CHAPTER 1
Chapter 1
INTRODUCTION

Measuring poverty is difficult because of conceptual problems and data deficiencies and because all definitions of poverty involve social judgement. Absolute poverty is defined by comparing personal or household income or expenditure with the cost of buying a given quantity of goods and services. Relative poverty is defined by comparing that income with the incomes of others. Subjective poverty is defined by comparing actual income against the income earner's expectations and perceptions. There is no scientific and unequivocal definition of who is poor and who is not.

An overview

The malady of poverty afflicts the whole world. However, it is more rampant in developing countries. The situation in South Asia is particularly appalling. This is the most deprived part of the globe of which India is most prominent constituent.

As per recent United Nations International Children's Emergency Fund (UNICEF) statistics, out of the total global population of 5.7 billion, 1.55 billion are abjectly poor, and their numbers grows by 25 million every year at the rate of 45 babies born per minute. India alone is the home to 34 per cent of the world poor. Poverty in developing countries is characterised by unhealthy environment including, death of more mothers in childbirth, high rate of infant mortality, malnourishment, lack of shelter, high incidence of child labour and more children out of school. In industrially advanced countries poverty leads to mental illness, stress, suicide, and family breakup.
The report of the United Nations on the State of the World’s Health observes that poverty is the biggest single cause of death, disease, and suffering. The World Bank defines the world’s poor as those who live on less than a dollar a day. This poverty line of one dollar has been converted into local currency, not based on the exchange rate but based on purchasing power parity. In other words, the worth of dollar in each country is what it can buy locally. This is more realistic and reliable.

The Human Development Report 1996 depicted a gloomy picture of the plight of the poor in developing countries. “Around 17 millions people die each year from curable infections and parasitic diseases such as diarrhea, malaria and tuberculosis. Of the world’s 18 million HIV-infected people, more than 90 per cent live in developing countries. Nearly 130 million children at the primary level and 275 million at the secondary level are still out of school. Nearly 800 million people do not get enough food and about 500 million people are chronically malnourished. Maternal mortality rate is 384 per one lakh live births, which is nearly 12 times as high as in industrialised countries. The under-five mortality rate, at 97 per thousand live births, is still nearly six times as high as in industrially advanced countries.”

The malady of poverty, unemployment afflict the whole world and the malady is more rampant in developing countries as shown in tables 1.1 & 1.2 respectively.
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<td>23 23</td>
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<table>
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<td>Bangladesh</td>
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It is clearly evident that even developed countries like Germany (Male 7.2% and Female 11.1%) followed by United Kingdom (Male 6.8% and Female 6.1%) suffer unemployment at higher percentages. Higher percentage of unemployment was registered during 1997 was in Algeria (Male 19.7% and Female 26.4%).

Rich-poor disparities are a global phenomenon. There are disparities within nations also. If a broad dividing line is drawn between rich and poor countries, the widening gulf would become evident. In 1993, of the global Gross Domestic Product (GDP) of 23 trillion, industrially advanced countries accounted for $18 trillion. Developing countries, with 80 per cent of the world population, accounted for the remaining 5 trillion dollars.
The share of the poorest 20 per cent of the world's people in global income decelerated from 2.3 per cent to 1.4 per cent during the last 30 years. During the same period, the share of the richest 20 per cent up from 70 to 85 per cent. The gap in per capita income between the industrial and developing worlds tripled from $5,700 in 1960 to $15,400 in 1993, according to the Human Development Report 1996. Nothing can be more startling and stunning than the fact that the assets of the world's 358 billionaires are more than the combined annual income of countries with 45 per cent of the world's population. UNICEF survey 1996 says that the percentage of children of primary school age not attending school was just one per cent in developed countries. The corresponding percentage for developing countries was 23 and for South Asia 34.

Disparities are glaring even among nations and India is not an exception. According to World Development Report 1996, in 1992 the top 20 per cent of the population accounted for 42.6 per cent of total consumption expenditure, while the bottom 20 per cent had to their share just 8.5 per cent of total consumption expenditure. In the same year, the top ten per cent of India's population spent eight times as much as the bottom ten per cent. Disparities in consumption expenditure have a direct bearing on the level and standard of living. Therefore, it is more relevant than other measures of disparities in fathoming the pains of poverty.

The United Nations Educational Scientific Cultural Organization (UNESCO) Director General, Prof. Federico Mayor asserts that sharing global resources had been improper
and the gap between have and have-nots is on the increase and that there is a link between conspicuous consumption and poverty that prevails in rich countries and poor countries.

**Indian scenario**

According to the revised estimates of the Planning Commission (released in December 1996), 37 per cent of the population lived below the poverty line. This estimate is free from statistical jugglery and is based on the acceptance of the methodology suggested by an expert group appointed by the Planning Commission. But this estimate is alarming between 1983-84 and 1987-88 the poverty ratio fell from 45 per cent to 39 per cent, a decline of six percentage points over just four years, whereas between 1987-88 and 1993-94 the incidence of poverty declined by only two percentage points to 37 per cent, over a period of six years.

