CHAPTER-5
OBSERVATION, CONCLUSION AND SUGGESTION

5.1 Observations and conclusion

In the present study a lot of primary data was analysed in chapter 4. From the data analysed researcher ahs observed the analysis and arrived at conclusions. On the basis of conclusion we have made some suggestions in order to make the study fruitful to the future researchers, academicians as well as the agencies responsible for the implemention of SGSY. The suggestions may be helpful in removing the drawbacks and improve the implementation of the programme.

The major issues which emerged from the present study are given below.

1) The awareness of the Self Help Group (SHG).
2) Formation of Self Helps Group (SHG).
3) Development of Self Help Group (SHG)
4) Grading of Self Help Group (SHG)
5) Revolving fund to Self Help Groups (SHG)
6) Selection of Key activity
7) Training of Swarojgaries
8) Financing the Swarojgaries
9) Marketing facilities
10) Infrastructure facilities
11) Loan repayment by Swarojgaries
12) Role of Govt. agency
13) Impact of the SGSY on income generation & poverty alleviation.

5.1.1 Government agencies lacked Generation of Mass Awareness

While arriving at the conclusion on the generation of awareness amongst swarojgaires we will be able to meet the objectives of study as well as the hypotheses given in the chapter two will also be tested. Under Swaranjayanti Gram Swarojgar Yojana (SGSY), the beneficiaries are known as Swarojgaries. The Swarojgaries 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 all the cases, the list of BPL households identified through BPL census, duly approved by the Gram Sabha forms 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.

The study reveal that large number of people living in the rural areas of the Blocks undertaken for the purpose of this study are generally aware of the self Help Groups but they are not aware about their proper functioning here the role of Developmental agencies assume critical importance. The well designed schemes can not be effective enough unless these are accepted by the people.

Holding of village awareness camps and disseminating the information about the programme to the perspective beneficiaries. 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. SHGs have the advantage of assistance in terms of credit or technology or market guidance or infrastructure development etc. – reaching the poor faster and more effectively. Social mobilization enables the poor to build their own organizations (Self Help Groups) in which they participate fully and directly and take decisions on all issues concerning poverty eradication.

The study reveals that majority of the Swarojgaries were to be motivated to form SHG and become member in the group. Many camps were organized at village levels in order to make the rural people of the area aware about the SGSY programme. It has generally been viewed that the government programmes generally fails because the dissemination of information and programme objectives as well as the programme guidelines does not reach perspective beneficiaries in the right manner. This had happened in many programmes government launched in history such as IRDP, DWCRA, TRYSEM, MWS etc.

Hence from the study it has been established that majority of the respondents are of the opinion that they got the information of SGSY from Govt. Agency. This is a good sign in SGSY programme that the field
agencies have tried their best to make people aware of SGSY programme. The study also revealed that the majority of the non-beneficiaries respondents are earning more than 5000 per year but they were not part of the SGSY programme because they were not covered under BPL category. While concluding the study with non beneficiaries it was found that majority of the non beneficiaries are engaged in seasonal employment. Majority of the respondents in case of non beneficiaries are engaged in agriculture sector. A large number of the non beneficiary respondents are earning Rs. 0-50 per day but they were included in the self help groups because they were not amongst Below Poverty line however they were earning only less than Rs. 1500/per month. From the analyses of non beneficiaries it was pointed that majority of the non-beneficiaries respondents are not aware about Self Help Groups under SGSY. Therefore from the interpretation it is clear that majority of the respondent who were aware about SGSY got the information from Govt. functionaries. Hence it can be said that average non-beneficiaries were aware whereas average beneficiaries were not aware when SHG's were being formed under SGSY. Hence from the analyses it has been interpreted that the non-beneficiaries were well aware about SGSY and were interested to join it but they were not selected under BPL category therefore they could not participate and benefit themselves from SHG under SGSY.

The study revealed that the Govt. Agencies implementing the SGSY programme have tried to generate awareness amongst the BPL people as perspective Swarozgaries (Beneficiaries) but could not generate enough awareness to make it a revolution as in Bangladesh. The study further revealed that the non beneficiaries were more aware than the beneficiaries but they could not participate the programme and could not benefit because they were not part of BPL identified families rather can become the member of the SHG but could not be benefitted with subsidy. The study also revealed that the selection of the BPL families is a faulty one and the genuine families who deserved to be in BPL category are outside it whereas those who does not deserve to be in BPL are included in the BPL category. The fault lies somewhere in the selection process of BPL families.
5.1.2 SHG’s has been formed systematically and effectively

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. The facilitators 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 requires staying with the people for some period to facilitate proper understanding and establish rapport with them. Therefore, while forming Groups, facilitators recognize the natural bonds and affiliations existing within the society. SHG is group of rural poor who have volunteered to organize 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. Group agrees 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. Under SGSY a Group may consist of 10 to 20 persons in normal developed areas but the conditions have been relaxed for hilly, desert and difficult areas from 5-20 members. 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% 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. 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 ordinarily be 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. Every group has its own group norms such as membership, meetings, individual contribution as well, use of corpus fund, interloaning etc. 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. 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. The members in the group meetings should take all the loaning decisions through a participatory decision making process. The group should be able to prioritize the loan applications, fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan installments from the loanee.

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. 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 Performa for maintenance of above records by the group is in the prescribed format for guidance. 50% of the groups formed in each block should be exclusively for the women. 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.

