Chapter IV

OBJECTS AND IMPORTANCE OF
SWARNAJAYANTI GRAM SWAROZGAR YOJANA

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4.01 INTRODUCTION:

India is the country of villages and 70% of Indian population resides in the villages. To develop the country there is no other way other than developing the rural population develops the country. Every rural person should get his employment in his village. India is the agriculture oriented country. The farmer in the country worship motherland with his work and provides food for the country. Basic facilities like education, health and sanitations should have to available for the rural population. The nature is the origin of rural development and it should have to be preserved to bring about development and well being of rural population. The needs of rural peoples should have to be complied in the villages itself.

The development of villages was not a preference point after the achievement of independence. The rural population was totally paralysed when the British rulers left the country. They were freed from Agricultural Taxes and Uncomfortable Trading Policies of British. The schemes of our Government were oriented to ignore the rural population. The policy of rural development was oriented to
promote the civilization and was mean to kill the rural enterprises. As the result villages were stayed on back foot in the development while the cities were grown steadily. Schemes were formed setting the centre point of cities and rural population was deprived of employment which compelled them to run for the cities and now the situation became worst of the both ends.

The bill of 74th Constitutional amendment was introduced in Loksabha in 1992 which was passed in 1994. According to 73rd constitutional amendment it was decided to delegate the powers at district level, middle level and village level in the Panchayat Raj. There is needed to form a clear policy indicating the expenditure of rural and urban development separately. While implementing economical development schemes in the 11th schedule, Gram Panchayats will conferred the rights. Development in health, education, employment and agriculture in rural areas should be achieved.

The exact steps that not taken on exact time causes to block up all the processes. Same experiences are realized in agricultural field. It is true that India has realized
Haritkranti but it has not brought a change in the life of minor land holders, non irrigated agriculturists and labours. Basically Indian economy is depend largly on the huge population. 70 percent of the total population depend on the agriculture. The population of developed countries like US, Germany and Japan is merely 3 percent to 6 percent which depends on the agriculture. China – a leading country in growth population has formed strict policies for the farming. It has initiated various schemes for the rural population. China has implemented the policies to export the processed product in agriculture on international level. The same revolution should have to be followed for our country. In this venture female saving groups and youth power in the rural areas should have to be utilized. Rural trade centres should have to be initiated which is the demand of prevailing time.

Our agriculture field is caught in the whims of adverse situations. Farmers in the country bring the production even facing all odds in the system but it is not guaranteed that he will get the determined market prices in his pocket. He has no proper storage and processing facilities as well as
there are many household demands. To eradicate whole scenario above many small industries for the processing of agriculture produce on the rural level can be raised. The venture to raise these small industries should be delegated to women saving groups. Mentality of women saving groups should have to be created in these views. The concerned saving groups must to be assisted by Banks with no profit view. Rural trade centres can be raised only with such steps and the poverty and unemployment in the country can be removed. On the other hand it will also help the growing and unplanned cities. The rural youth has no opportunities of employment on rural level so he runs towards the cities. Villages have been deserted and the problems of unemployment are on the both ends as discussed earlier. This situation needs to be changed. Generation of employment through the saving groups should have to rise on the rural level. There is no aim that could not be achieved but all including saving groups should adopt positive approach. The policies of Banks are very significant in this view. Besides local bodies like Zilla Parishad, Panchayat Samitis and Gram Panchayats should accept the
risks. To grow the movement of Saving Groups, we all need to work with concentrated effort. This is an opportunity raised in present times.

The speedy life in present times is the result of inventions in the science. Science has stepped in the 21st century with new hopes, new passions and imaginations. The person who runs with time is the winner. But we have one section of society which is not changed since the years, besides many efforts. Many schemes were successfully implemented but this section has not realized any change or development. Government is constantly attempting for the development of this section. Those areas—

1. Besides, there are governmental initiatives on grand scale; the change in the targeted population is awaited. In past decades, India has increasing proportion of poverty besides its various schemes. The constant efforts to strengthen the poverty eradication programs have decreased the poor population of 56.44 percent in 1973-74 up to 37.27 percent in 1993-1994 though the population poor remained unchanged which rounds about 244 Million. It is not very difficult to find the
reasoning of affect caused on the economy of the country by such a huge population. It is urgent demand to bring a change in the situation. On this background employment program carry a significant importance. These programs can provide permanent employment for rural population.

2. Integrated Rural Development Scheme was an exclusive employment program. In the beginning it only aim towards training of rural peoples for self employment and till date many programs like women and child development, providing modified equipments to rural artisans and Ganga Kalyan Yojana (GKY) have been added to this program. The constantly growing programs are approached with a view of separate program for each which resulted in lack of proper social arbitration, lack of bridging expected chains and achieving individual aims ignoring the generation of permanent income. Government has decided to change the form of self employment programs and as the prelude of 21st Century government has launched “Swarna Jayanti Gram Swarojgar Yojana (SGSY)” since
1st April 1999. This program is all encompassing venture which includes many phases like organizing poor in self help groups, extending credit loans, technology, infrastructural facilities and marketing. Centre and State provides funds in the ratio of 75:25 for Gram Swarojgar Yojana.

It will be an aim to bring the poor above poverty line with adding bank’s credit and government funds to make a provision of permanent income generating properties. This meant that each family will get an assured income of Rs. 2000 per month. According to the availability of funds 30 percent poor households in each group should be included.

**Objective:**

Government has launched Swarna Jayanti Gram Swarojgar Yojana since 1st April 1999. The significant objective of bringing 30 percent poor household above poverty line is projected for forthcoming 5 years. The beneficiaries under the schemes are termed as “Swarojgaris.” It is expected that each Swarojgari will get assured income of Rs.2000 from the 3rd year. The program
is formed with the view of utilizing embodied skills and capacities of rural poor by strengthening and promoting the same. The main focus should be concentrated on the rural poor. 50 percent of the Swarojgaris will be from SC and ST and 40 percent women while 3 percent disable persons.\textsuperscript{01}

1. Mean of Livelihood: It is the aim of Swarna Jayanti Gram Swarojgar Yojana to make a provision of small enterprises for poor population below poverty line by financial assistance and bring all of them above the line in 3 years.

2. Earning Own Employment: Prior schemes were had a object to extend various schemes for peoples below poverty line but this scheme will not only benefit them but also help them to earn employment.

3. Achieving Stability: Swarna Jayanti Gram Swarojgar Yojana has been formed with all encompassing approach to small enterprises and various sides of self employment. The qualified Swarojgaris below the poverty line are inspired to start their own business with required approval for the loans by banks to achieve stability.
4. Cease of Migration: The main business of rural population below poverty line is farming activities and labouring works. Labouring and agricultural activities won’t last for 12 months as a result rural poor are compelled to migrate. Beside migration expected earning is not assured. While migrating family is dismantled. Vital issues like local skill, resources and market are made available, so need of migration is ceased to exist.

