CHAPTER - VI
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Formulation and implementation of rural development and poverty alleviation programmes has been a major concern of India’s development policy and strategy. Government of India (GOI) introduced and implemented several programmes in this respect. Swarnjayanti Gram Swarozgar Yojana (SGSY) programme is one such significant programme for poverty alleviation in the rural areas introduced by the GOI in 1999. The thrust of SGSY programme is on the generation of employment through establishing micro enterprises in rural areas based on the potential of the rural poor. The programme’s objective is to enable the assisted families earn a monthly income of Rs. 2000 in three years from income-generating assets provided through bank credit and government subsidy. Also, the programme aims to cover at least 30 percent of the poor in each block within five years under SGSY programme.

SGSY programme aims at providing sustainable self-employment through organizing the rural poor into Self-Help Groups (SHG), planning of activity clusters, skill upgradation training programme, infrastructure build up, technology, credit etc. According to the programme’s guideline, people having same socio-economic backgrounds and financially excluded by conventional banking system are encouraged to voluntarily come together to form SHGs for mutual help, to save small and mutually agreed sums of money regularly for common fund from which the members can borrow to meet their emergency needs and small business ventures. SHGs are also supposed to
have linkage with bank for the delivery of microcredit and SHGs members are to work as micro entrepreneurs. The group (SHGs) concept introduced in SGSY programme is expected to help in social mobilization of the poor as well as to take advantage of a proven method of savings and credit for the poor. Under this programme, women are sought to be involved in each SHG and at least half of the groups (SHG) at the block level are to be exclusively women groups. Scheduled Castes/Scheduled Tribes (SC/ST) are also to account for at least 50 percent of the SHGs and disabled are to account for 3 per cent of SHGs formed under SGSY programme. A number of Government agencies such as Panchayats/Village Authority, Line Departments and District Rural Development Agency as well as Bank and NGOs are involved in the process of the programme implementation such as approval of BPL households and key activities, approval and identification of SHGs, funding, monitoring etc. Situating the implementation of SGSY programme in Churachandpur district of Manipur, this study revealed that there is hiatus between what was envisioned in the guidelines and what actually happened at the grassroots level. This is due to problems in the ground realities which were unaccounted for by the planners, the roles played by implementing agencies and also the whole process of conflict, disputes and negotiation among the implementing agencies, politicians, the poor masses as well as insurgent groups in the process of resource distribution and utilization involved in the implementation of SGSY programme.

Implementation of SGSY programme in Churachandpur district was started in 2002. From this study, it was found that the coverage of the programme in terms of

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households and geographical areas were found to be limited. It was seen that from its inception upto 2007, the programme assisted about 6144 households out of the total 42071 households. This means that about 15 per cent of the total households in Churachandpur district were covered by SGSY programme within five years. Further, it was found that SHGs were more concentrated in blocks (Lamka, Tuibuong, Saikot and Samulamlam) in and around the district headquarters whereas it was found to be lesser in the three blocks (Thanlon, Singhat and Henglep) that are situated further from the district headquarter. About 90 per cent of the SHGs are concentrated in Churachandpur and Samulamlan blocks which are situated near the district headquarters and a little more advanced in terms of having better banking facilities, better transport and communications as well as social services sector etc. within the district whereas only about 10 per cent of the SHGs were in other three blocks namely Thanlon, Singhat and Henglep. One block Tipaimukh, has been totally left out in SGSY implementation due to the lack of basic necessary infrastructure like bank, offices and officials to start the programme. One of the objectives of the programme i.e. to reach out to about 30 percent of the poor in each block within five years was not realized in Churachandpur district. The programme therefore has not only failed to achieve the target goal but also failed to penetrate into the four blocks which are supposed to be in priority due to the lack of basic healthcare facilities, dependable transport and communications, absence of banking infrastructure etc. Some of the reasons for the limited coverage of the programme in terms of households and geographical areas were due to ignorance, lack of banking infrastructure, lack of sincerity and dedication on the part of the implementing agency as well as inaccessibility to information, offices and officials.