While reviewing the groups formed in the Balh Block and sampled Gram Panchayats in respect of the Block it was generalized that on an average 3 self help groups have been formed in every gram Panchayat. In every SHG there are 10 members on an average. 74% of members in the self help Groups belongs to SC/ST families. 4% families belongs to handicapped families and 98% of members in SHG are women. While reviewing the groups formed in the Gohar Block and sampled Gram Panchayats in respect of each Block it was generalized that on an average 3 self help groups have been formed in every gram Panchayat. In every SHG there are 10 members on an average. 43% of members in the self help
Groups belong to SC/ST families. 1% families belong to handicapped families and 67% of members in SHG are women. While reviewing the groups formed in the Sundernagar Block and sampled Gram Panchayats in respect of each Block it was generalized that on an average 3 self help groups have been formed in every gram Panchayat. In every SHG there are 11 members on an average. 54% of members in the self help Groups belongs to SC/ST families. 1% families belong to handicapped families and 75% of members in SHG are women. While reviewing the groups formed in the Ghumarwin Block and sampled Gram Panchayats in respect of the Block it was generalized that on an average 2 self help groups have been formed in every gram Panchayat. In every SHG there are 11 members on an average. 70% of members in the self help Groups belongs to SC/ST families. 2% families belong to handicapped families and 83% of members in SHG are women. Hence from the coverage of various categories in the self help groups it was found that in each Gram Panchayat on an average three SHG’s have been formed. The average coverage of the SC(BPL) families in the self Help Groups is 65%. The coverage of Handicapped is about 2% and the women coverage in the SHG’s is 80%. Majority of the sampled Panchayats in respect of all the sampled Blocks are satisfied with the functioning of SHG in their Panchayats. This shows that the SGSY programme has been a success in the rural areas and especially in the Blocks under study. Therefore it can be specifically stated that majority of the respondents have joined the self Help Groups for Swarojgar purpose in case of Development Block Balh, Gohar and Ghumarwin whereas in case of Sundernagar Block majority of the respondent groups have joined self help Groups for thrift and credit purpose. Clearly speaking some of the sampled SHG’s have joined groups for subsidy Purposes. Therefore it is clear that the Swarozgars are concerned for various aspects of self employment through SGSY. From the study it has been clearly established that monthly meetings are regularly organized by majority of the self help groups. The study shows that majority of the respondents of all the sampled blocks are earning 0-50 Rs. Daily prior to financing under SGSY. The analyses say that Swarojgars...
generally spare 5 hours a day for group activities. Hence majority of the SHG's Swarojgaries contribute Rs.21-40 and 41-60 per month for the SHG.

The formation of the self help groups is very effective and all the groups have more than required no. of beneficiaries from the weaker sections of society i.e. SC/ST., Handicapped and women. The members of the SHG's are contributing the prescribed monthly contribution as well as each members are contributing 5 hours a day for the group activities. Majority of the members of the self help groups are satisfied with the functioning of the self help groups. Monthly meetings are conducted in majority of the self help groups. From the functioning of the self help groups it is clear that the groups are functioning effectively except some SHG's which are defunct due to various reasons.

5.1.3 Self Help Groups has been developed properly

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 with opportunities 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. Group development lasts for almost 6 months. Here it has been clearly established that monthly meetings are regularly organized by majority of the self help groups. It was thus established that in case of development blocks Balh, Gohar, Ghumarwin majority of the SHG's utilized the contributory funds towards thrift and credit whereas majority of the respondent groups in case of Sundernagar Block the corpus fund was deposited in the saving account of the groups. It can be concluded that majority of the respondents have regularly maintained the accounts of the SHG's. Thus it is generalized that majority SHG are charging interest on interloaning for income generation of the group and as a mode of learning to function as lending agency and mini bank to the Swarojgaries/members of the self Help Groups. Thus finally it can be
concluded that majority of the respondents have always maintained the accounts of the SHG's. It is clarified that block officials as well as Panchayat officials have visited the majority of the SHG's but those self-help groups where officials have rarely, sometimes as well as not at all visited SHG's for inspection is also to great extent. There has been negligence on the part of officials towards guidance of SHG's. Hence majority of the self-help group Swarojgaries utilized the group fund for interloaning amongst its members. Therefore majority of the beneficiaries had taken loan from the group fund. However, majority of the Swarojgaries had taken the loan from group only once from the analysis it is clear that majority of the respondent beneficiaries have taken loan from group savings for meeting their daily needs from the study it is generalized that majority SHG are charging interest on interloaning for income generation of the group and as a mode of learning to function as lending agency and mini bank to the Swarojgaries/members of the self Help Groups Therefore majority of the respondent beneficiaries have taken the loan from group savings on 2-3Rs/50 Rs/Month from its members. Therefore Majority of the Swarojgaries have returned loan to the self help groups.

While studying the responses of the respondents of all the categories it is established that the self help groups have been developed nicely in all the sampled blocks. Group meetings are conducted regularly. The individual contribution has been collected by the groups regularly. Thrift and credit activities have been carried by the groups in majority of the cases in respect of Balh, Gohar and Ghumarwin Blocks whereas the corpus has been deposited in savings bank account in majority of the cases in Block Sundernagar instead of carrying out thrift and credit activity. The interest rate has been charged by majority of the cases to the rate of 2-3 Rs. per 100 Rs. Per month. It has also been revealed that majority of the beneficiaries have taken the loan from the group at least once. Majority of the loanee of the corpus fund have utilized the funds for daily consumption needs instead of utilizing the same for production purposes. Therefore it can be said that no doubt the groups have been developed in a good manner yet there are so
many shortcomings that needs to be looked into in order to develop these self help groups in the professional manner.

5.1.4 Grading has been done systematically

The formation stage may last for about six months or more depending upon the literacy, awareness levels, socio-economic background of the people being organized, 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.

Grading exercise thus 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 subjected to first grading immediately, without waiting for another six months. The DRDAs plays 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 that is involved in the promotion and development of SHGs or any independent agency contracted to undertake the grading exercise. 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. Right from the beginning, it is necessary that the SHGs should be nurtured carefully. The grading exercise must therefore be carried out at different stages. To start with, the objective of the SHG in the first six months is to evolve as a viable group. Accordingly, the grading at the end of
six months should be with reference to the objectives in the first stage of the evolution of the Self Help Groups. Grading exercise should be undertaken every quarter till such time that all the groups obtain good grade.

Here in the present study it can be generalized that majority of the self help groups have been graded. Still there are many groups those are not graded. Hence majority of the self have been graded in all the sampled blocks. Therefore the grading done was good as claimed by majority of the respondent beneficiaries of all the sampled blocks. Hence from the study it is revealed that majority of the self help groups have been graded by DRDA.

Majority of the self help groups have claimed that they have been graded from time to time by the DRDA. The proper format of grading was adopted as claimed by the self help groups. The grading exercise had made them capable of entering into the next stage of group activity. The group was first graded after passage of six months from the day of formation of the self help group and secondly when they crossed one year of formation in order to become eligible for financing. After the first stage grading of the eligible groups. They were given revolving find and after the second stage they got entitlement for taking up the economic activity. The grading is an effective tool to make a distinction between effective as well as ineffective group.