The Progress of Nations Report 1996, released jointly by the Government of India and UNICEF, states that 53 per cent of all under-five children in India are underweight. It is an indication of malnutrition. The number of children forced into slave labour in India is estimated at 73 million, which is the highest in the world.

The report states further that maternal mortality rates have come down in developed countries to below 10 per one lakh live births. In India, the figure remains high, at 570. In the area of schooling, 39 per cent girls in India are deprived of even primary schooling whereas only 5 per cent are left out in China. However, in the area of immunization against childhood diseases, India has made commendable progress. According to the
Human Resource Development (HRD) 1996, nearly 135.2 million people had no access to health services, 171.3 million are without safe water and 640 million live without sanitation facilities. About 290.7 million adults of the age of 15 or above were illiterate and the number of female illiterates was 183.1 million. According to the World Development Report 1996, India’s GNP per capita stood at $320 and the average life expectancy at birth was 62 years in 1994. Most of the people resided in rural areas where the conditions of living were utterly appalling. The level of urbanisation is one of the indicators of development.

The scourge of Indian poverty can be ascribed chiefly to seven factors: (i) population explosion, (ii) rampant corruption, (iii) crisis of character, (iv) lack of work culture, (v) yawning gap between budgeted and actual expenditure on poverty eradication programmes, (vi) imitative consumerism i.e. living beyond means, and (vii) politicisation of economic issues leading to erroneous policies and inappropriate priorities.

From Mahatma Gandhi to Schumatcher, from Karl Marx to Noble Laureate Amartya Sen, renowned economists and idealists concluded with their profound knowledge the importance of small enterprise as the laudable solution for poverty alleviation and employment generation in under developed and developing countries.

The transformation of global economic environment needs faster adaptation to the rapidly changing needs, as well as to the innovative technologies and concepts, simultaneously
retaining socio-economic equilibrium, since cultural stigma is the basic challenging barrier to be viewed carefully while adopting various poverty alleviation and employment generating schemes.

Remedies

Integration with global economy and other reforms in the external sector cannot be undermined. Deregulation, relaxation, and privatisation in the industrial sector are also welcome steps. Tax reforms including other fiscal measures and more equitable sharing of resources between the centre and the states deserve appreciation. The capital market and the corporate sector have been rightly provided all possible incentives and concessions to make them more viable and buoyant. All these are encouraging things.

But the government must not be unmindful of the fact that India is predominantly an agriculture country, where nearly three-quarters of the people live in rural areas, and 37 per cent Indians languish below the poverty line.

Economic policies and reforms must be formulated and implemented with human face and egalitarian outlook, and regional disparities must be narrowed. In every successive budget, there should be an upward revision in the allocations for social sector and rural development in real terms having full regard to inflationary spiral. It is the urgent need of the hour to aim economic growth more directly at the poor.
To quote HRD 1995: "Human Development, if not engendered, is endangered". If human development were endangered, everything would become meaningless. There is no dearth of poverty alleviation programmes, they must be translated into action with zeal and moral rectitude so that more of the funds may percolate to the poor. The resources allocated to these programmes must be disbursed productively on the schemes that are targeted to pull the poor out of abysmal poverty and ignominious degradation. Simultaneously, birth rate in the deprived sections of society must be reduced. Politicians, bureaucrats, technocrats, and professionals must be afraid of the worrisome poverty gripping 37 per cent citizens of the country. Their vote and voice are decisive. The government by the people must also be a government of the people and for the people. Otherwise, none will be able to avert social tension and disorder, which may lead to conflagrations for social justice. Social justice is an essential precondition for security and peace, without which the wheels of economic progress cannot move smoothly.

While rolling out the red carpet for multinationals, the interests of consumers and indigenous entrepreneurs must be protected and factors such as unemployment, quick depletion of national resources and national priorities must be given due consideration. While making drives for export promotion the needs of domestic consumers must not be ignored. While taking a plunge for privatisation, the interests of workers must be protected.

Last but not the least, corruption-free apex governance at the central and state levels coupled with efficient and dedicated administration with a sense of national pride and
glory, is a prophylactic, which has no substitute. All other endeavours in the absence of this prophylactic are bound to end in a fiasco. One should not shy away from acknowledging the fact that India is facing a crisis of character and one cannot hope to make most headway without overcoming this crisis.

Employment generation schemes – A review

When change is invariably an ongoing process it is the entrepreneur's adaptive capacity and self-renewal from time to time to suit constantly changing environment in structure which provide continuity.