5. Relaxed Fund Limit: Under Swarna Jayanti Gram Swarojgar Yojana, there will be 30 percent all encompassing subsidy of the project cost subject to Rs. 7500/-. For SC & ST same limit will be 50 percent of the project cost subjected to Rs. 10000/-. Agricultural irrigation project would have no limit for assistance, 3 percent or 5 percent of the project cost will be assisted. Under this scheme subject to Rs. 1, 25000 or 50 percent of the project cost financial assistance is admissible.
What is Swarna Jayanti Gram Swarojgar Yojana (SGSY)?

1. Swarna Jayanti Gram Swarojgar Yojana is the scheme which increases the income of micro enterprises in rural areas.

2. Creation of Business Oriented Group: Availing facilities by creating 4-5 groups in specific business for technical knowledge and market.

3. Arranging working capital and loans from Banks to run a business.

4. Preparing project report for due assistance.

5. Projected Sections under SGSY:
   a. Households below poverty line having own property and willing to increase their productivity. Those having skills and lack of property, upgrading their skills.

6. Participation of Banks and concerned administrative departments is must.

7. Providing repeated loans according to requirement & project report.

8. Insist on market & support of technology
9. The last objective is to get minimum income of Rs.2000/- with realization of loan in 2 to 3 years.

10. Insist of recovery of loan.

The swarnjayanti gram swarojgar yojana (SGSY) is a major on-going programme for the self-employment of rural poor. The programme was started from 10.04.1999 after restructuring the erstwhile Integrated Rural Development programme (IRDP) and its allied programme: 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 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 bank credit and government subsidy. The programme aims at establishing a large number of micro enterprises in rural areas based on ability of the poor and potential of each area.
The Swarjayanti Gram Swarozgar Yojana (SGSY) is financed on 75:25 costs sharing basic between the Center and the States.

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. organization 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.

A major shift of the SGSY from the erstwhile programmes is in terms of its emphasis on social mobilization of the poor. The programme focuses on organization of the poor at grassroots level through a process of social mobilization for poverty eradication. Social mobilization enables the poor to build their own organization into 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 person should not be a member of more than one group one group. In the case of minor irrigation schemes, disabled persons, and in difficult areas i.e. hills, deserts and sparsely populated areas, the number of person in group may range from 5-20. However, If necessary 20 percent and in exceptional cases up to 30 percent of the members in a group may be from Above Poverty Line; (marginally above the poverty line and residing contiguously with BPL families) if agreed to by BPL members of the group. Efforts have been made to involve women members in each SHG. 50 percent of self-Help Group in each block should be given preference and progressively majority of the funding should be of Self-Help Groups.02

4.02 ACTIVITY CLUSTERS – PLANNING AND SELECTION:

The objective of the Swarnjayanti Gram Swarojgar Yojana is to bring the assisted poor families (Swarozgaries) above the Poverty Line by ensuring appreciable sustained level of income over a period of time. This objective is to be
achieved by inter alia organizing the rural poor into Self Help Groups (SHGs) through the process of social mobilization, their training and capacity building and provision of income generating assets. The SHG approach helps the poor to build their self-confidence through community action. Interactions in group meetings and collective decision making enable them identification and prioritization of their needs and resources. This process would ultimately lead to the strengthening and socio-economic empowerment of the rural poor as well as improve their collective bargaining power.

The poverty line varies from state to state. As per the (1999-2000) estimates of the Planning Commission, the poverty line in terms of per capita consume expenditure per month in the rural areas varies from Rs.262.94 in Andhra Pradesh to Rs.367.45 in Himachal Pradesh. The State specific, Poverty lines (1999-2000) in terms of per capita expenditure per month is furnished.

Swarnajayanti Gram Swarozgar Yojana lays stress on the cluster approach. This means, instead of funding diverse activities, each block should concentrate on a few
select activities (key activities) and attend to all aspects of these activities; the Swarozgaris can draw sustainable incomes from their investments. These key activities should preferably be taken up in clusters so that the backward and forward linkages can effectively establish. This would facilitate not only monitoring but more importantly revision of various services required by the Swarozgaris.

4.2.1 Selection of Key Activities:

The SGSY emphasizes assistance to the Swarozgaris for those activities, which have been identified and selected as key activities in term of their economic viability in the area. Each Block may select about 10 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.

Block Level SGSY Committees are mainly responsible for key activities which should be done through participative approach selection of key activity should be done in consultation with Banks, industrial / technical Organization, local khadi and village industries, officials and
district industry center. The selected key activities are to be recommended by Panchyat Samiti and finally to be approved by District Level SGSY Committee any new activity can be added to list of key activity by the District Level SGSY Committee but ordinarily selected key activities should not exceed 10 in a block.

4.03 PROJECT APPROACH:

The Swarnajayanti Gram Swarozgar Yojana adopts a project approach for each key Activity. Project Report is to be prepared in respect of each identified key Activity. The banks and financial institution 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. Project report should include all aspects like level of investment required at Swarozgaris level, economy of group lending, return from the activity, repayment schedule, technical input required by Swarozgaris, training requirement and mode of training, credit, infrastructure and marketing
requirement and identification of resources to resources to develop them, net accruable income from activity.\textsuperscript{03}

4.3.1 Preparation of Project Reports:

For each key activity there should be a project report indicating various elements such as training, credit, technology, infrastructure and marketing. The project report should indicate economically how many people can be covered economically in a block under a key activity. The tendency to provide finance to a large number of similar units must be avoided so as to prevent creation of excess capacity.

The project report should also include the balancing infrastructure that needs to be provided and the costs involved. The district level committee should ensure that it is within the limits of the money that is likely to be available under SGSY infrastructure. Care should be taken to avoid any attempt to create infrastructure for line departments without concomitant benefit to Swarozgaris. The test of SGSY will be in additional incomes accrued to
Swarozgaris, the additional infrastructure may be only an enabling factor. The project report should specifically include a chapter on the levels of investment required at individual Swarozgari’s level or by a group. The economics for group lending should be shown distinctly from that of individual lending. The Project report shall be prepared for every activity and for each block separately. The project report should indicate that whether the key activity selected is for individual or group or both. The economics should also be clearly spelt out for each of these. The economics should indicate the details of investment required, the details of returns, the repayment schedule and the net income accruable to the Swarozgari.

The Committee should undertake the entire exercise in a careful manner and not as a routine exercise. All expenses relating to this exercise will be borne by the DRDA from its administrative expenses, which are provided for separately under the head ‘DRDA Administration’.
4.04 CLUSTER APPROACH:

Swarnajaynti Gram Swarozgar Yojana stresses on cluster approach for taking up economic activities. The key activities are to be taken up in clusters. The cluster may not merely be geographic agglomeration but limits where backward and forward linkages can effectively be established. Separate clusters are taken up for each activity. More Swarozgaris can be added to the cluster each year. The cluster approach in the programmes is adopted to facilitate infrastructure and marketing support to the activity.