5.1.5 Revolving fund given without Bank support and matching grant

SHGs that are in existence for about 6 months and have demonstrated the potential of a viable group enters the third stage, wherein it receives the Revolving Fund of Rs.25,000 from bank as cash credit facility and also embarks on further capacity building of its entire team. DRDAs will arrange to provide the revolving fund to such groups, meeting their share from out of the SGSY Fund. Of this a sum of Rs.10,000 will be given to the Bank by the Block office. Banks may charge interest only on the sum exceeding Rs.10,000. The subsidy of Rs.10,000 released by BDO will be adjusted against the loan at the end of cash credit period on the request of the group. The revolving fund is provided to the groups to augment the group corpus so as to enable more number of members to access loans and also to facilitate increase in the per capita loan available to the members. As the revolving fund become part and parcel of the group corpus, the groups
should follow same norms for utilization as in the case of their own saving fund. The group should discuss the credit requirement of the members and advance loans from out of the corpus (savings + interest + revolving fund) to a few members and fix repayment schedule and interest rates. From the amounts recovered from the loanee, new members could be covered. The revolving fund imparts credit discipline and financial management skills to the members, so that they become creditworthy and bankable in the eyes of the bank. On receipt of the revolving fund, the group shall utilize the fund in the manner and for purposes it deems fit. The idea is that the group should develop the capacity to utilize funds it has received from outside. The revolving fund can be used by the group for purchase of raw materials, marketing or infrastructure support for income generating activities. It can alternatively be used for lending to individual members for their own purposes. The members shall inculcate the habit of prompt and full repayment of the loans taken by them from the revolving fund.

Finally it can be said that majority of the self-help groups could receive the revolving fund and a few could not receive the revolving fund but it is very unfortunate to say that revolving fund has been used by majority of the groups either for self-consumption by dividing equal amount between themselves without revolving it in group or deposited in the saving account of the group whereas that was to be utilized for the purpose of getting matching grant from bank.

Majority of the self help groups of all the blocks under study who have passed grade 1 have received revolving fund and majority of the respondents self help groups have utilized the revolving fund by distributing the funds as per requirement of the beneficiaries/members of the self help groups. Majority (70%) of the respondents of all the blocks accepted that they have received the revolving fund >= 10000. The beneficiaries who received the revolving fund <10000 was 30%. Here there is majority of the Swarojgaris who received the revolving fund from the group as per their requirement. Hence the majority of the Swarojgaris of all the sampled blocks have utilized the revolving fund for consumption purposes rather than
production purposes. Therefore majority of the Swarojgaries have been economically uplifted by the use of revolving fund.

From the study it is clear that majority of the beneficiaries were aware of revolving fund under SGSY. From the critical analyses of the responses of the respondents it was established that majority of the self help groups who passed grade 1 were given Rs. 10000/- as revolving fund whereas those groups who were not qualified in the grading exercise could not get the revolving fund. This was revealed in the study that the implementing agencies not involved the banks in giving revolving fund to the SHG along with matching grant of Rs. 15000 as loan from bank rather direct funds were provided by the agencies to the groups. Majority of the self help groups distributed the amount of revolving fund equally amongst them which could not have been done otherwise. It was also revealed that majority of the members of the self help groups utilized the revolving fund for self consumption rather than production activities. Therefore these self help groups have not utilized the revolving fund in right manner. However it has been revealed by the self help groups that their economic status has improved after using the revolving fund. Many groups said that they earned interest by keeping the revolving fund in the saving account of the group instead using it. As far as awareness of the groups are concerned they are fully aware about the revolving fund.

5.1.6 Key activity selected by the beneficiaries itself without any pressure and was viable:

The success of SGSY depend on the choice of activities. The key element is that the choice of activity should be based on the local resources, the aptitude as well as the skill of the people. It is also necessary that the products have ready market. The choice of key activities should not be an arbitrary or an adhoc decision but should be a carefully thought out process. The Block SGSY committee has a very important role for identifying the key activities that can be taken up, the committee should ensure that this selection takes place through a participative process. For selection of key activities, a profile of the poor families, as reflected in the BPL Census should be analyzed. There will be poor families with assets, such as land.
Efforts should be made to see that those having a minimum extent of land are enabled to cross the poverty line by making additional investment on their lands, such as wells or other irrigation facilities, pump sets etc. The Block SGSY committee should therefore, analyze the potential for farm activities on priority. Care must be taken to see that they also have access to short term credit and other inputs required in the farm sector to supplement the efforts under the Scheme. The next priority may be given to those who have an inherent skill. These would primarily be the rural artisans who form a significant segment of the rural society. Under the SGSY, rural artisans should be covered in a significant manner. Another category would be the unemployed educated youth. A number of them would have been trained under the erstwhile TRYSEM Programme.