It is also felt necessary from the government side to arrange for a knowledge based conceptual mapping to pave clear path for the future in the era of ever-changing ethics, leaving the past to shed light on the present. Hence an attempt is made to review the existing employment generation schemes in vogue introduced by central/state governments, before ascertaining the specific developmental programme (CMEY) activities with a clear insight.

Though India has celebrated recently the Golden Jubilee of her Independence, the problem of poverty eradication and unemployment position have remained the same. It became necessary to break the vicious cycle of poverty and unemployment through massive investment to lead the economy into a self-sustained growth. As a result, from the Fifth Five Year Plan onwards the government stressed on the development of minimum needs programme such as Integrated Rural Development Programme, etc.
Further, the five year plans provided for considering employment as a derivative of output growth. As a result, planning for output increased did not correspond to increase in employment opportunities.

Hence, several strategies were being adapted to alleviate poverty, emphasising the employment generation schemes for the poorer sections in the rural and urban areas as target groups.

National poverty alleviation schemes can be bifurcated into two types viz A) wage employment and infrastructure development and B) self-employment and entrepreneurship development programmes which are being explained hereunder along with the C) Andhra Pradesh states schemes.

A: WAGE EMPLOYMENT AND INFRASTRUCTURE DEVELOPMENT SCHEMES

JAWAHAR ROZGAR YOJANA (JRY)

The high incidence of poverty in rural India is directly related to prevalence of large-scale unemployment and under-employment. Majority of the rural population is landless and sustains entirely on wage employment. The rural work force continues to suffer due to excessive seasonality of employment, lack of wage employment opportunities and low-wage rates. Migration of labour, discrimination in wages paid between men and women, distressed child labour, etc., are, therefore, common features in rural areas.
Efforts to provide wage employment as a short-run strategy for alleviation of rural poverty has, thus been a major component of the development planning in India.

The Jawahar Rozgar Yojana is one such major programme for providing wage employment to the unemployed and under-employed rural poor. The Yojana was started in April 1989 by merging the on-going National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP).

**Financial and physical performance under JRY**

Since inception i.e., 1989-90 to 1997-98 of the Yojana, 69,690.83 lakh man-days of employment have been generated against the target of 69,675.65 lakh man-days. The achievement, therefore, is 100.02 per cent of the target. The total expenditure incurred under JRY during this period was Rs. 27,440.63 crores.

The employment generated was 3,648.30 lakh man-days (provisional up to March 1998) against the target of 3,864.90 lakh man-days during 1997-98. The year-wise financial and physical performance under JRY since 1989-90 is given below in table 1.3 and 1.4 respectively.
### Table 1.3

Year-wise financial performance of JRY

(Rs. in crores)

<table>
<thead>
<tr>
<th>SI No</th>
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<th>Funds utilized</th>
<th>Percentage utilization</th>
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<td>3594.63</td>
<td>2709.59</td>
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<td>3</td>
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<td>4767.63</td>
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<td>1994-95</td>
<td>5418.22</td>
<td>4268.33</td>
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<td>2583.38</td>
<td>2163.98</td>
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<td>1997-98</td>
<td>34704.16</td>
<td>27440.63</td>
<td>79.07</td>
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</table>

(Provisional up to March 98)

| Total  | 34704.16 | 27440.63 | 79.07 |

Source: Annual report 1999-2000, Government of India, Ministry of Rural Areas and Employment

### Table 1.4

(Lakh man-days)

<table>
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<tr>
<th>SI No.</th>
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<th>Percentage achievement</th>
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<td>25481.47</td>
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<td>7</td>
<td>1997-98</td>
<td>3864.90</td>
<td>3648.30</td>
<td>94.40</td>
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</table>

(Provisional up to March 98)

| Total  | 69675.65 | 9690.83 | 100.02 |

Source: Annual report 1999-2000, Government of India, Ministry of Rural Areas and Employment
Employment Assurance Scheme (EAS)

The primary objective of the Employment Assurance Scheme is to provide gainful/sustainable employment during lean agricultural season in manual work to all able bodied adults in rural areas who are in need and desirous of work, but cannot find it, coupled with creation of economic infrastructure and community assets.

The Employment Assurance Scheme (EAS) was introduced on 2 October 1993 in the rural areas of 1,778 blocks of 261 districts in which the Revamped Public Distribution System (RPDS) was in operation.