164 See Appendix I-VI for number of SHGs formed during 2002-2007.
SHGs and their group member’s characteristics and their performances on the various activities relating to socio-economic composition, conduct and management, savings activities, skill upgradation, revolving fund and bank loan, utilization and investment, repayment pattern and key activities was also examined. Socio-economic composition in terms of numbers of members, weaker sections like SC/ST and women falls within the prescribed limits as given in the programme’s guidelines. However, disabled which are one of the neediest groups of the society were completely excluded. Though in the initial stage of the programme implementation, performance of SHGs relating to keeping bye-laws, decision-making based on consensus, book-keeping, practicing of group savings and internal loaning and repayment rate on internal loan as well as people’s participation in training programme, decision making, saving activities, repayment of internal loan look quite satisfactory, yet engagement in self-employment activities or micro-enterprises was discouraging. Though the programme targeted at enabling the assisted family to earn a monthly income of Rs. 2000 in three years from income-generating assets provided through bank credit and government subsidy, however, on an average, a SHG could mobilize only Rs. 511.3 per month, which means that each SHG member could generate only about Rs. 42 per month. Thus it may be argued that mere people’s participation in training programme, decision making and saving activities of SHGs were not enough for the assisted families to come out of poverty as indicated from the amount of monthly income generated by SHGs.
Data regarding economic activity also revealed that feasibility of economic activities for SHGs were not assessed. It was found that officials involved in the implementation of SGSY programme failed to give any explanation on the reason for not assessing feasibility of economic activities. Without assessing economic feasibility and market situations, SHGs chose any economic activity and as such, majority of them (80 per cent of SHGs) faced problems of sustaining their chosen economic activity. Further, when their projects failed, they changed their activities to unsustainable short-term profit making activities against the guidelines of the programme. Most of SHGs were thus found to engage in multiple activities rather than single activity. Though the programme aims at specialization in specifically feasible micro-enterprises in rural areas, negligence and lack of co-ordination among implementing agencies have given a free hand to SHGs to take up multiple economic activities which are not economically feasible and sustainable. It was also revealed by 87 percent of SHG members that the bank loan they availed was insufficient to come up with sustainable micro enterprises. Most of the members also revealed that the intention was to get money which is given in name of subsidies from the banks for their proposed projects. Economic activities registered by SHGs were found to be for the sole purpose of availing loan and subsidy.

The roles played by the implementing agencies in the implementation of SGSY programme were found to be discouraging as they were not actively involved in all the stages of its implementation. Their involvement appears to be merely limited to identifying beneficiaries, organizing skill upgradation training programmes for SHG members and giving financial assistance without assessing feasibility of economic
activities, market linkages as well as skill requirement of SHG members. Only few officials were in the fields to do routine work and that also without any coordination among them. Implementing agencies were also found to be least bothered about the success of the programme and were even ignorant about the rationale behind the SGSY programme. The elaborate roles of implementing agencies prescribed in the SGSY’s guidelines and their actual role in the field shows that there is marginal success in evolving an effective and responsive delivery system for the rural poor. This indicates that mere policy programme changes were not sufficient to bring any impact on the lives of the rural poor, but radical change at organizational and administrative levels, particularly at the block and village levels are required. Simplification of the procedures and rules of the delivery system, mechanism to build good rapport between the delivery system and the target groups may be explored. Besides, rewarding for accountability as well as imposing penalty for lack of accountability on the implementing agencies may also be explored.

Comparative assessment of SHGs on the basis of gender composition reveals that all women SHGs (AWS) performed better than mixed SHGs (MS) relating to conduct and management, participation in training programme for capacity building, maintenance of bye-laws, number of times and amount of loan received, loan utilization, percentage of members availing internal loan, internal and bank loans repayment rate, consistency and life span of SHG. Such better performance of AWS as compared to MS may be attributed to the role of their initial promoters such as NGOs and ICDS dedications and member’s enthusiasms. However, AWS lagged behind MS in frequency of group meetings, average
saving rate and average income generation from economic activity. The reasons as to why AWS lagged behind MS in few important activities like savings and income generation can be attributed to women’s limited access to family resources, overburdening of women with domestic work which limits their ability to go out of the house and explore potential avenues for profitable activities and lack of social networks and influences in the society. The prevalence of patriarchal systems among the tribal living in Churachandpur district was found to be responsible for this situation. About 73 per cent of members belonging to AWS were found to be housewives without income of their own and loaded with more domestic responsibilities than their male counterparts. It was also found that male members have more opportunities to attend any activities associated with the programme.