An inventory may be taken of such people to find out which activities are best suited for the area. Generally, the people who are assetless and skillless are poorest of poor and get left out under the Programme. Such category of people may require small doses of multiple credit over a period of time coupled with emphasis on awareness creation, training and capacity building. The activities which are easier to handle and product is easily marketable could be identified for such category of people to ensure sustainable income, so that, they do not fall into debt trap. The Block SGSY Committee must interact with as many Pradhans as possible and also discuss with groups of the rural poor such as the landless labour, the educated unemployed, those rural poor with lands, the artisan groups etc. Where self-help groups are in position, they should also be consulted. In their discussions, the Committee should explore various opportunities that are available (provided credit, technology, skill up gradation and marketing are assured) to enable the poor to cross the poverty line. While conducting this dialogue, the Block SGSY committee should be equipped with information relating to the performance of various activities in the village whether such activities are taken up under government programmes or otherwise. The committee should use that knowledge to supplement the traditional knowledge of the poor households and to facilitate the identification of suitable activities. In this process, the traditional wisdom of
the poor families acquires value and the Block committee builds upon the traditional knowledge of the poor families with its knowledge base. It must be ensured that the consultation process is genuine and not perfunctory or token in nature. Based on this consultation process, the committee may identify about 8-10 activities, which they may rank in the order of preference. This list should then be placed before the general body of the Panchayat Samiti (Block Panchayat). The Panchayat Samiti should be asked to give its recommendations. The list of selected key activities, along with the recommendations of the Panchayat Samiti, should then be forwarded by the BDO to the District SGSY committee for consideration. Before sending the list to the District SGSY Committee, the Block Committee should prepare a brief project report, keeping in view the guidelines. The District SGSY committee will receive the block-wise proposals and will vet them. The committee will select about 10 activities per block. However, focus should be on 4-5 Key activities which are identified for training and micro-enterprise development in a cluster approach for larger number of Groups. In the process, scope for other potential activities should not be excluded. The District SGSY committee should scrutinize the proposals for each key activity separately in consultation with the concerned experts including the line department officials. In fixing the unit costs for the farm sector, the costs fixed by the regional committees of NABARD should be taken into consideration. With regard to the loans for various purposes falling under ISB sector of SGSY, the responsibility of fixing the unit cost and other techno-economic parameters is of the committee. It must be noted that identification of activities is critical for the success of the SGSY. It is therefore necessary that it should be done in careful manner. Care should however be taken that the market is either readily available or there is a potential for market creation for the products. This may require engaging the services of professionals in the field for market research and survey. A detailed timetable may be drawn up by each DRDA for each Block and the schedule publicized so that everyone is aware of the selection of key activities.
While analysing the study and disensing with SHGS majority of the respondents of sampled blocks stated that the activity selected by the SHG, s was viable towards income generating keeping in view the local conditions. The key activities were identified by the Gram Panchayat keeping in view the local raw material the ancestral occupations as well as local market based activities for the women folk. These activities were selected in the presence of the villagers. The selection of the key activities for the Swarozgaries is always a tedious job. The gram sabha played a vital role in all the sampled blocks for identifying the key activities for self help groups as well as individual Swarozgaries. The basic idea behind selecting such activity which is linked with the profession of the Swarozgaries was that they have the basic skills of the activities and the Swarozgaries can earn a lot by getting their own known activities. These activities on one hand required minimal skill up gradation and these groups could keep their old market survive. Majority of the groups have undertaken those activities they were familiar with since a long time in order to earn a lot by deploying fewer efforts. Majority of the respondents have agreed that the selection of activities by gram Panchayat was done through democratic process.

5.1.7 Training to SHG'S and Individual Swarozgaries under SGSY improved their skills

The success or failure of any endeavors depends upon the skill development. It has been well recognized that for success of self-employment endeavors and also for their sustainability, the required skill to successfully run the enterprise is a pre-requisite. SGSY proposes a number of measures for upgrading the capacity of Swarozgaries both in individual as well as group oriented activities. While developing the project profiles for the identified key activities, the District SGSY Committee should in consultation with concerned technical personnel determine the Minimum Skill Requirement, in terms of both the technical and managerial skills. Once the person or group of persons has been identified for assistance, their training needs also should be ascertained with reference to MSR. The assessment regarding technical skills may be made by the line departments while that of the managerial skills may be made by the banker while scrutinizing the loan
application. Keeping this in mind two types of training are contemplated under SGSY.

Where the Swarozgari possesses the required skills, he/she may be put through a basic orientation programme after the loan is sanctioned and before it is disbursed. This mandatory programme may be organized at the block headquarters, not far from the place of residence. This basic orientation programme will seek to familiarize the Swarozgaries with SGSY and its objectives, the responsibilities of the Swarozgari, as well as the behavioral aspects. It will also seek to infuse confidence in the Swarozgari by drawing his/her attention to the success stories in the given key or allied activity, as well as alert him/her to the possible risks.

This programme will include elements of book keeping, knowledge of market, identification and appraisal, acquaintance with produce costing and product pricing, familiarization with project financing by banks as well as some basic skills in the key activity identified. It will of a very short duration, and should not normally be more than two days. BDOs, Bankers and line departments can act as resource persons for this training. Training expenses like training material, honorarium to resource persons, travel and food expenses of Swarozgaries can be met by DRDA from SGSY Training Fund. No stipend will be admissible.

**Skill Development Training**

For the identified activities, Swarozgaries who need specific skill development/up gradation of skills appropriate training may be identified and suitable training programmes organized. Government institutions like engineering colleges, it is, Polytechnics, Universities and NGOs may be approached to imparting training. The objective of this training is to ensure that the Swarozgaries posses the Minimum Skill Requirement (MSR). Swarozgaries will be eligible for assistance only when they possesses MSR and loans will be disbursed only when they have satisfactorily completed skill training. For this training, Swarozgaries will be entitled for financial assistance if they require undergoing training for more than a week. The rate of assistance may be fixed locally. The bank will give this money to the Swarozgaries as a soft loan.
Thus majority of the self help groups except few have received the training to start up economic activity efficiently and effectively. Thus it is clear that only basic orientation programme of one-day duration was provided to sampled Majority of SHG’s but the specific training was imparted to only few ranging on an average 30%. The training thus provided to the self Help Groups confirmed to be successful although there were some SHG’s who shown their dissatisfaction over the quality of training. It is important to say here that almost all the sampled self help groups emphasized more training and very few disagreed. Although majority of the respondents of all the blocks have been provided training yet the percentage of the respondents whom training was not provided is considerable. Hence Majority of the respondents have been provided basic orientation training rather than skill up gradation training. Hence majority of the respondents of the blocks were not provided honorarium for the training. Majority of the beneficiaries who were provided honorarium were paid Rs 0-50 as honorarium. No one was given honorarium 51-100 Rs. And 101-150 Rs. Majority of the beneficiaries of all the sampled blocks have been provided basic orientation as well as skill development training. Therefore majority of the respondents in respect of all the respondent blocks have accepted that their efficiency have improved after training. Hence majority of the beneficiaries were aware of training under SGSY.