Salient features

- The scheme is operative in the all rural blocks of the country.
- It is a demand driven scheme with no fixed earmarking of annual funds for any district or block.
- Expenditure is shared between the centre and the states on 80:20 basis.
- The central assistance under the scheme is directly released block-wise to DRDAs/zilla parishads based on the demand and expenditure.
- All adult rural poor normally residing in the villages are covered.
- A maximum of two adults per family are provided the assurance of up to 100 days employment. New works will not be opened under this scheme if employment potential is available through plan and non-plan works already in progress and the assurance could be fulfilled by utilising the same.
- Works should be labour intensive, which result in the creation of durable productive assets.
- As an individual beneficiary oriented scheme, on the lands of BPL families, horticulture development is a permitted activity.
- Implementing agencies are block development officers, district officers of various line departments, block samitis, gram panchayats and NGOs.
- The desirous workers have to get themselves registered as village level workers or gram panchayats and are issued a family card.
- When about 10 workers demand work, new projects can be started by the block level officer for providing employment.
- The state level coordination committee for the rural development programmes is responsible for the overall supervision, guidance and monitoring of EAS.
- States are also required to constitute district and block EAS committees. The membership of the committees includes district level officers of the implementing agencies, MPs, MLAs and NGOs. etc.
Achievements during 1997-98

♦ Central assistance of Rs.1,968.72 crores was released to the states/union territories (UTs) during 1997-98 as against an central allocation of Rs.1,970 crores.

♦ The employment generated under the scheme was 4,454.76 lakh man-days with an expenditure of Rs.2,718.29 crore up to March 1998 (provisional).

♦ The number of registered persons in various states/UTs was 4.17 crores since the inception of the scheme.

B: SELF-EMPLOYMENT AND ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES

INTEGRATED RURAL DEVELOPMENT PROGRAMME (IRDP)

The strategy and policy of direct attack on poverty by way of target approach for rural poor came into being in the Fourth Five Year Plan. The programmes of Marginal Farmers and Agricultural Labourers Agency (MFAL) and Small Farmers Development Agency (SFDA) were taken up during the Fourth Five Plan with a view to helping specific target groups of beneficiaries through creation of assets, skill development and creation of infrastructure and by taking up works in backward areas. In the year 1978-79, the principal contents of Community Area Development (CAD), Drought Prone Areas Programme (DPAP) SFDA and MFAL were integrated into a new programme called Integrated Rural Development Programme (IRDP) which was taken up initially in 2,300 blocks and has been extended to all the blocks in the country since 2 October 1980.
Programme implementation

IRDP aims at providing income generating assets and self-employment opportunities for the rural poor. Assistance under IRDP is given to a target group of rural poor belonging to families Below Poverty Line (BPL), in the form of subsidy by government and term credit financial institutions.

Target group

The target group consists of small and marginal farmers, agricultural labourers, rural artisans, etc., whose annual family income does not exceed the poverty line of Rs. 11,000 at 1991-92 prices. Currently, the Below Poverty Line (BPL) census is being carried out in all the states and the revised poverty line will accordingly be used to categorise BPL families. Within the target group, special safeguards have been provided by reservation of

♦ 50% benefits for SCs/STs
♦ 40% for women and
♦ 3% for physically handicapped persons.
♦ Priority is also to be given to women-headed households, assignees of surplus land, freed bonded labourers and acceptors of small family norm. However, this should not in any way adversely affect the safeguards provided for SCs/STs, women and physically handicapped persons.
♦ The flow of financial assistance (subsidy + credit) to the categories described above should be commensurate with the percentage of the physical coverage.
The pattern of subsidy is

♦ 25% for small farmers

♦ 33-1/3% for marginal farmers, agricultural labourers, and rural artisans and

♦ 50% for SCs/STs beneficiaries and physically handicapped persons.

♦ The ceiling on subsidy in respect of individuals is
  - Rs. 4000 in normal areas
  - Rs. 5000 in DPAP/DDP areas and
  - Rs. 6000 for SC/ST families and physically handicapped persons.
  - Rs. 7,500 or 50% of the project cost, whichever is less for unemployed educated youth.

♦ In respect of activities involving at least 5 persons, the ceiling has been fixed at Rs. 1.25 lakh or 50% of the project cost, whichever is less.

DEVELOPMENT OF WOMEN AND CHILDREN IN RURAL AREAS (DWCRA)

The flow of benefits to poor women, despite reservation, under various poverty alleviation programmes viz., IRDP and Training Rural Youth for Self Employment (TRYSEM) were not found to be making much impact. Therefore, with a view to overcoming this situation and to involve the rural women more intensely in economic activities and matters that concern the rural community, one of the initiatives taken by the Ministry of rural areas and employment is introduction of an exclusive programme for women groups viz., Development of Women and Children in Rural Areas (DWCRA). Since economic empowerment involves provision of additional channelisation of funds in
the form of working capital and credit, training, employment, management skills etc. DWCRA with exclusive focus on economic empowerment of women provides all these inputs by considering women as critical to development. This intervention aims at not only raising the incomes of rural women of poor households, but also enables the organised participation of groups in the programmes of credit, skill training and infrastructure support for self-employment in groups who cannot take up economic activities individually on their own.