4.05 INFRASTRUCTURE DEVELOPMENT:

The Swana Jayanti Gram Swarozgar Yojana provides for review of existing infrastructure for the cluster of activities and identification of gaps. Critical gaps in investments have meet from the fund available under the SGSY programme infrastructure, subject to a ceiling of 20 percent (25% in the case of North Eastern States) of the annual allocation made under the scheme for each District.
Proper infrastructure is essential for the success of micro enterprises. The infrastructure may be either for production, processing, quality testing, storage or marketing. The lack of proper attention to this item has been one of the drawbacks of IRDP. Although provision has been made for expenditure on infrastructure, the investments made did not necessarily correspond to the needs of the self-employed.

Swarnajayanti Gram Swarozgar Yojana will seek to ensure that the infrastructure is necessary for the identified activities are met in full, so as to enable the Swarozgaris to derive the maximum advantage from their investments. Planning for infrastructure will be made in close concert with the banks. As indicated earlier, the project report for each key activity should clearly identify the existing infrastructure and the additional infrastructure which needs to be created. It should be noted that the creation of additional infrastructure should be meaningful and should only be in the nature of providing the missing critical
links. The proposals for infrastructure development should be drawn up by DRDA in consultation with Bankers and form part of the Annual Plan of the Block and District level.

The provision of infrastructure is essentially the responsibility of the State Governments. Therefore; the States will strive to provide for necessary investments as part of their plan efforts of the respective departments. Where the plan funds of the line departments do not have adequate provision, recourse may go to JGSY and EAS. Similarly, any other State or Centrally sponsored schemes can also be used for the creation of infrastructure. Resource to SGSY infrastructure fund should be as a last resort and only critical gaps in investments will be made under the SGSY.

The District SGSY Committee should review the infrastructure gaps and identify the areas of intervention for financing projects in activity clusters. Infrastructure needs and their fulfillment will be constantly and closely monitored by the DRDA,
particularly the Governing Body of DRDA, to ensure that the infrastructure needs are met as per plan. Financing in sectors should be restricted where infrastructure is inadequate.

4.06 SWAROZGARIES:

Under Swarnjayanti Gram Swarozgar Yojana (SGSY), the beneficiaries are known as Swarozgaris. The Swarozgaris can be either individuals or groups. SGSY lays emphasis on the group approach, under which the rural poor are organized into Self Help Groups. In either case, the list of BPL households identified through BPL census, duly approved by the Gram Sabha will form the basis for identification of families for assistance under the SGSY. The Self Help Groups should also be drawn from the BPL list approved by the Gram Sabha.

This chapter is about the Swarozgaris and the linkages with the banks. Part ‘A’ of this chapter is about the SHGs. Part ‘B’ is about individual Swarozgaris.
4.6.1 Self Help Groups (SHGs):

SGSY will focus on organization of the poor at grassroots level through a process of social mobilization for poverty eradication. SGSY’s approach to organize the poor stems from the conviction that there is a tremendous potential within the poor to help themselves and that the potential can be harnessed by organizing them. Social mobilization enables the poor build their own organizations (Self Help Groups) in which they participate fully and directly and take decisions on all issues concerning poverty eradication. Simultaneously, SHGs have the advantage the assistance – be it in terms of credit or technology or market guidance etc. – reaching the poor faster and more effectively. Self Help Groups go through various stages of evolution.

Social mobilization is not a spontaneous process; it has to be induced. DRDAs are expected to initiate and sustain the process of social mobilization for poverty eradication by formation, development and
strengthening of the Self Help Groups (SHGs). Issues that are keys to poverty eradication should become entry points for DRDAs to organise the poor into SHGs. There could be different entry points for different SHGs depending on the local situation. The groups that are formed with thrift and credit as an entry point have demonstrated that the poor can secure greater access to credit and other support services for enhancing their income levels.

The process of SHG formation could be divided into phases. While the process of SHG formation cannot be standardized; a few guidelines could be useful to the field level functionaries. Self Help Groups go through various stages of evolution

4.6.2 Group Formation:

Development and strengthening of the groups to evolve into self-managed people’s organisation at grassroots level. In our society, members are linked by various common bonds like caste, sub-caste, community, blood relation, place of origin, activity
etc. The facilitators must identify these natural groups which are commonly called ‘Affinity Groups’. Identification of such Affinity Group is critical for the progress and success of the Self Help Group. This would require staying with the people for some period to facilitate proper understanding and establish rapport with them. Therefore, while forming Groups, facilitators must recognize the natural bonds and affiliations existing within the society.

Group Stabilization through thrift and credit activity amongst the members and building their Group Corpus. The group takes up internal loaning to the members from their Group Corpus. The groups should save regularly and begin to lend to members. This provides the members an opportunity to acquire the skills to prioritize scarce resources, to assess the strength of each member, to time the loans and schedule of repayments and fix interest rates. The group institutionalizes the need to introduce sanctions for deviant behavior, which could include
delay in repayments, arriving late or absenting from meetings etc.

Micro credit, the Group Corpus is supplemented with Revolving Fund sanctioned as cash credit limit by the Banks or the group could also have access to credit under the Self Help Group-Bank Linkage Programme of NABARD.

Micro enterprise development, Group takes up Economic Activity, of their choice for income generation. This phase would include Entrepreneurship Development as well as Skill Development training of the members of the Group to enable them to successfully implement the chosen activity. All the Groups, particularly Groups formed with members who are skill less, asset less, destitute and living under adject poverty might not graduate to the stage of Micro-enterprise within the time frame indicated in the Guidelines. Such groups may continue to remain in the Micro-Finance stage for a longer period of time and may require intensive
training and capacity building inputs to enable them to reach higher levels of income generation.

4.6.3 Formation of Self Help Groups:

SHG is a group of rural poor who have volunteered to organise themselves into a group for eradication of poverty of the members. They agree to save regularly and convert their savings into a Common Fund known as the Group corpus. The members of the group agree to use this common fund and such other funds that they may receive as a group through a common management. The group formation will keep in view the following broad guidelines:

I. Under the SGSY, generally a self-help group may consist of 10 to 20 persons. However, in difficult areas like deserts, hills and areas with scattered and sparse population and in case of minor irrigation and disabled persons, this number may be from 5-20. The difficult areas have to be identified by the State Level SGSY Committee
and the above relaxation in membership will be permitted only in such areas.