Training is an important aspect in the efficient and effective functioning of any self help group. Under Swaranjayanti Gram Swarozgar Yojana two types of training is imparted to the self help groups. Basic orientation training as well as Skill up gradation training. While analyzing the responses of the self help groups it was revealed that majority of the self help groups has been imparted training but the type of training imparted to the majority of the groups was basic orientation training of one day duration. In this training only general information about the functioning of the self help groups is imparted to the group members. Skill up gradation training was imparted to only 30% self help groups. An honorarium was provided to majority of the respondents amounting 0-50 Rs. whereas the honorarium amounting Above Rs. 50 was imparted to none. Majority of the respondents
who were provided skill upgradation training as well as basic orientation training have improved their efficiency. The majority of the beneficiaries were aware of the training under SGSY. Majority of the respondents have accepted the training as an important feature and more refresher courses should be imparted to them in order to improve their efficiency. The Hypotheses thus that SGSY program has helped rural poor to acquire new skills have been proved. The beneficiaries have been provided basic orientation training and skill up gradation training for acquiring new skills have been proved to a large extent.

5.1.8 The Eligible SHGS & Individual Swarozgaries linked with Economic Activity with Difficulty from Banking Institutions

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: Loan-cum-subsidy of SGSY to the individuals in a group, provided the prospective Swarozgaries in the group are capable of and willing to take up income generation activities under these sectors. 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. 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% 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.
The selection of the individual Swarozgaris must be done in an open and transparent manner. The poor should have the confidence that if they fulfill the requisite conditions they would be able to avail of the facilities under the programme. It is possible that the number of such potential Swarozgaris would be 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 can be taken up for the final say. While SGSY is not a programme that targets only the poorest of the poor, it should be the Endeavour of the committee to cover the relatively poorer among the BPL families provided however they are otherwise eligible. The SGSY will particularly focus on the vulnerable groups among the rural poor. Accordingly, the SC/STs will account for a minimum of 50%, women for 40% and disabled for 3% of the total Swarozgaries assisted during the year.

From the date the applications are received in the bank, the bank shall not take more than . The Bank will thereupon communicate the sometime to the BDO as well as the concerned line department. As soon as the selection is made and the list communicated to the line departments, the latter will proceed to test whether the Swarozgari has the necessary skill or not. As soon as the Swarozgari completes the basic orientation or the skill-training programme, the bank shall proceed to disburse the loan and subsidy amount to the Swarozgari. This shall invariably be done immediately, so that the money is available to him/her for purchase or creation of the asset. The entire amount sanctioned shall be disbursed unless the amount is to be disbursed in designated installments. The Bank shall disburse the subsidy amount also as per the guidelines governing the backended subsidy.

Thus it has been pointed out that self help groups have been provided training, revolving fund, credit and subsidy timely. From the analyses it is clear that almost 50% SHG found difficulty while 50% SHG’s didn’t found any difficulty in financing the Self Help Groups. Thus Banks took more than normal time of 15 days to process the cases of Self Help Groups. Therefore it can be classified that the attitude of majority of cases is helpful as well as supportive yet there are chances that the attitude of the bank officials have been found autocratic and rude. Hence the respondents are well aware about
the economic activity. Majority of the members of SHG's under SGSY have received subsidy >=7500. Hence in Balh and Gohar Block the Project cost of the sampled beneficiaries was <=45000 whereas in Sundernagar and Ghumarwin Block it was >=45000. Therefore the analysis declares that majority of the beneficiaries of all the blocks were trained for the economic activity. Hence from the above analyses it was clear that Milch cattle was the one of the most liked activity under SGSY to the beneficiaries of self help groups as well as individual beneficiaries followed by knitting. More than 80% beneficiaries of all the sampled blocks selected dairy as basic activity followed by sericulture, knitting and shop. Hence majority of the beneficiaries purchased the asset in less than 40000 rupees. Hence the back-ended subsidy has been given to almost 100 percent respondents. Hence it is clear that majority of the beneficiaries got subsidy >7500 clearly indicating SC/ST has been given more coverage. Hence majority of the respondents are of the opinion that Bank officials were non-cooperative in financing the loan case under SGSY. Followed by demand of guarantee. The percentage that claimed that they faced no difficulty was 0%. SGSY had been beneficial to majority of the respondents of all the sampled blocks. While it was not beneficial to a margin of beneficiaries. Percentage of those who were benefited with SGSY was considerably very high. While financing a number of problems are faced by the self help groups. 50% of the sampled self help groups are satisfied with the services of the financing agencies while half of sampled groups are not satisfied. In majority of the cases Banks took more than the normal time to finance the groups.

They also found the behavior of the bank official's as autocratic and non cooperative. In Balh and Gohar Block the Project cost of the sampled beneficiaries was <=45000 whereas in Sundernagar and Ghumarwin Block it was >=45000. Incase of the SHG the average project cost stood at 450000 out of which loan was 225000 & subsidy was 125000. Therefore the analysis declares that majority of the beneficiaries of all the blocks were trained for the economic activity. From the above analyses it was clear that Milch cattle was the one of the most liked activity under SGSY to the beneficiaries of self help groups as well as individual beneficiaries followed by knitting. More than
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5.1.9 Marketing facilities were extended by Govt. Agencies to the beneficiaries

For any goods or services that are produced, existence of a suitable market is essential. Traditionally, the self-employment programmes concentrated on the inputs rather than the outputs and their marketing. There is a false notion that market surveys are not required in case of the self-employment opportunities for the rural poor. In fact, it is as critical, if not more, for the poor. For, he/she cannot sustain the loss arising out of a lack of market even for short period. It is possible that this might appear to be formidable proposition and that the field functionaries might feel that they are unequal to the task. Happily, this is not so. While to most of us, market mechanism may appear unintelligible and a complex task, in reality it means checking out what sells and what does not. Goods and services are traded every day in all parts of the country. What is needed is to see what sells in the local markets. A study of the local markets might reveal that what the villagers purchase can as well be produced locally. The opportunities must be fully explored. At the same time, it must be remembered that it is neither feasible nor desirable to produce all goods in all places. The choice of activity therefore must be governed by the possibilities that exist on account
of the resources of an area, the available skills and the market. It is always possible to develop the skills or even the markets but this must be weighed against the fact that it would require time and effort.

