CHAPTER-I

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1.0 The state of Assam is situated in the North-Eastern corner of India. It has great strategic importance since it has common borders with two countries viz. Bhutan and Bangladesh and the state is very close to China and Myanmar. The total geographical area of Assam is 78,438 sq. km. constituting 2.37 per cent of the total geographical area of the country. According to 2011 census, it had a total population of 3,11,69,272 out of which 1,59,54,927 male and 1,52,14,345 female, which constitutes 2.57 percent of India's population. The density of population is 397 per sq. km. So far as literacy rate is concerned, the state recorded 73.18 per cent literacy of which 78.81 per cent are male and 67.27 per cent are female. The decadal growth rate of population is 16.93 percent against an all India average of 17.64 during 2001-2011. The percentage of workers to total population is 35.73 as per 2011 census. The Net State Domestic Product (NSDP) of Assam at constant (2004-05) prices had been estimated at Rs. 65, 10,160 crores and Rs.92, 96,997 crores at current prices in the year 2010-11. The Net Per Capita income of the state was Rs 21,406 at constant (2004-05) prices and Rs.30, 569 at current prices in the year 2010-11. The average size of operational holding was 1.11 hectares while the per-capita consumption of electricity was 168 MU kwh in 2010-11. The infant mortality rate of the state was 61 against India's 50 per thousand (Source: Economic Survey, Assam, 2011-12). The gross crop irrigated area of the state was 1,29,826 hectare while the net crop irrigated area was 1, 10,363 hectare in 2010-11. The number of beds in different type of health institutions in Assam was 10,099 in 2010. (Source: Statistical Hand book of Assam, 2011). All these indicators of economic development have amply shown that Assam, though rich in natural resources, is still lagging behind in comparison to the other states in the race for development.

Despite efforts made over the last few decades, rural poverty in Assam continues to be significant. Although, in percentage terms poverty levels have reduced, the number of rural poor has more or less remained static. Under this perspective, the self employment and wage employment programmes assume great significance. These programmes, if implemented properly, can provide income to the rural poor on a sustainable basis.
The multiplicity of these programmes, being viewed as separate programmes in them, resulted in a lack of proper social intermediation, absence of desired linkages among these programmes *inter se* and the implementation being more concerned with achieving individual programme targets rather than focusing on the substantive issue of sustainable income generation. To rectify the situation, the government has decided to re-structure the self-employment programmes. A new programme known as 'Swarnjayanti Gram Swarozgar Yojana' (SGSY) was launched on 1st April, 1999 after re-structuring the erstwhile IRDP and its allied programmes namely Training of Rural Youth for Self Employment (TRYSEM), Million Wells Scheme (MWS) and Development of Women and Children in Rural Areas (DWCRA). The basic objective of the programme is to bring the assisted poor families (Swarozgaries) above the poverty line by providing them income generating assets through a mix of bank credit and Govt. subsidy. The programme assists poor families by organising SHGs and individual swarozgaries. It provides additional wage employment in the rural areas and ensures food security as well as social and economic infrastructure in rural areas. This is a holistic programme covering all aspects of self employment such as organisation of the poor into SHGs-training, credit, technology, infrastructure, marketing etc. The SGSY is funded by the centre and the states in the ratio of 75:25.

With the coming into force of SGSY, the earlier programmes like Integrated Rural Development Programme (IRDP), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Toolkit for Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY) and Million Well Scheme (MWS) have ceased to operate. The objective of SGSY is to bring the assisted poor families (Swarozgaris) above the poverty line by ensuring appreciable increase in incomes over a period of time. The objective is to be achieved inter alia, organising the rural poor into Self Help Groups (SHGs) through a process of social mobilisation, training and capacity building and provision of income generating assets through a mix of bank credit and govt. subsidy.