II. Generally all members of the group should belong to families below the poverty line. However, if necessary, a maximum of 20% and in exceptional cases, where essentially required, up to a maximum of 30 percent of the members in a group may be taken from families marginally above the poverty line living contiguously with BPL families and if they are acceptable to the BPL members of the group. This will help the families of occupational groups like agricultural laborers, marginal farmers and artisans marginally above the poverty line, or who may have been excluded from the BPL list to become members of the Self Help Group. However, the APL members will not be eligible for the subsidy under the scheme. The group shall not consist of more than one member from the same family. A person should not be a member of more than one group. The BPL families must
actively participate in the management and decision making, which should not entirely in the hands of APL families. Further, APL members of the Self Help Group shall not become office bearers (Group Leader, Assistant Group Leader or Treasurer) of the Group.

III. The group should devise a code of conduct (Group management norms) to bind itself. This should be in the form of regular meetings (weekly or fortnightly), functioning in a democratic manner, allowing free exchange of views, participation by the members in the decision making process.

IV. The group should be able to draw up an agenda for each meeting and take up discussions as per the agenda.

V. The members should build their corpus through regular savings. The group should be able to collect the minimum voluntary saving amount from all the members regularly in the group.
meetings. The savings so collected will be the group corpus fund.

VI. The group corpus fund should be used to advance loans to the members. The group should develop financial management norms covering the loan sanction procedure, repayment schedule and interest rates.

VII. The members in the group meetings should take all the loaning decisions through a participatory decision making process.

VIII. The group should be able fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan installments from the loaner.

IX. The group should operate a group account preferably in their service area bank branch, so as to deposit the balance amounts left with the groups after disbursing loans to its members.

X. The group should maintain simple basic records such as Minutes book, Attendance register, Loan
ledger, General ledger, Cash book, Bank passbook and individual passbooks. The sample proforma for maintenance of above records by the group is for guidance. These could be used with necessary changes/ modifications wherever required.

50 percent of the groups formed in each block should be exclusively for the women. In the case of disabled persons, the groups formed should ideally be disability-specific wherever possible, however, in case sufficient number of people for formation of disability-specific groups are not available, a group may comprise of persons with diverse disabilities or a group may comprise of both disabled and non-disabled persons below the poverty line.

By and large, the SHG will be an informal group. However, the groups can also register themselves under the Societies Registration Act, the State cooperative Act or as a partnership firm. The SHGs can be further strengthened and stabilized by federating them at, say village or cluster of villages or
block or District level depending upon the number of Self Help Groups and their spatial distribution. DRDAs may facilitate in planning of network of SHGs by federating them at appropriate level, once SHGs have reached the stage of maturity and have stabilized. This would facilitate regular interaction, pooling of surplus with the groups, exchange of experiences including flow of information from DRDAs and other departments, bulk access to Credit from various Micro-Finance Institutions and help them to plan for desired backward and forward linkages including marketing of their products.

Social mobilization and community organization is a process oriented approach as different from target oriented approach. The group formation should not be driven by any targets but lend itself to a ‘process approach’. The members of the SHGs should fully internalize the concept of self help.

A large number of DWCRA groups have been formed and assisted by DRDAs in the past. Likewise, there are a number of Self Help Groups formed by
NABARD, other Banks, Rashtriya Mahila Kosh (RMK), Non-Government Organizations (NGOs), Women and Child Development Department under the Swa-Shakti and Swayamsidha etc. The DRDAs should put in concerted efforts to strengthen and consolidate these groups as some level of synergy already exists and then take steps to form new groups. Further, there is a need to develop data base on the Self Help Groups formed and existing under various programmes in the district. The DRDAs may act as nodal agency for developing the data base, which should include Self Help Groups formed under all the schemes. This would ensure convergence of various Scheme as well as better planning for training and other requirements of SHGs.

4.6.4 Role of NGOs (Implementing Agencies):

The Swarnajayanti Gram Swarozgar Yojana is being implemented by the District Rural Development Agencies (DRDAs), with the active involvement of Panchyati Raj Institution (PRIs), the Banks, the Line
Development and the Non-Government organization (NGOs).

The DRDAs may devise a Memorandum of Understanding (MoU) or contract to be used for entering into an agreement with NGOs / CBOs / Community Coordinators / Animators being involved as facilitators for group formation, development and training. The MoU should clearly define the role of facilitator in group formation and development. Further, payment to the facilitator should be specifically linked to the stage of development of the group and overall performance. The DRDA shall regularly monitor the progress of groups through periodic evaluations. The involvement of facilitators in the programme will be purely on contractual basis and DRDAs shall take all precautions to ensure that there is no legal obligation on the Government in future. A detailed instruction on operationalization of involvement of facilitators in the process of social mobilisation and group formation is being issued separately.
The experience across the country has shown that group formation and development is not a spontaneous process. A facilitator working closely with the communities at grassroots level can play a critical role in the group formation and development. The quality of the groups can be influenced by the capacity of the facilitator. The facilitator may or may not be an official. In some cases, NGOs can not only work as the facilitator but also help in training and capacity building of facilitators being used by DRDAs. DRDAs may support such sensitive support mechanisms in the shape of NGOs or Community Based Organisations (CBOs) or Network of Community coordinators / Animators or a team of dedicated functionaries of the Government who are fully engaged in the task of initiating and sustaining the group development process. The Community coordinators / Animators can be from the community or may be from outside the area. They could be leaders / members of SHGs, or persons having experience or training in the field of community
organisation and social mobilisation. The selection of Facilitator / Community Coordinator and their training and capacity building for involvement in formation, development and training of SHGs is critical for the success of the Programme. The District SGSY Committee may therefore select suitable Organisations / Societies / Individuals as facilitators/Community Coordinators in the Programme based on their past experience in SHG formation, community organisation or any other similar work involving participatory approach, communication skill, ability to stay with the people in the rural area etc. They would have to stay for a period of 2-3 years with the Group to ensure continuity as well as to enable the Groups to mature into a self managed people’s organisation. Facilitators involved in the process of group formation and development should have a well defined exit policy and by which time community should either become self reliant or be willing to pay for their services for further continuance and management of the Group.
The emphasis should be to form groups in geographical clusters to facilitate better training and management. A community coordinator / Animator could take up the responsibility of managing 10-15 SHGs in a geographical cluster consisting of 4-5 villages within a radius of 4-5 Kms. The DRDAs may organise training and exposure programmes for the facilitators and should interact with them regularly to get feedback about the groups.

Whether the support machinery (SHG promotion institutions) is offered by NGOs or DRDA itself, what is critical is the capacity of the support machinery. DRDAs will have to play a very crucial role in facilitating development of the capacity to nurture and strengthen the groups.