The marketing of goods outside the districts requires an intermediary agency. This can be in the governmental, non-governmental or private sector. The one aspect that requires to be taken care of is the stability of the agency, their own competence and their capacity to ensure that the rural producer is getting his/her fair share of the profits. Care should be taken to see that only such agencies that do not exploit the rural producers and are well established in the business are chosen for the purpose. These agencies may market the products in the national or international markets. States have organized Melas to give publicity to the range of products produced by the Swarozgaris. Such efforts need further encouragement so those SGSY Swarozgaris will be integrated with the regional markets. Organizing of Exhibitions periodically in urban centers will offer better price to the goods of SGSY Swarozgaris. This also serves as forum for sensitizing the SGSY group to the demand patterns of the market. The State level organizations and boards have to develop an organic link professional bodies can guide the poor in supply of designs and in quality assurance. Attempts to establish State emporia for display and sales of SGSY Products in major urban cities need to be given a fair trial. Quality of products is vital not only for the development of entrepreneurs but also for the nation as a whole. It must be the responsibility of the marketing agencies to ensure that the Swarozgaries are trained in quality control. The goods marketed must conform to a minimum and uniform quality so as to be able to develop a brand image. This is important even in respect of the goods that are produced for local consumption. The DRDAs must organize periodic meets of the Swarozgaris and ensure that they are given the necessary guidance in quality control. There must also be a system of the experts in the relevant fields visiting the work places and guiding the Swarozgaris.

You may produce anything, of any quality of any quantity and of how much cost but these things runs only with the best marketing mix. If production is the heart of any activity then marketing is the brain of the
activity. Majority of the self help groups accepted that the groups have been supported by govt. agencies for marketing their products. Quality matters a lot while we think of marketing the rural unfinished products. Self help groups have been satisfied with the efforts of marketing being provided to them. Majority of the self help groups are of the opinion that there should be proper training to the self help group members in marketing. Govt. has extended its full help for marketing the produce of Swarozgaries.

Proper infrastructure is the basic need 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 had been made for expenditure on infrastructure, the investments made did not necessarily correspond to the needs of the self-employed. There is inbuilt provision since inception of the SGSY programme to ensure that the infrastructure needs for the identified activities are met in full, so as to enable the Swarozgaries to derive the maximum advantage from their investments. From the expenditure it is clear that the amount under infrastructure have been under spent.

5.1.10 Infrastructure Development needs improvement

In order to meet expenditure on such critical infrastructure, SGSY have the provision for a fund, which will be known as 'SGSY-Infrastructure Fund'. 20% (25% in the case of North Eastern States) of SGSY allocation for each district will be set apart for this fund. DRDAs will maintain this fund in a separate account. The DRDAs are advised to utilize this fund to generate additional funding wherever feasible. Thus majority of the Panchayats revealed that infrastructure facility was provided to the self Help Groups. Hence it can be ruled out that the self help groups were not provided any Infrastructure facilities rather they were provided multifarious activities under the scheme. As marketing is very important P of marketing mix the same is the situation with product placement which requires places where the product can be sold. Therefore infrastructure is required to place the product in the market. Government has started so many efforts in this direction in order to provide infrastructure facilities to the Self Help Groups.
The analysis shows that a large number of infrastructure facilities are being provided by the govt. At block level various shops have been constructed to provide the place for the self help groups sell its products. Space free of cost is provided to the self help groups by the govt on its own expenditure at various fairs. Grameen bhandars have been constructed by Govt. for this purpose at various places to sell the products of the self help groups. Grameen Haats are being constructed by Govt. to meet out the gaps in infrastructure facilities to the self help groups.

5.1.11 Loan Repayment is timely in case of Self Help groups

Thus majority of Panchayats said that the repayment of loan by SHG’s is regular Therefore it is the majority voice that there is net increase in the income of the Self Help Groups. Hence it is clear that majority of the self help groups are repaying the due loan installments timely to the bank. Hence it can be said that member’s non cooperation for repayment as well as loss in venture of some SHG’s resulted in loan non repayment. Thus majority of Panchayats said that the repayment of loan by SHG’s is regular Therefore it is the majority voice that there is net increase in the income of the Self Help Groups.

The success and failure of the self help group depends upon the repayment schedule of the group. A group whose repayment is timely is called as successful group whereas group whose repayment is not proper is a failure. Thus majority of Panchayats said that the repayment of loan by SHG’s is regular Therefore it is the majority voice that there is net increase in the income of the Self Help Groups. Hence it is clear that majority of the self help groups are repaying the due loan installments timely to the bank. While studying the causes for non repayment of loan to the bank by some groups is due to non cooperation of group members as well non timely payment of funds by members to the group make the SHG defunct. Majority of the self help groups with voice votes said that they are earning good income out of this activity. Hence we can conclude that the repayment of the loan by the SHG’s is very good in case of SGSY.
5.1.12 Lack of initiative and support on the part of Dealing staff of Block, Staff lacked exposure & training

Thus it is well established that majority of the SHG’s were formed with the initiation and motivation by Gram Panchayat office. Thus it becomes clear that the block staff of majority of the blocks is not paying much attention towards self-help group’s welfare. Self Help Groups do not like the attitude of the majority block officials who are linked with SHG’s.

It is clarified that block officials as well as Panchayat officials have visited the majority of the SHG’s but those self-help groups where officials have rarely, sometimes as well as not at all visited SHG’s for inspection is also to large in number. There has been negligence on the part of officials towards guidance of SHG’s. Thus it becomes clear that the block staff of majority of the blocks is not paying much attention towards self-help group’s welfare. Self Help Groups do not like the attitude of the majority block officials who are linked with SHG’s.

Swaran Jayanti Gram Swarozgar Yojana is the Endeavour of rural development department. The staff of the department has to play a key role for the implementation of this scheme. Some of the self help groups marked the behavior of govt. officials as that of the supportive, guide helper. Majority of the self help groups said that block staff of majority of the blocks is not paying much attention towards self-help group’s welfare. Self Help Groups do not like the attitude of the majority block officials who are linked with SHG’s. They marked the attitude of the employees who are dealing with SGSY as non cooperative as well as rude in most of the blocks. While underkaing the study researcher took the feed back from the Block staff engaged in the SHG activities in which it was revealed that the staff in LSEO & SEBPO have never been provided training to form and develop SHGS. Panchayats secreataries also revealed such that they were also not provided any training under SGSY. They further revealed that what every they are doing it is from there own understanding.
5.1.13 Swarozgaries have been able to earn their living through Swaranjayanti Granm Swarozgar Yojana