Keeping this in view, as many as 2, 35,648 SHGs were formed in Assam up to the year 2010-11 of which 80,216 SHGs have taken up economic activities with bank loan and subsidy. Total women SHGs formed up to 2010-11 in the State were 1, 50,336. During the year 2010-11 the number of women SHGs formed in the State was 13,934. During the year 2010-11, a total of 9,592 women SHGs were provided with interest subsidy @ Rs.5, 000/- per woman SHGs against 9,028
women SHGs during 2009-10. Moreover, till March 2012 a total of 12,855 SHGs were formed in the Kamrup district of which 9,273 were women SHGs and 4,552 no. of eligible SHGs have taken up economic activities with bank loan and subsidy. During the year 2011-2012, 450 women SHGs have taken up economic activities by receiving bank loan and subsidy. (Source: Economic Survey, Assam 2011-12; Page-208)

1.1 CONCEPT OF DEVELOPMENT AND RURAL DEVELOPMENT:

Development is nothing but acquisition of qualities. It deals with equitable distribution of opportunities and resources and ensuring socio-economic justice and harmony among all sections of society and to improve technical and non technical qualities of the people. It is a dynamic process which transforms an economy and society from a relatively backward state to a more advanced state. It is a process of transformation that involves the whole society, encompassing its economic, social, political and physical structure as well as the value system and way of life of the people.

The concept of development can be viewed as a process of realising certain goals or values, such as improved health, improved housing and sanitation, better nutrition, greater opportunity for education, improved transportation and communication, increased command over resources, increase in productivity and income and finally an improvement in the quality of life of the people.

Besides improving the quality of life of the present generation, the process of development is expected to preserve resources for the future generation, so that the process can be a sustainable one.

MEANING OF RURAL DEVELOPMENT:

According to a World Bank Report, rural development “is a strategy to improve the economic and social life of a specific group of people- the rural poor including small and marginal farmers, tenants and the landless”. The term ‘rural’ means an area which is characterised by non urban style of life, occupational structure, social organisations and settlement pattern. Development is defined in terms of technological or industrial development. But development of rural people means raising their standard of living. It is the development of rural areas through the
extension of irrigation facilities, construction of school buildings, provision of education facilities, health care and road etc.

The Ashridge Conference on social development defined rural development "as a movement designed to promote better living for all in the whole community with the active participation and initiative of the community". (Hand Book of Community Development, London, 1952)

According to South African Rural Development Framework (SARDF, 1991), rural development can be defined as "helping rural people set the priorities in their own communities through effective and democratic bodies by providing the local capacity, investment in basic infrastructure and social services, justice, equity and security, dealing with the injustice of the past and ensuring safety and security of the rural population, especially that of Women".

In the words of Robert Chambers (1983), "Rural development is a strategy to enable a specific group of people, poor rural women and men, to gain for themselves and their children more of what they want and need. It involves helping the poorest among those who seek livelihood in the rural areas to demand and control more of the benefits of rural development. The group includes small-scale farmers, tenants and landless".

From the above definitions it becomes clear that rural development is a multidimensional process, which includes the development of socio-economic conditions of the people living in the rural areas and ensures their participation in the process of development for complete utilisation of physical and human resources for better living conditions. It extends the benefits of development to weaker and poorer sections of rural society. It also enhances both the capacity and the capability of administrative and socio-economic development agencies and agricultural marketing units working in the rural areas.

1.2 THE RESEARCH PROBLEM UNDERTAKEN:

The economy of Assam as well as of India is predominantly agrarian and hence the rural economy has a vital role to play in the economic development of this region. The employment in the rural areas is very much important for the economic welfare of the rural masses. At the time of independence, the economy of the country as a whole and also the economies of the various states of India including Assam were
in a stagnant condition. The rural economy can be at standstill, which calls for urgent solution.

Since independence, the Government has implemented several rural development programmes to uplift the artisans and farmers’ socio-economic condition to a desired level, though expected results are yet to be favourably accomplished. Earlier, rural progress implied agricultural and community development by encompassing the entire population of rural areas as a part of modernisation of the underdeveloped society. Rural development today is viewed narrowly as a strategy specifically designed to improve the economic and the social life of a targeted group of people termed rural poor. In order to meet this objective, several rural development programmes including Swarnajayanti Gram Swarozgar Yojana (SGSY) have been launched by the Government. Our study relates to Swarnajayanti Gram Swarozgar Yojana (SGSY). The problem undertaken for research investigation is “An Evaluative Study of Swarnajayanti Gram Swarozgar Yojana (SGSY) in Kamrup District (Rural) of Assam”.