DWCRA was launched as a sub-scheme of IRDP during the year 1982-83 in 50 districts. Subsequently it was expanded to cover all the districts in the country by 1994-95. Initially as part of its Master Plan of Operations (MOP), UNICEF had assisted DWCRA by way of reimbursement of staff support component at district and block levels, provision of vehicles, training of staff, reimbursement part of revolving fund until 31 December 1995. Other activities of this Ministry complement the DWCRA groups viz., subsidy and credit needs of the beneficiaries are covered under IRD programme. In course of time, two components have been added for the benefit of group members of DWCRA viz., Community Based Convergent Services (CBCS) in June 1991 and Child Care Activities.

**Funding pattern**

Each DWCRA group of 10-15 women gets Rs. 25,000 to meet capital expenditure requirement of economic activities suited to their skill, aptitude and local conditions. Expenditure on revolving fund was being shared equally by the central government, state
governments and UNICEF till 1994-95. From 1995-96, the Revolving Fund has been increased from Rs.15,000 to Rs. 25,000 per group to be shared by central government, state government and UNICEF in the ratio 40:40:20. Presently, the expenditure on account of Revolving Fund is being shared equally by central and states governments.

**Marketing of products**

Since the focal point of the scheme is income-generating activities for women, it is necessary that their activities must be economically viable. Marketing of products of the women's group is, therefore, very important. Interest of women in the programme can be sustained only when a proper market outlet becomes available for their products. Some state governments like Haryana, Andhra Pradesh have issued orders declaring the DWCRA groups as approved sources for the supply of bulk articles required by the government departments. The Gram Shree Melas organised by Council for Advancement of People's Action and Rural Technology (CAPART) are also used as outlets for the sale of DWCRA products.

**Coverage**

All poor women being the focus to begin with no specific coverage of vulnerable groups such as SC/STs was fixed. However, during the year 1997-98, it has been made compulsory that 50% of the groups have to be women belonging to SC/ST. Priority has to be given to physically handicapped persons and also girls and women who have been rehabilitated from prostitution. The coverage achieved during each Plan period is shown shown in table 1.5.
Table 1.5

DWCRA coverage in each plan period

<table>
<thead>
<tr>
<th>Plan Period</th>
<th>Target no. of groups</th>
<th>No. of groups formed</th>
<th>No. of women benefited</th>
</tr>
</thead>
<tbody>
<tr>
<td>6th Plan</td>
<td>6,035</td>
<td>3,308</td>
<td>52,170</td>
</tr>
<tr>
<td>7th Plan</td>
<td>35,000</td>
<td>28,031</td>
<td>4,69,707</td>
</tr>
<tr>
<td>Annual Plan 1990-91</td>
<td>7,500</td>
<td>7,139</td>
<td>1,09,557</td>
</tr>
<tr>
<td>Annual Plan 1991-92</td>
<td>7,500</td>
<td>9,378</td>
<td>2,08,012</td>
</tr>
<tr>
<td>8th Plan 1997-98 (provisional)</td>
<td>61,900</td>
<td>1,41,397</td>
<td>22,66,817</td>
</tr>
<tr>
<td>Total</td>
<td>2,19,620</td>
<td>35,00,247</td>
<td></td>
</tr>
</tbody>
</table>


TRAINING OF RURAL YOUTH FOR SELF-EMPLOYMENT (TRYSEM)

Started as a centrally sponsored scheme on 15th August 1979. Training of Rural Youth for Self-employment (TRYSEM) aims at providing basic technical and managerial skills to the rural youth from families below the poverty line to enable them to take up self-employment and wage employment in the broad fields of agriculture and allied sectors, industries, services and business activities. This objective was subsequently enlarged to include trained youth in the year 1983. TRYSEM plays an important role in facilitating diversification of activities taken up under IRDP. Diversification away from the primary sector to secondary and tertiary sectors requires acquisition or upgradation of skills relevant to industries and business enterprises. TRYSEM aims at imparting new skills and upgrade existing skills of beneficiaries who are by and large attuned only to stagnant levels of agricultural or artisan skills.
Pattern of assistance

a) Recurring expenses: The share of centre and states is on 50-50 basis. In case of UTs the funding is cent per cent by the centre. The assistance is released to the DRDAs in two instalments.

b) Non-recurring expenses for TRYSEM training infrastructure: Assistance to the state governments is on 50-50 basis and the central share is limited to Rs. 20.00 lakh per Exclusive TRYSEM Training Centre (ETTC) or 50% of the total cost, whichever is less. The funds are released directly to state governments.