**4.6.5 Linkage with the Banks:**

During the stage of group formation, the SHG should be brought into contact with the local banks through opening of saving bank account preferably in their service area branch. This has a dual purpose.
The SHG begins to realise the opportunities and also the mode of dealing with the banks. Likewise, the bankers get to familiarise themselves with the SHGs. Establishment of these linkages at the early stages will ensure the formation of strong SHGs, which will be mutually beneficial. Further, the group could also avail credit from the Bank as per their requirement under the Self Help Group – Bank Linkage Programme of NABARD. The BDO and the banker may visit the SHG as often as they can and explain to the members the opportunities for self-employment. They may also explain to them about the process of graduation into taking up full-fledged self-employment activity. Training and capacity building programmes for the SHGs in different stages of development may be organised periodically on a continuous basis at different levels (i.e. at the village, cluster of village, Block and District). For this, besides inviting experts in the relevant field from outside, the District should have their own team of trained resource persons taken from different fields. The
DRDA should involve the Bank functionaries also in the training programme of SHGs.

4.6.6 Grading Of the Self-Help Groups:

The formation stage may last for about six months or more depending upon the literacy, awareness levels, socio-economic background of the people being organised, as well as the capacity of the facilitator involved in the process of social mobilization and Group formation. At the end of the formation stage, which may be about six months or more, it is necessary to subject each Self Help Group to a test to assess whether it has evolved into a good group and is ready to go into the next stage of evolution. This is done through a grading exercise. The objective of this exercise is to identify the weaknesses, if any, and help the group to overcome the same through training and capacity building inputs, so as to develop into a good group. Thus grading exercise should help to focus attention on weak groups so that DRDAs can assist them to
overcome weaknesses and graduate into good groups. Grading of the group should also enable the DRDAs to establish linkages for the good groups with the Banks. In case the Self Help Group has been in existence prior to the SGSY under other Programmes and have completed six months from the date of formation and it is being brought under the SGSY, such groups may be subject to first grading immediately, without waiting for another six months.

The DRDAs will have to play an effective role in grading exercise. The capacity of DRDA personnel will have to be enhanced to take this exercise professionally. Grading of the Self Help Groups could be done by the same agency which is involved in the promotion and development of SHGs or any independent agency contracted to undertake the grading exercise. The cost incurred for conducting grading exercise through an independent agency may be incurred under the scheme. It is desirable that the grading exercise is undertaken by an independent
agency as it will have objectivity and acceptance by financial institutions etc.

A number of Government and Non-Government Organizations, working with SHGs across the country have evolved very effective strategies for grading the SHGs. The grading criteria should be consistent with the characteristics that are agreed to be essential for strong, self-managed and vibrant SHGs. In other words, clarity on the features to be promoted in an SHG should become the starting point for any grading exercise.

4.6.7 Capacity Building:

Training and capacity building form a very important part of Swarnajayanti Gram Swarozgar Yojana programme. Those swarozgaris, who are eligible for loans, are expected to undergo training for capacity building in terms of required skill to run the business successfully. Some training institutes like MITCON, Water, or NGOs operating in the area has been selected by DRDA to impart training to
swarozgaris. The scheme aspects a swarozgari to earn a net profit of Rs. 2000/- a month from the business activity she/he undertakes. Hence, it is very important that training regarding the business management, upgradation of skills and also financial management be given to swarozgaries.

Once bank has sanctioned the loan, the line department must ensure that all facilities including technical guidance are provided to swarozgaris. The departments should also verify whether the swarozgaries have the necessary skills and take steps to train them. The line departments should also satisfy themselves about the quality of training that is being imparted and assist the DRDAs in ensuring that swarozgaris are duly trained in appropriate institutions. It is their responsibility to monitor the progress to see whether swarozgaris are able to derive the expected levels of income.
4.6.8 Taking Up Of Economic Activities:

Once the SHG has demonstrated that it has successfully passed through the second stage, it is eligible to receive the assistance for economic activities. This is in the form of loan and subsidy. There are two ways in which a SHG can receive this assistance:

a) Loan-cum-subsidy of SGSY to the individuals in a group provided the prospective Swarozgaris in the group are capable of and willing to take up income generation activities under these sectors.

b) Loan-cum-subsidy to the group where all the members in the group want to take up a group activity. Ideally, under the group loaning, the group should take up single activity but if there is a necessity, the group could also take up multiple activities under the group loaning. In either case, loan will be sanctioned in the name of the group and the group stands as guarantee to the bank for prompt repayment of loan.
4.6.9 Loan-Cum-Subsidy to the Members of the Group:

Though few individuals are identified as beneficiaries under loan-cum-subsidy, it is essentially the group that is standing guarantee for the promote repayment of the loan to the bank. The group also undertakes responsibility to closely monitor the asset management and income generation. The group also is expected to access services from the line departments concerned to enable the members to derive the expected income from the activities undertaken. Since the groups are constantly interacting with the banks, their initiatives to secure continuous line of credit to the Swarozgaris to access multiple dose of loan become critical. In any case, the members of the group who are assisted under SGSY’s loan-cum-subsidy assistance want to avail the back-end subsidy nothing should prevent the members to do so. Considering multifarious support services Swarozgari is receiving by being member of a group it is natural that the group may like to charge a
part of the subsidy provided to the Swarozgaris as individual contribution to the group corpus. The Swarozgari is expected to repay all the loan instalments to the banks through the group and the group may keep to itself parting of subsidy component. In any case, this is an issue that has to be left to the decision of the group.

4.6.10 Loan-Cum-Subsidy for the Group Activity:

Group activities stand a better chance of success because it is easier to provide back up support and marketing linkages for group activities. The SGSY will primarily follow the group approach. The groups should demonstrate minimum levels of group dynamism, as detailed above, before considering for assistance with the loan-cum-subsidy for the group under the SGSY. The group is entitled to Subsidy of 50 percent of the project cost subject to per capita subsidy of Rs.10,000/- or Rs. 1.25 lakhs, whichever is less. DRDAs should conduct training programmes to the members and the
representatives of the groups so that the groups become fully self-managed and evolve into strong self managed groups the cost of the group formation and development should be met from the funds provided under the SGSY. Considering the experiences of the NGOs involved in the development of SHGs in the country it is estimated that an amount of Rs. 10,000/- per group would be the investment required over 3 – 4 years. Rs.10, 000 per group as mentioned above for formation and development of Self Help Group, is the maximum ceiling; however, the actual amount may be decided by the District Level SGSY Committee based on the local prevailing situations.

Payment of the amount to the NGOs/ CBOs/ Community Coordinators / Animators will be made in four installments in the manner given below:

a) 20 percent of the funds at the beginning when the formation of Self Help Group is commenced by the NGO/ CBOs / Community Coordinator / Animator. This money could be utilized during the formation
stage. During this period the group should open an account in the service area bank branch and they should be imparted basic orientation training on the concept of Self Help Group, Group dynamics, maintenance of records and books of accounts, conducting group meetings and financial transactions.

b) 30 percent after the group qualifies for Revolving Fund or get linked to the Bank by way of availing credit and continue to work satisfactorily.

c) 40 percent after the group take up an economic activity and

d) 10 percent after the start of economic activity by the group and adherence to repayment schedule of the loan sanctioned by the Bank.