The study reveals that majority of the SHG’s found their activity quite useful through which it is generalized that majority of the groups accepted to have been provided infrastructure facilities. Therefore it can be specifically stated that majority of the respondents have joined the self Help Groups for Swarozgar purpose in case of Development Block Balh, Gohar and Ghumarwin whereas in case of Sundernagar Block majority of the respondent groups have joined self help Groups for thrift and credit purpose. Clearly speaking some of the sampled SHG’s have joined groups for subsidy Purposes. Thus it could be generalized that 55% the respondents self help groups could increase his monthly income by 1000-2000 Rs. 35% could increase their income by 1000Rs, per month as well as 10% respondents could earn upto 2000-3000Rs per month. Thus it could be said that more than 60% respondents said that definitely they have got a platform through SHGs to redress their grievances. Thus it could be said that majority of the respondents felt that SGSY resulted in Fulfillment of basic needs and improvement in socio economic conditions. Thus majority of the respondents motivated other people for self help activity. Thus we can say that majority of the respondents feel that SGSY have helped them in income generation. Therefore more than 50% respondents of Balh, Gohar and Ghumarwin think that their income has been increased by 0-500Rs.

After they have taken up economic activity under SGSY. In case of Sundernagar Block almost 30% respondents have earned the increase in income in each 0-500Rs. Category, 501-1000 as well as 1001-1500Rs. Each 30%. Hence Majority of the respondents could have saving of Rs.0-1000 per year in Balh, Gohar and Sundernagar Block while in Ghumarwin Block the saving was 1001-2000 by majority of the respondents. Hence the majority of respondents of blocks under study are of the opinion that their net savings have been 0-1000Rs. In Balh and Gohar Block and 1000-2000 in Sundernagar as well as 2000-3000 in Ghumarwin Block. Hence from the analyses it comes out that majority of the Swarojgaris have increased income as a result of SGSY and got Swarozgar from SGSY. Hence majority
of the non-beneficiary respondents in the sampled blocks under study said that lack of time and unwillingness to take loan prompted them not to take up the scheme. Therefore majority of the non-beneficiary respondents never approached anyone to become the member of SHG. Hence we can interpret that majority of the non-beneficiaries approached Panchayat officials for participating in SHG. From the said analyses it is clear that majority of the non-beneficiaries think that the self help groups is an beneficial venture. Hence majority of the non-beneficiaries think that the programme has benefited the general public. Hence majority of the beneficiaries are of the opinion that the living standard of the beneficiaries have improved after adopting SHG under SGSY. Hence on an average 90% SHG’s could generate income through self employment under Self Help Groups.

The success of the programme is linked with the results it could generate in providing the economic independence and sustainability to any self help groups. The Programme is a success if it could provide self employment to the Swarozgaries. The main aim of SGSY is to make the Swarozgaries earn their survival and self employment through self help group. Almost 90% of the sampled self help groups have accepted that self help group through SGSY programme have provided them the way to live and cross the deadly line named Below poverty line. The beneficiaries of the sampled blocks said that their standard of living have improved. It has been farmed that majority of the respondents have joined the self Help Groups for Swarozgar purpose in case of Development Block Balh, Gohar and Ghumarwin whereas in case of Sundernagar Block majority of the respondent groups have joined self help Groups for thrift and credit purpose. Clearly speaking some of the sampled SHG’s have joined groups for subsidy Purposes. The analyses says that the majority of the respondents of all the blocks under SGSY could earn on an average daily of Rs. 100 through SGSY They are now able to save at least Rs1000 per month. Hence from the analyses it comes out that majority of the Swarozgaries have increased income as a result of SGSY and got Swarozgar from SGSY. So for as the matter is concerned with the non beneficiaries they are able to earn only up to Rs.50 only seasonal with no saving whereas the Swarozgari is able to
earn a daily of almost 100Rs per day throughout the year. It is pertinent to make it clear here that a large number of non beneficiaries were also aware of the self help group activity under SGSY but could not get the benefit of it because of their being non BPL. They are well convinced that this activity is an income generating venture and they were also interested to take up such activity. Hence the basic purpose of the SGSY programme has been acheived to make the Swarozgaries cross the poverty line through providing them Swarozgar under SGSY. Hence the Hypothesis is proved that the self help groups under SGSY have been able to create employment opportunities for rural poor below poverty line and help the people below poverty line cross the poverty line and earn their Swarozgar. The hypotheses that SGSY programme has increased the income of the beneficiaries of the programme as compared to non beneficiaries therefore stands tested to a limited extent.

5.2 SUGGESTIONS AND RECOMENDATIONS

The aim of the present study titled “Management of Rural Development Programmes in India -A study of Swaranjayanti Gram Swarozgar Yojana in Himachal Pradesh.” Was to highlight the major achievements as well as drawbacks of various rural development Programmes in India since independence in general. The present study was specifically focused upon analyzing Swaranjayanti Gram Swarozgar Yojana, its implementation in Himachal Pradesh. While implementing the scheme in Himachal Pradesh on one side we witness so many achievements, and on other side we also come across major shortcomings diluting the very purpose of the programme. In India numerous self-employment experiments were conducted. These were modified, consolidated and integrated into Swaranjayanti Gram Swarojgar Yojana (SGSY) in April, 1999. Since then, SGSY has made rapid progress over time covering more than 31 lakh Self-Help Groups (SHGs).However, only 22 per cent of the SHGs were provided with bank finance for undertaking income generating activities including micro enterprises. What is worse, the bank assistance was low leading to low level of investment activity. This shortcoming has been attributed to failure of public intervention to enhance the credit absorption capacity of
SHGs as well as to the failures of credit delivery systems to reach the poor. Since most of the SHGs were engaged in low technology and less productive traditional activities, the income gains to SHGs were very meager. Hence, SGSY had not been able to make substantial impact on the living standards of the Swarojgaries.

Therefore it is suggested that more and more formation and assistance by bank credit and providing skills at least to one youth of a Below Poverty Line (BPL) can improve the present scenario. There is immense need to strengthen the capabilities of the rural poor for bringing them into mainstream of development.