Table 1.6

Performance of TRYSEM since inception

<table>
<thead>
<tr>
<th>Plan period</th>
<th>No. of youth to be trained</th>
<th>No. of youth trained</th>
<th>Self employed</th>
<th>Wage employed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sixth Plan</td>
<td>10,09,440</td>
<td>10,14,695</td>
<td>4,78,396</td>
<td>1,02,097</td>
<td>5,80,493</td>
</tr>
<tr>
<td>Seventh Plan</td>
<td>9,97,960</td>
<td>9,97,960</td>
<td>4,64,036</td>
<td>1,31,096</td>
<td>5,95,132</td>
</tr>
<tr>
<td>1990-91</td>
<td>4,25,314</td>
<td>2,36,177</td>
<td>1,23,785</td>
<td>41,493</td>
<td>1,65,278</td>
</tr>
<tr>
<td>1991-92</td>
<td>4,25,314</td>
<td>3,07,044</td>
<td>1,19,959</td>
<td>47,459</td>
<td>1,67,418</td>
</tr>
<tr>
<td>Eighths Plan</td>
<td>3,00,000</td>
<td>2,75,993</td>
<td>99,334</td>
<td>42,058</td>
<td>1,41,392</td>
</tr>
<tr>
<td>1992-93</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1993-94</td>
<td>3,50,000</td>
<td>3,03,821</td>
<td>1,07,919</td>
<td>43,004</td>
<td>1,50,923</td>
</tr>
<tr>
<td>1994-95</td>
<td>31,84,336</td>
<td>2,81,874</td>
<td>86,466</td>
<td>44,965</td>
<td>1,31,431</td>
</tr>
<tr>
<td>1995-96</td>
<td>3,53,980</td>
<td>2,91,450</td>
<td>92,665</td>
<td>48,450</td>
<td>1,41,115</td>
</tr>
<tr>
<td>1996-97</td>
<td>2,90,079</td>
<td>3,64,377</td>
<td>1,30,812</td>
<td>51,725</td>
<td>1,82,537</td>
</tr>
<tr>
<td>1997-98 (provisional)</td>
<td>2,88,027</td>
<td>1,75,034</td>
<td>51,987</td>
<td>24,668</td>
<td>76,655</td>
</tr>
</tbody>
</table>

Total 37,60,590  41,48,425  17,55,359  5,77,015  23,32,374

SUPPLY OF IMPROVED TOOLKITS TO RURAL ARTISANS (SITRA)

The Scheme was launched as a sub-scheme of IRDP in July 1992, with the objective to enabling the rural artisans below poverty line to enhance the quality of their products, increase their production and income and ensure a better quality of life with the use of improved tools. It was also envisaged to help reduce migration to urban areas.

**Salient features**
Artisans from a variety of crafts, except weaving, tailoring, needle workers and beedi workers are to be supplied with suitable improved hand tools or a set of tools. The average cost of a toolkit was estimated at Rs. 2,000. In case of power driven tools the average cost was estimated at Rs. 4,500. While 90% of the cost of the toolkit is a subsidy from Government of India, 10% is to be contributed by the beneficiary and there is no state share. The unit cost is to be fixed by the District Rural Development Agency (DRDA) concerned. DRDA is the implementing agency.

Prototypes of improved tools in pottery, carpentry, blacksmith, leather work, woodcraft, metal craft and laquerware have been developed by the National Small Industries Development Corporation, Regional Design and Technical Development Centres under the Development Commissioner (Handicrafts) and similar other organisations. The state governments have been authorised to choose models/tools, which suit the needs of their artisans.

**Target group**
There is 50% reservation for SC and ST. Wherever SC/ST persons are not available, the DRDA governing body can decide to allocate the percentages meant for SCs/STs to other categories of artisans. There is no provision of reservation for women and physically handicapped persons. However, if eligible, preference will be given to such persons over other persons.
Performance

An amount of Rs. 245.07 crores has been released for covering the 14.35 lakh beneficiaries, out of which Rs. 199.07 crores has been utilised which works out to 79.3 per cent. 8.96 lakhs beneficiaries have been covered which works out to 74.15 per cent. Details are given in table 1.7.

Table 1.7

Performance of SITRA since inception

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation</th>
<th>Release</th>
<th>Expenditure</th>
<th>Target</th>
<th>No. of toolkits distributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-93</td>
<td>16.85</td>
<td>16.85</td>
<td>13.86</td>
<td>0.98</td>
<td>0.83</td>
</tr>
<tr>
<td>1993-94</td>
<td>23.22</td>
<td>23.22</td>
<td>18.60</td>
<td>1.29</td>
<td>1.09</td>
</tr>
<tr>
<td>1994-95</td>
<td>29.00</td>
<td>29.00</td>
<td>22.91</td>
<td>1.61</td>
<td>1.25</td>
</tr>
<tr>
<td>1995-96</td>
<td>35.00</td>
<td>40.00</td>
<td>28.69</td>
<td>2.22</td>
<td>1.53</td>
</tr>
<tr>
<td>1996-97</td>
<td>40.00</td>
<td>40.44</td>
<td>34.19</td>
<td>2.22</td>
<td>1.47</td>
</tr>
<tr>
<td>1997-98</td>
<td>36.00</td>
<td>36.00</td>
<td>30.82</td>
<td>2.75</td>
<td>1.29</td>
</tr>
<tr>
<td>1998-99</td>
<td>60.00</td>
<td>60.00</td>
<td>50.00</td>
<td>3.28</td>
<td>1.50</td>
</tr>
<tr>
<td>Total</td>
<td>240.07</td>
<td>245.07</td>
<td>199.07</td>
<td>14.35</td>
<td>8.96</td>
</tr>
</tbody>
</table>