4.07 INDIVIDUAL SWAROZGARIS:

Identification and selection:

In the case of individual Swarozgaris, their selection will be as follows:

Once the list of village is finalized by the Block SGSY Committee every year, the concerned
Sarpanches should be intimated. The individual Swarozgaris are to be selected in the Gram Sabha. It is possible that the Gram Sabha held at the Panchayat headquarters may not have the participation of all the BPL families. Therefore, in order to afford the maximum participation for the poor, a 3-member team consisting of the BDO or his representative, the banker and the Sarpanch should visit each of the habitation in the Panchayat according to a schedule drawn up for this purpose and duly published. In each habitation, the team must then ascertain from the BPL families, the persons who can be covered under at the designated key activity. This process of identification of the potential Swarozgaris should be done carefully.  

The selection of the Swarozgaris must be done in an open and transparent manner. The poor should have the confidence that if they fulfill the requisite conditions they are be able to avail the facilities under the programme. It is possible that the number of such potential Swarozgaris is more than the
programme available to the bank/BDO. In such a case, the fact may be made known and the best of the potential entrepreneurs are taken up for the final say. While SGSY is not a programme that targets only the poorest of the poor, it should be the endeavor of the committee to cover the relatively poorer among the BPL families provided however they are otherwise eligible.

In case the Committee is not sure of sufficient number of potential Swarozgaris being sanctioned the loan, it is open to the Committee to select a higher number and leave the final selection to the bank. The effort in this exercise is two-fold. On the one hand, while the bank is to be free to choose the swarozgaris, the effort is also to see that this is done in a transparent manner.

After the selection is made, the BDO shall arrange to have the applications filled by the selected persons. Since most of the potential Swarozgaris are illiterate and some of them would be very poor, it is necessary that the proforma prescribed by the banks
should be simple, while, however satisfying the legal requirements. It should also be in the local language. The DRDAs should particularly look into the matter and also take steps to familiarize the BPL families with the loan sanction process and the proforma so that the poor are not overawed by the process.

Once the banks have received the applications, they should sanction the application normally in 15 days and at any rate not later than one month. Every year the process of sanction by the banks should normally be by July.

The BDO finally selectes the swarozgaris (for the year) and the copies made available to the Gram Panchayat to place it before the next Gram Sabha. This list is also made available to the DRDA, other block officials, bankers and all other concerned agencies.
Safeguards for the weaker Section:

The SGSY will particularly focus on the vulnerable groups among the rural poor. Accordingly, the SC/STs will account for a minimum of 50 percent, women for 40 percent and disabled for 3 percent of the total swarozgaris assisted during the year.

4.08 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 section, by way of reserving 50 percent benefits for SCs /STs, 40 percent for women and 3 percent for disable persons.

4.09 FINANCIAL ASSISTANCE:

Assistance under the SGSY, to individual Swarozgarsies or Self Help Groups, is given in the form of subsidy by the government and credit by the banks. Credit is a 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 the SHGs, selection of individual Swarizgaries, pre-credit activities and post-credit activities and post-credit monitoring including loan recovery.05

The Swarnajayanti Gram Swarozgar Yojana also seeks to promote multiple credits rather than a onetime 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.

Subsidy under the Swarnajayanti Gram Swarozgar Yojana to individuals is uniform at 30 percent of the project cost subject to maximum of Rs. 7500/-. In respect of SCs/STs and disabled persons, the subsidy is 50 percent of the project cost, subject to a maximum of Rs.10000/-. For groups of swarozgaris (SHGs) the subsidy is 50 percent of the cost of the scheme, subject to per capita subsidy of Rs.
10000/- or Rs. 1.25 lakh whichever is less. There is no monetary limit on subsidy for Irrigation Projects.

4.10 SERVICE AREA APPROACH:

The RBI has introduced Service Area Approach with effect from 1.4.1989. It is applicable to rural and semi-urban branches of Commercial and Regional Rural Banks. Under this scheme, each Bank branch has a designated service area comprising certain villages in which it will concentrate its activities for productive lending. The financing for SGSY in those villages is, therefore, to be done by the Bank Branches to which they have been allocated.

RBI has clarified that if some RRBs are not in a position to sanction the applications sent to them on account of constraint of funds, inadequacy of staff, etc., the designated branch of the Commercial Bank should extend financial assistance in such cases.
4.11 TRAINING:

SGSY is a process-oriented scheme, which involves organization of rural poor into Self-Help Group (SHGs), their training and capacity building to enable them to evolve into a self-managed organization. Here the role of facilitators / Self Help Promoting Institution (SHPIs), field level functionaries of banks and development functionaries is critical in successful implementation of the scheme. It is beyond doubt that wherever functionaries have been trained in the concept of functioning of SHGs, group dynamics, guidelines of the scheme, marketing and entrepreneurship development etc. the quality of group as well as overall implementation of the programme has been qualitatively better. It has also been observed that large number of development functionaries do not have access to well organized training programmes. Keeping this in view, the Ministry has earmarked a separate budget in the current financial year for organizing training programmes for training for the trainers of Trainers.
(TOTs), Facilitators / SHPIs, Bank Officials and Development functionaries at various levels. During the year 2006-07, an amount of Rs.5.00 crores was released for organization of training programmes in various States. During the year 2007-08, a budgetary provision of Rs.7.50 crores has been separately earmarked under SGSY for this purpose.

Training and capacity building of Swarozgaries is an important component of SGSY. Under SGSY, 10 percent of financial allocation is earmarked for training and skill development of Swarozgaries. In the year 2007-08 on an average 8.59 percent of SGSY funds have been used for training of Swarozgaries.

Demand –based skills, leading to placement of the rural poor can be a major cost effective instrument of poverty reeducation. Ministry of Rural Development had launched a pilot programme for the unemployed youth in rural areas. The results of this project in terms of rural poor youth placed in the organized sector are quite encouraging and Ministry has already up scaled the project at the national level.
based on the recommendations of Inter-Ministerial Group (IMG) on Skill Development Training. The proposal of Rural Development and Self Employment Training (RUDSET) Institute for establishment of self employment training centers in five states was approved during the year 2005-06. A total amount of Rs.109.65 lakhs @ Rs.21.93 lakhs per institute towards first installment and 87.75 lakhs towards second installment has been released to the RUDSETI for setting up its five centers in the country. The institute will impart free training to at least 1.22 lakhs rural youth from BPL households over a period of five years. The Ministry of Rural Development will provide financial assistance for infrastructure for the training centers. The RUDSETI would organize and skilled development programmes in viable economic activities of the area of operation the aptitude for working in rural areas, in rural development projects etc. it will assist train youth in self-employment, and as far as possible, in obtaining credit facilities from banks and other financial institution. Such registered
societies may be encouraged to rural youths, especially from BPL households, to meet the demands for training.