The SGSY is the largest poverty alleviation programme which gives more importance on promoting self employment among men and women of rural poor families by giving them assistance directly and enabling them to cross the poverty line. The SGSY gives emphasis on organising the rural poor into self-help groups through the process of social mobilisation. The programme enables the assisted poor families to increase their monthly income up to at least Rs.2,250/-. The programme has already completed about twelve (12) year term. At the time of launching the programme, it was thought that the programme would be able to reach its expected target. The programme would be able to reduce the number of poor families. But in actual practice that did not happen. The consequences of the programme did not turn out in accordance with the expectations. According to the earlier studies carried on by the Centre for Management Development, Thiruvanathapuram and Report of the working Group on poverty alleviation for 10th five year plan, the overall performance of SGSY was not satisfactory. Their study reports revealed that a few states of the country had made remarkable progress in respect to implementation of the programme. But a large number of states had failed to implement the programme successfully. Many reasons were outlined for the slow progress of the programme. For example, organisation of rural poor, formation of self-help groups and gradation of groups require more time. The groups became
eligible to take financial assistance after about one year of formation and sometime it
took more time due to economic conditions, illiteracy, lack of skill etc. However,
delay in sanction and disbursement of loans, non cooperation of block/district officials
in the formation of SGSY groups, improper selection of beneficiaries, role of
influential persons in selection of members, lack of proper monitoring system, lack of
marketing facilities etc. were the major reasons for weak performance of the
programmes.

After reviewing the weak performance of the SGSY and analysing the feed
backs/suggestions of the states/union territories, the Government of India has made
some changes in the guidelines of the programme to make it more effective.

1.3 OBJECTIVES OF THE STUDY:
The present study has been undertaken with the following objectives:
1. To identify the various activities under the SGSY programme and to look into
   the selection procedure of the beneficiaries under the programme;
2. To examine the role of the implementing agencies in the execution of the
   SGSY programme;
3. To make a comparative study of the performance of SHGs run by men and
   women under SGSY;
4. To study how SGSY has helped the swarozgaris in enhancing their income;
5. To look into the pattern of savings of the beneficiaries out of their income;
6. To study the utilisation of funds for strengthening the rural infrastructure in
   the study area;
7. To examine the institutional credit facilities and repayment performance of
   swarozgaries;
8. To look into the marketing problems faced by the SHGs in selling their
   products.

1.4 METHODOLOGY OF STUDY:
There are altogether 14 Development Blocks in the District of Kamrup (Rural).
These Development Blocks are - 01) Rani; 02) Rampur; 03) Chayani Barduar; 04)
Chayagaon; 05) Goroiimari; 06) Boko; 07) Bongaon; 08) Chamariya; 09) Hajo; 10)
Sualkushi; 11) Bezeroa; 12) Kamalpur; 13) Bihdiya Jagikona; and 14) Rangia. We
have selected at random five blocks from the population of 14 blocks. For this random
selection, we have numbered the above mentioned blocks as 01, 02, 03, etc..... 14. Then with the help of 4 digit random number tables, we have drawn five blocks which are Rani, Boko, Chayani Barduar, Sualkuchi and Kamalpur.

From the record maintained in the office of the DRDA, we have found that there were altogether 9029 SHGs as on march, 2008 in all the 14 blocks. We have selected a sample of SHGs from the selected blocks which have completed at least 3 years from the date of their formation. The reason behind this is that a SHG requires a minimum period of 3 years to earn income. The total number of SHGs in each selected block is shown below:

Table-1.1
Total No's of SHG in Selected Five Block

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Block</th>
<th>No's of SHGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rani</td>
<td>448</td>
</tr>
<tr>
<td>2</td>
<td>Chayani Barduar</td>
<td>606</td>
</tr>
<tr>
<td>3</td>
<td>Boko</td>
<td>707</td>
</tr>
<tr>
<td>4</td>
<td>Sualkuchi</td>
<td>618</td>
</tr>
<tr>
<td>5</td>
<td>Kamalpur</td>
<td>668</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>3047</strong></td>
</tr>
</tbody>
</table>

15% percent of the total SHGs of 3047 i.e. about 457 SHGs belonging to the selected blocks have been studied. For this purpose, we have selected SHGs from these selected five blocks by the principle of proportionate allocation under stratified random sampling technique. By following the principle of proportionate allocation under Stratified Random Sampling Technique, we have selected 457 SHGs from the selected 5 blocks which are as follows:
Table-1.2
No’ of Selected SHGs from Selected Blocks