Prime Minister’s Rozgar Yojana (PMRY) for Educated Un-employed Youth

Prime Minister’s Rozgar Yojana for providing self-employment to educated unemployed youth was announced by the Prime Minister on 15th August, 1993 to provide self-employment opportunities to one million educated unemployed youth in the country. The scheme has been formally launched on 2nd October 1993.
Objective
The PMRY has been designed to provide employment to more than a million persons by setting up of seven lakhs micro enterprises by the educated unemployed youth. It relates to the setting up of self-employment ventures through industry, service and business activities. The scheme also seeks to associate reputed non-governmental organisations in the implementation of PMRY scheme especially in the selection and training of entrepreneurs, and preparation of project profiles.

Coverage
The scheme intends to cover urban areas only during 1993-94 and whole of the country from 1994-95 onwards. From 1994-95 onwards, the existing self-employment scheme for the educated unemployed youth (SEEUY) subsumed in PMRY.

Eligibility
Any unemployed educated person living in any part of the country rural or urban fulfilling the following criteria will be eligible for assistance:

a) Age: Between 18 and 35 years.

b) Qualifications: Matric (passed or failed) or ITI passed or having undergone government sponsored technical course for a minimum duration of six months.

c) Residency: Permanent resident of the area for at least three years. Documents like ration card would constitute enough proof for this purpose. In its absence any other document to the satisfaction of the task force should be produced.
d) Family income: Up to Rs. 24,000 per annum of beneficiary and spouse and up to Rs. 24,000 of the parents separately. Income would include income from all sources, whether wages, salary, pension, agriculture, business, rent, etc.
e) Defaulters: Should not be a defaulter to any nationalised bank/financial institution/cooperative bank.

Reservation
Preference should be given to weaker sections including women. The scheme envisages 22.5% reservation for SCs/STs and 27% for other backward classes.

Project cost
Projects up to Rs. 2 lakh are covered under the scheme in case of individuals. If two or more eligible persons join together in a partnership, projects with higher costs would also be supported, provided share of each person in the project cost was Rs. 2 lakh or less up to Rs. 5 lakhs.

Margin money, bank loans and rates of interest
Entrepreneur is required to contribute 5 per cent of project cost as margin money in cash. Balance 95 per cent would be sanctioned as composite loan by banks at rates of interest applicable to such loans under guidelines of the Reserve Bank of India issued from time to time.
**Collateral guarantee on bank loans**

The loans would not require any collateral guarantee. Only assets created under the scheme would be hypothecated/mortgaged/pledged to the bank.

**Subsidy**

Government of India would provide subsidy at the rate of 15 per cent of the project cost subject to a ceiling of Rs. 7,500 per entrepreneur. In case more than one entrepreneur join together and set up a project under partnership, subsidy would be calculated for each partner separately at the rate of 15 per cent of his share in the project cost, limited to Rs. 7,500 per partner.

**Repayment schedule**

Repayment schedule would range from 3 to 7 years after an initial moratorium of 6 to 18 months as decided by the bank.

**Training**

Scheme envisages compulsory training for entrepreneurs after the loan is sanctioned.

- Training for 15 to 20 working days with a stipend of Rs.300/- for industry sector is envisaged, while it is 7 to 10 working days training with a stipend of Rs.150/- for service and business sectors.

The summary of progress under PMRY for the years 1993-94 to 1999-2000 is given in table 1.8.
Table 1.8
Summary of progress under PMRY

<table>
<thead>
<tr>
<th>Year</th>
<th>Target (fixed)</th>
<th>Sanctioned</th>
<th>Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Amount (Rs. crores)</td>
<td>Number</td>
</tr>
<tr>
<td>1993-94</td>
<td>40,000</td>
<td>207</td>
<td>23,027</td>
</tr>
<tr>
<td>1994-95</td>
<td>2,20,000</td>
<td>1,103</td>
<td>1,44,964</td>
</tr>
<tr>
<td>1995-96</td>
<td>2,20,000</td>
<td>1,742</td>
<td>2,24,819</td>
</tr>
<tr>
<td>1996-97</td>
<td>2,20,000</td>
<td>1,783</td>
<td>2,05,886</td>
</tr>
<tr>
<td>Cumulative 1996-97</td>
<td>7,00,000</td>
<td>4,835</td>
<td>5,98,696</td>
</tr>
<tr>
<td>1997-98</td>
<td>2,20,000</td>
<td>1,589</td>
<td>2,08,976</td>
</tr>
<tr>
<td>1998-99</td>
<td>2,20,000</td>
<td>1,562</td>
<td>1,46,525</td>
</tr>
<tr>
<td>1999-2000*</td>
<td>2,20,000</td>
<td>71</td>
<td>6,733</td>
</tr>
</tbody>
</table>

* Data as on September 1999
Source: DC(SSI), New Delhi

SWARNJAYANTI GRAM SWAROZGAR YOJANA (SGSY)

Swarnjayanti Gram Swarozgar Yojana (SGSY) is a single cell self-employment programme for the rural poor officially launched on 1st April 1999 by the Government of India.