Prior to SHG-Bank Linkage, substantial preparatory work will have to be done for bringing the poor together through a process of social mobilization, formation of Sustainable SHGs, training them to pool their individual savings into a common pool for lending it among the needy. It also includes equipping them with skills to manage corpus fund created with their own savings, interest earned from lending and revolving fund contributed by the government. In SGSY, the programme implementing agencies of the government are expected to carry out the requisite social engineering. The SHG-bank linkage envisages the involvement of local banks right from the beginning and also involvement of Non-Governmental Organizations (NGOs) as facilitators. The role of credit in livelihood promotion requires simultaneous expansion of the supply of quality credit as well as credit absorption capacity of the SHGs. Therefore it is recommended that Banking infrastructure, new technological advancements and innovations, subsidy, training and capacity building be improved so that the poverty is eradicated from the state.

It has been observed from the present study and also from the literature that the training provided to the self helps groups as well as individual Swarojgaries at present are not up to mark. Only formalities are being completed by conducting one day basic orientation camps of general awareness and avoiding specific skill up gradation training. Concerted efforts should be made by the Government for developing alternative models of training the SHG members at the grassroots level, functionaries of SHG
federations. A dedicated team of professionals at the District Rural Development Agency (DRDA) level should be entrusted with the responsibility of developing training modules and training strategies for the SHG members. In addition to regular trainings, the SHGs may be exposed to a few well-functioning groups for cross learning. Adequate budgets for conduct of training including and exposure visits may be provided. The DRDAs should engage Non-governmental Organizations (NGOs) and organize short duration training programmes of almost three months duration in relevant fields such as computer operations, banking, accounting, insurance, marketing, technology, as well as the income-generating activities. The SHG members should be given continuous training as well as refresher trainings for enabling them to secure better returns from their income generating activities.

The poverty alleviation programmes require social mobilization of the poor on an intensive scale. SGSY is a process-oriented scheme. Presently, the DRDA, block officials, and village level functionaries are overburdened with multiple activities. Therefore, it is recommended that separate dedicated SGSY cells at Block and DRDA level be created. For the facilitation of DRDA, a facilitation centre for training rural people should be opened.

While implementing SGSY, the role of banks required to that of active partner while in reality it is not so. While formulating SGSY, it was pointed out in guidelines that Banks will also form SHG’s and they will help in nurturing these self-help groups but the role extended by the Banks was that of passive loan case receiver and sanctioning them after so many hitches. Bankers created so many hurdles for financing the self-help groups. The Banks earlier in some districts of Himachal Pradesh including some of the blocks under study never financed the group as a whole rather they adopted the method of financing the loan cases as individual Swarozgaries. In some blocks under study there were no bank branches in rural areas up to 20 KM’s from their villages, therefore it was very difficult for the self-help groups to get finance. Hence, it is recommended that intensive drive to increase the branch network by scheduled commercial banks and Regional Rural Banks (RRBs), particularly in un-banked area be opened shortly so that the sphere
of Financing be improved in rural areas. It has been observed in a number of places that banks are violating the RBI guidelines including charging interest rates more than the Prime Lending Rates (PLRs) for the loans up to Rs. 2 lakh. Hence it is suggested that under no circumstances the interest rates charged for SHGs should not be more than PLR. In order to cope with Staff shortage, particularly in rural branches, makes it difficult for addressing needs of illiterate or semiliterate customers. Therefore it is recommended that this could be partially addressed through the Bank Mitra/Sugamkarta. Though there is a provision for group life insurance and asset insurance under SGSY, the Committee has observed that only a very few poor households are getting the insurance cover. It is suggested that there should be universal coverage of all the poor households for life and asset insurance and adequate resource provision be made.

There is provision of subsidy credit ratio to be 30%:70% while financing individual Swarozgaries and financially to the maximum limit of Rs. 7500 for non SC/ST and Rs. 10000/- for SC/ST Swarozgaries. This limit is very limited and should be revised to 50% of the project cost maximum upto Rs. 15000 for non SC/ST and 20000/- for SC/ST. The limit of subsidy in case of SHG should also be revised to 50% of Project cost and up to Rs. 2 Lac.

Interest Subsidy: It has been viewed that there is a multiplicity of schemes for various Swarozgaries and which dilutes the very essence of SHG concept. At present the interest being charged by Banks from the Swarozgaries in case of SHG’s is at PLR rate. There are some specific schemes of self employment under SC/ST Corporation lending at 4% interest rate and giving interest subsidy. Due to this reason the Swarozgaries are breaking the groups and getting individual financing from these corporations at 4% interest rate. It is therefore strongly suggested to the Government that the provision of interest subsidy be made in this scheme so as to make it equally lucrative. The bank should charge the PLR. The difference between seven per cent and PLR should be subsidized by the government. The delivery of the interest subsidy should be managed by the DRDA to be provided to the poor household for every loan accessed from the banks. The present amount of Rs. 10000/- per group is not sufficient so
as to make the group effective in learning handling of more and more amount. Therefore it is recommended that the limit of Revolving Fund should be increased from Rs. 10,000 to Rs. 20,000 per SHG. The bank credit should also be made 40,000 per SHG.

Many countries like China, Japan and Korea are developing because they have extended the activities to the grass root level. They have trained each and every household of its country in some specific profession of their choice. This is the reason that these countries are producing the consumer goods at a cheap cost and in bulk quantity. Every village is an activity and industry in itself. This is the reason of prosperity of these countries. India has also the advantage to second highest population in world after China. In India the strategy to tackle the problem of unemployment is not sorted out. There is immense need to train every BPL family towards making the BPL family self sustained. Thereafter cluster level raw material markets may be provided to these Swarozgaries. After they have produced the finished goods the marketing facilities are provided.

What we have to do is to identify rural youth who wants to start his own Swarozgar and provide him skill upgradation training for up to 6 months. The training could be in the field of consumer durable items, Shuttering, mason, Welding, Carpentry, Blacksmith and cobbler work, TV and Radio repair, Mobile Repair, computer repair, Refrigerator repair, Marketing, Hotel management, receptionist as well as ladies can be trained in Computer operator, Call centre work, Accountancy, banking insurance, Tailoring and fashion designing, Bag and purse making, Toys and fancy items. Carpeting and woolen clothes. Embroidery, Dry cleaning. It is strongly recommended to commence special component of skill upgradation of BPL families be added so that the Poor families could earn their living. After going through the shortcomings researcher recommends the suggestions to the implementing agencies, policy formulating agencies as well as the academicians in order to improve the status of implementing such poverty alleviation programme in future.