The Ministry has also developed training manuals on SHG Group Processes, Health, Dairying, Goat rearing, Dudgeons reduction and Manual for Bankers and DRDA officials in both English and Hindi languages. Copies of the Manuals are being circulated separately to all the DRDAs and State Institute of Rural Developments (SIRDs). The State Government are to further translate these manuals in their respective languages for imparting for necessary training to TOTs and Officials involved in the implementation of the SGSY.

4.12 TECHNOLOGY:

The effort under Swarnjayanti Gram Swarozgar Yojana is to ensure the development of sustainable micro enterprises. The self-employment referred under SGSY is moving away from provision of some additional income generation to a well-defined goal in
terms of output, incomes and the time within which the assisted family comes above the poverty line. For any successful enterprise, appropriate technology paramount importance.06

The issues involved in technology management are primarily as follows:

a) What technologies to be identified.

b) Who will be responsible for technology management, including issues of technology transfer, technology upgradation and most importantly, monitoring of the technology absorption.

The technology identified for each key activity should be such that it can be managed comfortably by the Swarozgari and at the same time leads to quality products, either in terms of goods / services. More importantly, it should be something that has been tested on the field. For, it is always possible to have an exhaustive list of technologies fit for rural areas but these may or may not have been proven
commercially. Care should be taken to avoid giving unproven technologies to the rural poor, since they do not have the capacity to suffer losses arising out of experimentation. It is not as if technology has to be introduced afresh into each and every activity. Any given activity there is a certain level of technology. It is possible that introduction of certain technology may substantially alter the economics of working, in which case such new technology needs to be introduced. There could be in other cases where the technology can be upgraded to produce better economic results. In any case the technology introduction/ up gradation should be such as to suit the needs of rural poor for the given key activity.

The process of technology identification is closely inter-linked with the identification of key activity itself. The technology itself should be such that support services and infrastructure are adequately available. The project profiles of the key activities should clearly state the present status of technology,
feasibility and potential for technology upgradation. Technology options may be explored in the area of:

- Processing value addition and packaging.
- Linkages with agricultural and animal husbandry extension services.
- Productive enhancement, efficiency improvement, cost effectiveness, drudgery reduction etc.

Under SGSY, it is expected that the assisted family would come out of poverty line in three years. It is therefore, necessary that during this period the swarozgaris be closely monitored. In the earlier self-employment programmes the lack of such nurturing has been acutely felt. Typically in a block about 300-600 people would be assisted in one year. In other words about 900-1800 families need to be nurtured at any point of time. Since SGSY focuses on the group approach, the number of groups would not be too many. Besides the swarozgaris either individually or in groups would be distributed over the four or five
key activities in the block. For each key activity it is necessary to have an institution capable of transmitting technology ensuring skill up gradation and monitoring the performance in terms of the quality of output as well as the recovery. The choice of such agency can vary depending on local situation. It can be the line departments themselves or any of the technical institutions such as Engineering Colleges, Polytechnics, it is, having competence in the relevant field or an NGO having the necessary competence. This can even be a research institution, a Krishi Vigyan Kendra or even a major private sector unit. All the institutions that are available in a block/district should be considered and the best available option exercised. In this regard, there are a number of community polytechnics (442) in the country with the avowed objective of promoting employment in the rural areas. Each of by CAPART. The National Research & Development Corporation (NRDC) also has 52 rural technology demonstrations cum training centres. In addition under TRYSEM
itself a number of exclusive training centres have been established. Besides, the KVIC has also a number these community polytechnics has five extension centres. Similarly, there are 14 technology resource centres established of training as well as research institutions. In the field of agriculture, a large number of Krishi Vigyan Kendra, Farmers Training Centres and regional centres of Agriculture Universities are available. Thus, a considerable knowledge already exists in the districts. The DRDAs must therefore strive to gather the existing knowledge and channelise this only into identification of key activities but also into immediate transfer of technical knowledge to entrepreneurs, so long as its commercial viability is not in question.

The manner of communicating the technology, either in terms of introduction or up gradation would be important and this should be done in such a manner that the swarozgaris could fully understand the same. Since skill up gradation is already provided for the costs incurred in respect of
technology management can be incurred from the SGSY training fund. Any assistance to be provided to an institution identified for transfer of technology should only be nominal and should not be such that it supports the institution as such. The expenditure is meant essentially for swarozgaris.

4.13 MARKETING AND TECHNOLOGY SUPPORT:

1. Marketing has been one of the main concerns of the Ministry of Rural Development under SGSY.
2. Production of better competitive product requires emphasis on product development. Intensive efforts have been made to improve the products in terms of standardization, certification, from, colour and texture. The quality of products produced by SGSY beneficiaries is absolutely important to ensure sustained marketing. DRDAs have been directed to facilities process by organizing training to create awareness among Swarozgaries and ensure effective liaison with
concerned agencies to ensure certification of products.

3. The first SARAS Fair was organized as IITF SARAS in 1999. Since then this fair has grown in stature and magnitude. To add to this, from 2003-04 onwards a sequel of regional SARAS Fairs in various States of India have been organized. In 2003-04 six such regional SARAS fairs were organized, viz two in Delhi, one each in Hyderabad, Mumbai, Bhubaneswar and Guwahati seeing the encouraging response of these fairs twelve such regional SARAS Fairs besides IITF SARAS 2004 was organized during 2004-05. During the year 2005-06 the Ministry organized 22 such fairs in different part of the country. During 2006-07 Ministry organized 24 fairs in different parts of the country. During 2007-08, Ministry will organize 27 SARAS Fairs. Since 2003-04, about 25000 artisans have benefited from the SARAS Fairs organized in
different part of the country. Total sale in these fairs have been to the tune of Rs. 77 crores.

4. Organization of theme workshops has also helped in creating awareness among craftsmen has also helped in improved products. In these workshops, both the producers, exporters and experts on the specific sector are present. Theme workshops have now become an integral part of SARAS Fairs. Theme workshops expose the craft person specializing in a particular craft to the technological advancement, innovations and also provide an opportunity to the industrial and quantitative skill for harnessing manpower resource.

5. In order to intensively provide all the required inputs, Special Projects have been sanctioned for development and revival of near extinct crafts like traditional jewelers of Nalgonda district, wooden toys and Kalamkari paintings of Andhara Pradesh, Cane and Bamboo furniture of Assam. Diversification of products made from Eri, Muga
and Ahimsa Silk (by people for Animal Society) has ensured a loyal clientele for these products. A Special Project for up gradation of leather training has also been sanctioned for Gujarat. In addition to the above; Ministry has sanctioned 10 Special Projects in 9 States for creation of permanent marketing infrastructure.

6. To give rural artisans exposure to international market, Ministry participated in the International Exhibition viz; South Asian Countries Commodity Fair held at Beijing from 28-30 December, 2007 where 20 artisans from 11 different States of the country participated.

