



AN IMPORTANT COMPONENT OF THE ANTI-POVERTY PROGRAMME, SWARNJAYANTI GRAM SWAROZGAR YOJANA (SGSY)

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Abstract

Swarnajayanti Gram Swarozgar Yojana (SGSY) is an initiative launched by the Government of India to provide sustainable income to poorest of the poor people living in rural & urban areas of the country to provide self-employment to millions of villagers. Which families living below the poverty line were organized into Self-help groups established with a mixture of government subsidy and credit from investment banks. The scheme recommended the establishment of activity clusters or clusters of villagers grouped together based on their skills and abilities.

Key words: Swarnjayanti, Gram, Swarozgar, Yojana, Poverty, Anti-poverty, Poverty Eradication Programme

Introduction

Programme for self-employment of the poor has been an important component of the anti-poverty programmes implemented through government initiatives in the rural areas of India. Presently Swarnjayanti Gram Swarozgar Yojana (SGSY) is the major on-going programme for the self-employment of rural poor at present. The programme was started with effect from 1st April 1999 after review and restructuring of erstwhile Integrated Rural Development Programme (IRDP) and allied programmes namely Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Toolkits in Rural Areas (SITRA) and Ganga Kalyan Yojana (GKY), besides Million Wells Scheme (MWS). The earlier programmes are no more in operation with the launching of the SGSY. The basic 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. In India, being a developing nation, has approx. 26.1% is below poverty line of its total population of 102.7 crores (Bori, 2014). 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.

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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 in to Self Help Groups (SHGs) and their capacity building, training, selection of key activities, planning of activity clusters, infrastructure build up, technology and marketing support.

Social Mobilisation of the poor

A major shift of the SGSY from the erstwhile programmes is in terms of its emphasis on social mobilization of the poor. The programme focusses 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 participate fully and directly and take decisions on all issues that will enable them to cross the poverty line. An 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, disabled person and in difficult areas *i.e.* hills, deserts and sparsely populated areas, the number of persons in a group may range from 5-20. However, if

necessary 20% and in exceptional cases upto 30% of the members in a group may be from APL; (marginally above the poverty line and residing continuously with BPL families) if agreed to by BPL members of the group. Efforts have to be made to involve women members in each SHG. 50% of Self-Help Groups in each block should be exclusively for women. Group activities are to be given preference and progressively, majority of the funding should be for Self-Help Groups.

Activity Clusters

Planning and Selection

The SGSY emphasizes assistance to the Swarozgaris for those activities which have been identified and selected as key activity in terms of their economic viability in the area. Each Block may select about 10 key activities but focus should be 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.

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 delay in sanctioning of loans and to 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 scale production can be reaped. It is desired that a major share of the assistance to be provided under the SGSY should be for activity clusters.

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.

Financial Assistance

Assistance under the SGSY to individual swarozgaris or Self Help Groups is given in the form of subsidy by the government and credit by the banks. 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 post-credit monitoring including loan recovery. The SGSY also seeks to promote multiple credits 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 increasing credit intake over the years.

Subsidy under the SGSY to individuals is uniform at 30% of the project cost subject to a maximum of ₹ 7500/-. In respect of SCs/STs and disabled persons the subsidy is 50% of the project cost subject to a maximum of ₹ 10,000/-. For groups of swarozgaris, the subsidy is 50% of the cost of the scheme, subject to per capita subsidy of ₹ 10,000/- or ₹ 1.25 lakh whichever is less. There is no monetary limit on subsidy for irrigation projects. Subsidy is back ended.

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 of training and the training curriculum is tailored to meet the needs of the identified key activities. The DRDAs will be entitled to meet the expenses, incurred by the training institutions for both Basic Orientation and Skill Development Training from out of the SGSY funds. However, the total expenditure on Basic Orientation and Skill Development Training will not exceed ₹ 5,000/per trainee. Duration of skill development will be decided by the State Government depending upon the activities and skill level of swarozgaris.

Infrastructure Development

The SGSY provides for review of existing infrastructure for the cluster of activities and identification of gaps. Critical gaps in investments have to be met from the funds available under the SGSY programme infrastructure, subject to a ceiling of 20% of the annual allocation made under the scheme for each district.

Marketing and Technology Support

The 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 local and non-local market. The SGSY provides for promotion of marketing of the goods produced by the swarozgaris by organizing exhibitions/ melas at District/State/ National/International levels for exhibition and sale of 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. DRDAs could spend upto ₹5.00 lakh per annum for management of professional input related to identification of viable activities, preparation of projects for product & design development, value addition, packaging etc.

Implementing Agencies

The 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).

Funding Pattern

The Swarnjayanti Gram Swarozgar Yojana (SGSY) is financed on 75:25 cost sharing basis between the Centre and the States.

Monitoring

A comprehensive system of monitoring has been adopted under the 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 the SGSY. At the state level, a State Level Coordination Committee (SLCC) monitors the programme. In addition, the progress under the SGSY is monitored periodically 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.

Conclusion

SGSY impart is to uplift the living standard of poor people living in villages of the country, but its success is not only depended on its announcement its needs mass mobilization of its benefits among the poorest people of the villages, so that they could understand its utility in their own family life. It is duty of the agency which is deputed to implement the scheme in the villages among the needful people and convince them of its future impacts in their income as well as self-employment by providing them financial help honestly.

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