deals with the performance of SGSY in the study district Lakhimpur as well as in Assam in terms of financial support and formation of SHGs under the programme. It also includes the banking support in implementation of SGSY.

Chapter-VI is based on the field survey on 200 sample beneficiaries of SGSY in the study district Lakhimpur. It includes about the impact of the programme in terms of generation of employment, additional mandays, and income of the poor assisted families and adequacy of financial support under SGSY programme. It also includes different activities undertaken by the swarozgaris in the district along with the type and pattern of investment for the same.

Chapter-VII deals with the problems and difficulties faced by the beneficiaries and implementing agencies in implementation of SGSY programme in Lakhimpur district.

Chapter VIII deals with the findings of the study and personal observation and conclusion with some suggestions for better implementation of the programme.