7. For creation of marketing infrastructure in Delhi to sell the products of the rural artisans, Ministry has initiated the following:

- Rural Development located at pragati Maidain is being renovated for construction of 33 permanent stalls at a cost of Rs.4.73 crores. The construction of entire Rural Development Pavilion will be completion by 15th February
2008. On completed completion of the renovation of RD Pavilion, each State /UT will be allocated the stalls on permanent basis for organizing thematic fairs, throughout the year.

- A space measuring 398.89sq.mtr at Rajiv Gandhi Crafts Bhavan at Baba Kharag Singh Marg. New Delhi has been hired for running SARAS Gallery. 24 stalls have been constructed in the Gallery which will be allotted to a State or a group of States, on rotation to basis, for organizing thematic and sales of best rural product available in the country.

- DDA has allotted 2 acres of land at Jasola near Appollo Hospital for construction of a Dilli Haat type-marketing complex.

- Ministry has taken 44 stalls on lease at Dilli Haat Pitampura for sale and display of products made by the SHGs / artisans. Out of the 44 stalls available to the Ministry, every State /UT will be allotted one to two stall each where
rotation of SHGs after 15 to 30 days will take place to cover large number of SHGs.

4.14 IMPLEMENTATION:

A close involvement of different agencies is essential for the success of Swarnjayanti Gram Swarozgar Yojana SGSY is implemented by District Rural Development Agencies (DRDAs) through the Panchayati Samitis and with the active involvement of other Panchayati Raj Institutions, the banks, the line departments and the NGOs.

The DRDAs are expected to co-ordinate the implementation of the programme. In particular their role will be critical in organization of the Self Help Groups and their capacity building as well as in terms of coordination with the technical institutions for technology and training, the banks for planning and credit mobilization, the line departments for infrastructure and technical follow up as well as in coordinating the marketing activities.
The Gram Panchayats will play a crucial role in SGSY. The Gram Sabha will first approve the list of BPL families. Besides, at the beginning of each year, the potential Swarozgaris for taking up the designated key activities would be identified in each habitation by a 3-member committee including the Sarpanch. The list of Swarozgaris who are sanctioned the loan by the banks would be placed before the Gram Sabha. The Gram Panchayat would also take steps to provide from its funds under JGSY or any other programme, the common infrastructure necessary for the key activities. The Gram Panchayat would actively monitor the performance of the Swarozgaris and in particular whether they are repaying the loan regularly.

The Panchayat Samiti (Block Level) will approve the key activities that are identified for the blocks before the list is sent to the BDO through the District Level Technical Group. The Panchayat Samiti would review every month the reports sent by Block SGSY Committee. In particular, the Panchayat Samiti
would review the recovery performance. The Zilla Parishad will be reviewing the performance under the SGSY in its general meetings.

The Bankers play a very critical role in the implementation of Swarnjayanti Gram Swarozgar Yojana. SGSY is a credit-cum-subsidy programme. Credit is the key component and subsidy is only a minor and enabling component. SGSY envisages the close association of bankers at all stages of the programme implementation, right from the identification of key activities, clusters, self help groups, identification of individual Swarozgaris as well as planning for all the elements of the key activities. The bank has the final say in the selection of Swarozgaris. An elaborate mechanism has been put in place to ensure post-credit monitoring as well as for loan recovery.

The line departments have an important role to play in the entire exercise, for they will be responsible for implementation and monitoring of respective sectoral activities. SGSY would need a very close
collaboration between the implementing agencies and the line departments. This collaboration starts with the identification of key activities and preparation of project reports. The line departments will be responsible for planning and creation of the infrastructure required making the key activity successful. In addition, once the bank has sanctioned the loan, the line departments must ensure that all facilities including technical guidance are provided to the Swarozgaris. The line departments may also verify whether the Swarozgaris have the necessary skill requirement and take steps to train them. The line departments should also satisfy themselves about the quality of training that is being imparted. They should assist the DRDAs in ensuring that the Swarozgaris are able to derive the expected levels of income. The line departments will treat promotion of self-employment in their sector as much their responsibility as that of DRDA/Panchayati Raj Institutions / Banks and it should be an integral part of their day-to-day functioning.
The NGOs have also an important role to play. They can be used in the formation and nurturing of the SHGs as well as in the monitoring of the progress of the Swarozgars. Where feasible, their services can also be utilized for provision of technology support, quality control of the products. What the NGOs can do would depend on the nature of the NGO and its competence. Care must therefore be taken to ensure that only those NGOs are utilized in the programme as are capable of supporting the programme. At the same time, every effort must be made to ensure that all resources available in the district are made use of.

Similarly, care must be taken to ensure the participation of the technical resource available in the district, in the form of technical institutions. These technical institutions may not always have ready solutions to the problems but if they are properly oriented, they can come up with solutions to different problems. If they are made part of an ongoing process, their own capacity will be built up, with long
term benefits. The District SGSY Committee must pay particular attention to this aspect.

4.15 MONITORING:

A comprehensive system of monitoring has been adopted under the SGSY. The programme is monitored from the Central level down to the grassroots level. At the Central level, the central Level SGSY 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. At the district and block level, the programme is monitored by District level, the SGSY Committee and Block Level SGSY is monitored periodically through Report and Returns submitted by DADAs / States. Issues related to implementation of the Programme are discussed in
Project Directors workshops and periodic meetings with the State Secretaries with the objective of bringing out improvement in implementation of the programme at the Block/DRDA level. Monitoring is also done through field visits and physical verification of assets.

4.16 SPECIAL PROJECTS:

Under SGSY, funds are released to the DRDAs and are utilized as per the decisions taken at the local level. Sometimes, the poverty reduction efforts require coordinated action by different departments and it may call for planning and coordination which may extend beyond the individual districts. There may also be occasions when the different departments or DRDAs or State governments might want to try out new initiatives which are in the nature of pioneer projects, capable of triggering much needed growth impulses. Such projects, capable of triggering much needed growth impulses. Such projects would be indicators of possible alternative strategies. In order
to take up such projects, 15 percent of the funds under SGSY will be set apart by the Ministry for such initiatives in conjunction with other departments, semi-government organizations such as, the Khadi & Village Industries Commission, Development Commissioner, Handicrafts, Commodity Boards, etc., or international organizations. This would include initiatives to be taken in the individual districts or across the districts. If during the course of the year, such funds cannot be fully utilized, the balance funds will be distributed among the States alongwith the programme funds whose redistribution during the year will keep in view the absorption capacity of different States.

**Objective:**

The objective of each special project would be to ensure a time-bound programme for bringing a specific number of BPL families above the poverty line through self-employment programmes. As per the programme guidelines, every assisted family must be
brought above the poverty line in three years. The projects may involve different strategies to provide long term sustainable self-employment opportunities either in terms of organization of the rural poor, provision of support infrastructure, technology, marketing, training, etc., or a combination of these.
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