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Name of Block</th>
<th>Calculation</th>
<th>Selected SHGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rani</td>
<td>$\frac{457}{3047} \times 448$</td>
<td>67</td>
</tr>
<tr>
<td>2</td>
<td>Chayami barduar</td>
<td>$\frac{457}{3047} \times 606$</td>
<td>91</td>
</tr>
<tr>
<td>3</td>
<td>Boko</td>
<td>$\frac{457}{3047} \times 707$</td>
<td>106</td>
</tr>
<tr>
<td>4</td>
<td>Sualkuchi</td>
<td>$\frac{457}{3047} \times 618$</td>
<td>92</td>
</tr>
<tr>
<td>5</td>
<td>Kamalpur</td>
<td>$\frac{457}{3047} \times 668$</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>457</td>
</tr>
</tbody>
</table>

The data collected from 457 SHGs have been processed keeping in view the quantitative objectives of the study. Relevant statistical techniques like t-test for significant difference of means and Paired t-test have been applied, besides using interval estimation and some elementary statistical techniques like average, variation, etc.

**HYPOTHESES TO BE TESTED:**

The following hypotheses have been tested:

1. SGSY programme has not significantly increased the income of the beneficiaries ($H_0$)
   
   **Vis-à-vis**
   
   The programme has significantly increased the income of the beneficiaries ($H_1$)

2. There is no significant difference between the average income of male SHGs and the average income of female SHGs ($H_0$).
   
   **Vis-à-vis**
   
   There is a significant difference between the average income of male SHGs and the average income of female SHGs ($H_1$)

3. The institutional credit facilities are not satisfactory ($H_0$)
   
   **Vis-à-vis**
   
   The institutional credit facilities are satisfactory ($H_1$)
4. The repayment performance of the SHGs is not satisfactory ($H_0$)

Vis-à-vis

The repayment performance of the SHGs is satisfactory ($H_1$)

1.5 IMPORTANCE OF THE STUDY:

In a developing country like India, poverty is a great menace. Most of the people live below the poverty line. From the beginning of the planned era, much effort has been made to eradicate poverty through promotion of economic growth with social justice but the success has been limited.

India accounts for nearly 18 per cent of humanity but in terms of its share in poverty, it accounts for nearly 37.20 per cent. Though there is an indication of decline in the percentage of people living below the poverty line over the years, yet in absolute terms, the number of poor has been increasing. An astonishing number of 45,01,953 people are below the poverty line in India (Economic survey of Assam 2011-12 and Census of India, 2011). Thus the present number of poor is much higher than the figure at the time of independence. However, the population is also increasing at a rapid rate. The number of the poor today is higher but at the same time a large number of poor people have crossed the poverty line. The overall scenario of poverty in the country is such a distressing one; the poverty scenario of the state of Assam is no better. The intensity of poverty is higher in the rural areas than in the urban areas.

Despite a number of efforts made in the past, poverty still continues to be a serious problem for the policy makers in India. One of the main reasons cited often for the poor performance of the poverty alleviation programmes is that the allocated funds have not reached the poor properly due to wrong identification of target groups. Besides, the administrative cost of these programmes is too high. Hence, identification of the genuine beneficiaries and the cost effectiveness of the poverty alleviation programmes are the need of the hour.

While designing poverty alleviation programme, emphasis is given on indicators of poverty. In general, calorie intake and income are the most commonly used indicators of poverty. But, often, it is difficult to get reliable estimates of these indicators as they are subject to sharp fluctuations across seasons, time and locations. Also, a single poverty indicator may not fully provide the complete profile of poor families. This is owing to diversity in their requirements and the level of development
of their respective regions. 'Poverty' is not a homogeneous character. Though, they may have common characteristics, they often differ a lot in their response to policy interventions. "Poverty indicators based on household characteristics offer some promise of quickly and cheaply identifying rural poor without the need for detailed household income and expenditure surveys" (Singh and Hazell, 1993).

There are possibly two routes to rural poverty reduction i.e. economic growth and human resource development. Evidence shows that the growth in firm and non-firm sectors could help in reducing poverty. But human resource development is equally important to check poverty even if there is no significant growth in the domestic economy.