The politics of the programme’s implementation reveals that the various stages of implementation like approval of BPL households, identification of SHGs, allocation of resources etc. were characterized by a nexus among the agencies who implemented the programme; politicians, middleman, militants and the villagers. Direct/indirect relations i.e. favoritism or nepotism among these players as well as bribe plays an important role in SGSY implementation. According to the guideline of SGSY programme, the Village Authorities (VA) is to approve the list of BPL families who intend to form SHG in order to avail benefits from SGSY programme. In practice, it was seen that most of the VA (84%) themselves were ignorant about the basic concept of BPL as well as survey conducted by any government agency in the villages; however, they issued approval certificates on the basis of their personal or political ties with the applicants without
verifying their eligibility. People who were denied from availing of the scheme had also revealed that the VAs were also not free from corruption. The beneficiaries also revealed that most of the approvals were done on the basis of direct/indirect relationship with VA members besides bribe which was termed by VA as a processing fee which ranges from Rs. 30 to Rs.100.

Even after getting BPL approval certificate from the VA and forming SHGs, it was found that a sizeable number of villagers were denied benefits from the programme because they did not have any link with implementing officials, politicians and other means to influence them. Women faced additional problems due to the prevalence of patriarchal values. They have a very little role in decision-making especially in matters outside the family. Most of the male in the family discouraged women from taking part in these programmes. Further, they are constrained to leave family members and children behind to run from office to office, push files, contact implementing officials, politicians, etc.

According to the guidelines of the SGSY programme, the implementing agencies are supposed to guide and nurture the SHGs, but in reality it was seen that the SHG members have to consistently run after the officials for the same. Even after becoming beneficiaries under SGSY, financial assistance in terms of revolving funds and bank loans were granted to SHGs mostly on the basis of how the SHG members engaged or influenced the implementing officials with monetary, political and other forces like middleman. Several SHGs have reported that they could not get any loan after the first
loan due to the lack of the above stated factors. It was also revealed that even processes like signature for verification, disbursing of loan, inspections etc. were intentionally delayed to attract bribe from SHGs. Further, it was revealed that certain percentage (about 10-20%) was deducted from revolving fund and bank loan by officials from DRDA and bank for the help they have rendered to them and also on the pretext of underground’s share.

Another dimension of the programme’s implementation was the problem faced by implementing officials. They have confidentially revealed that many fake SHG were forcibly established through the involvement of underground forces. They were even forcibly taken to undisclosed locations by insurgent groups to verify their files relating to SHGs. They were also often threatened by the insurgent groups and were summoned a number of times to their camp in their attempt to get a share from SGSY programme. Implementing officials from Line department, Bank and DRDA also revealed that they were always under pressure from various quarters like politicians and NGOs to give preferential treatment to their respective clients and were often forced to follow their dictates. On this ground they expressed their helplessness in strictly following the guidelines of the programme.

It was therefore observed through a critical study of the implementation of SGSY programme that participation of weaker sections of the society like women and SC/ST in the programme and people’s participation in its various activities was high. Further, the programme to some extent addressed the issue of rural credit among the poor through the
provisions of micro credit practiced by most SHGs under study. However, it was evident that these positive characteristics were not enough to enable the assisted families to earn a monthly income of Rs. 2000 in three years from income-generating assets provided through bank credit and government subsidy which was one of the programme’s objectives. Another objective of the SGSY programme i.e. to cover 30 per cent of the poor in each block within five years under SGSY programme was also not realized. Moreover, the politics involved at various stages of the programme’s implementation revealed that the whole process was characterized by nepotism, corruption and political influence in which implementing agencies, politicians and undergrounds were involved and the villagers become either victims or participants in the whole process. As a result, the influential got to benefit from poverty alleviation programme like SGSY, sidelining the deserving villagers in the process of poverty alleviation.