In the initial planning period, major emphasis for rural development was on community development (multi-sector and multi-purpose with people's participation) but in the later years it has been shifted to a single purpose single-sector individual proprietorship. Development of agriculture received priority that could considerably increase agricultural production. Since agriculture becomes more profitable, many large farmers took back the leased land from the landless and small farmers leaving a large number of tenants as agricultural labourers. This triggered share cropping. Besides, heavy emphasis was placed on technocratic and entrepreneurial development. The concern of community development and people's participation declined. On the other hand, interpersonal and inter-regional inequality in income increased because a large segment of society with no productive assets at all or with less productive assets could not get the benefits of the development achieved. To correct this imbalance, the emphasis has been shifted to individual target and the area development approach to attack poverty, directly. Though the main idea behind this approach was to link development of man and area with the general development process, yet it largely remained as a mere poverty alleviation programme without any focus on the human and natural resource development.

In the past, huge sums were spent by the central and the state governments for eradicating rural poverty. Experience shows that the rate of growth of public spending by the states and the various employments and income generation programmes could not reduce poverty in India.

The rural unemployed labour force is large and is growing, resulting in their migration to the urban areas. Therefore, income generating programmes advocated in the successive Five-Year Plans came to stay in some form or the other. Although,
strategies of employment programmes during the first 25 years since the launching of the First Five Year Plan yielded some positive gains, yet these was far behind from what was expected. Most of these rural employment programmes were not planned meticulously and hence have been criticised as ad-hoc in nature. As a result, they could not ensure continuity of employment to a vast army of under-employed and unemployed people. These programmes remained as a relief measure rather than as a permanent solution to unemployment or reduction of poverty. Many studies provide a discouraging picture of the wage employment programmes in terms of intensive coverage of target groups and the quality of assets acquired.

With the main objective of removing poverty, Swarnajayanti Gram Swarozgar Yojana (SGSY) was initiated on 1st April, 1999. It is a major on-going self employment programme for upgrading the rural poor above the poverty line. It was started after reviewing and restructuring the earlier programmes such as Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Toolkits to Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY) and Million Wells Scheme (MWS). Similarly, other wage and self-employment programmes like Employment Assurance Scheme (EAS), Jawahar Rojgar Yojna (JRY) etc. have been initiated and are in operation and these ought to be studied in the light of generation of rural income and employment. Region wise and area specific study relating to the impact of various rural employment programmes is necessary because such studies highlight the implications of the programmes concerning the region or the area under study. A study at the state or at the country level cannot bring to light the implications of the various rural development programmes on employment and income of the poor people of a particular area or region. As the creation of employment opportunities is instrumental for generating income in rural areas and since a general study relating to a country or a state cannot properly reflect the implications of a programme in a particular district, hence, this study is thought to be of great significance.

1.6 PERIODICITY OF STUDY:

We have collected data during the period from April, 2011 to March, 2012 in respect to the sample of SHGs which completed at least three years till March, 2011. Hence, our periodicity of study is the period from April, 2011 to March, 2012.
1.7 LIMITATIONS OF THE STUDY:

The study will be carried out on the basis of both primary and secondary data. While primary data collected through sample survey are subject to both sampling and non-sampling errors, secondary data are subject to the limitations of secondary data.

1.8 CHAPTERISATION OF THE THESIS:

The thesis incorporates the following chapters:

Chapter-I: Introduction: This chapter contains a description of the background of the problems, the statement of the problems under study, Objectives of the study, Methodology of the study, Importance of the study, Periodicity of the study and the Chapterization Scheme.

Chapter-II: Profile of Kamrup District: This chapter contains the economic profile of the Kamrup District.

Chapter-III: Review of literature: In this chapter, we have reviewed some similar works of some earlier researchers and we have specified the research gap. We have stated that our research investigation will partially fill up this gap.

Chapter-IV: Rural Development in India in general and Assam in particular since independence: An overview

Chapter-V: Implementation of the SGSY: Role of concerned machinery

Chapter-VI: An Empirical study of Swarnajayanti Gram Swarozgar Yojana (SGSY) in Kamrup District: Impact on income and Employment Generation

In this chapter we have analysed the collected data from various angles. The impact of SGSY on income and employment generation has been specially dealt with.

Chapter-VII: A comparative study of the performance of Men and Women Self-Help Groups formed under SGSY

Chapter-VIII: Problems of Implementing Swarnajayanti Gram Swarozgar Yojana (SGSY): This chapter contains a discussion on the problems faced by various sections of people associated with SGSY, such as beneficiaries, bank officials, government officials etc.

Chapter-IX: This chapter incorporates Findings, Suggestions and Conclusions
REFERENCES