AIM

The scheme aims at establishing a large number of micro enterprises in the rural areas through the intervention of gram panchayats (local government assemblies at village level). The significant aspect of the scheme is that it aims to bring every assisted family above the poverty line in three years, by creating a monthly income from the activity undertaken of not less than Rs. 2,000 net of repayment of the bank loan.
The scheme also aims to cover 30% of the rural poor in each block in the next five years subject to availability of funds. At least 50% of the beneficiaries under this scheme will be scheduled castes and scheduled tribes, 40% women and 3% disabled.

The schemes lays emphasis on activity clusters. Four to five key activities will be identified for each block based on the resources, occupational skills of the people and availability of markets. The selection of economic activities will be done with the approval of the panchayat samitis at the block level and the District Rural Development Agency (DRDA) Zilla Parishad at the district level.

Panchayats will play a key role in the implementation of this scheme. SGSY will adopt a project utilising existing infrastructure at the village level and the gaps if any, will be filled under the scheme. The scheme focuses on a group approach, organizing the beneficiaries into self-help groups. Group activity will be given preference and progressively major portion of the funding will be for self-help groups. At least half of the groups will be exclusively women groups at the village level.

The local government at the village level will authenticate the list of families below the poverty line identified in the BPL census. Identification of individual beneficiaries will be made through a participatory process.

The scheme offers credit-cum-subsidy to the beneficiaries, and banks will be involved for this purpose. The scheme seeks to promote multiple credit rather than a one-time credit
injection. Credit requirements of the beneficiaries will be assessed and they will be encouraged to increase their credit intake over a time.

**Subsidy**

Subsidy under the scheme will be uniform at 30% of the project cost subject to a ceiling of Rs. 7,500 (for SCs/STs it will be 50% and Rs. 10,000 respectively). For self-help groups, subsidy will be 50% of the project cost subject to a ceiling of Rs. 1,25,000. There will be no limit on the subsidy for irrigation projects.

The subsidy component of this scheme poses a challenge to the other financial intermediaries who are exerting efforts to develop and enforce a culture of non-subsidized financial services to the poor in order to achieve sustainable services on a continuous basis.

**Training**

The scheme provides for skills development through customised training courses, along with suitable technology inputs and market development initiatives including marketing information, consultancy services as well as institutional arrangements for the marketing of goods including exports.

20% of programme allocation (25% in the case of North Eastern states) for each district will be set apart for an SGSY Infrastructure. Funds would be allocated to provide infrastructure support to programme beneficiaries, in the areas of production, processing, quality testing, storage and marketing.
Funding pattern

Funds under the scheme will be shared by the central and state governments in the ratio of 75:25. Central allocation earmarked for the states will be distributed on the basis of incidence of poverty in a state. However, additional parameters like absorption capacity and special requirements will also be taken into consideration during the course of the year.

Implementing agency

The scheme will be implemented by the District Rural Development Agencies through the panchayat samitis. The process of planning, implementation and monitoring will involve banks and other financial institutions, the PRIs, NGOs as well as technical institutes in the district. Under the scheme, funds released to the DRDAs will be utilized as per the decisions taken at the local level.

The scheme also has a provision for special projects (15% of SGSY funds have been set apart for this purpose by the Ministry) that require coordinated action by different departments/semi-government organizations, or international organizations which may extend beyond individual districts. The SGSY guidelines make provision for “new initiatives which are in the nature of pioneer projects, capable of triggering much needed growth impulses. Such projects would be indicators of possible alternative strategies.”
ANDHRA PRADESH STATE SCHEMES

ADARNA

Adarana -- or benevolence -- is a project pioneered by Government of Andhra Pradesh to empower backward class artisans in the state by providing improved hand tools, power tools and small technological equipment.

Objectives

Adarana aims at providing modern and improved hand-held tools to the artisans with a view to improving their productivity, minimizing human drudgery, improving product/service quality and help modernise process operations. The ultimate goal is to contribute to increased income levels and improved standards of living of artisans.

It is aimed to cover 10.00 lakhs artisans as part of the project during the years 1998-99 and 1999-2000. Roughly 1,10,000 artisans to be covered per month, or around 5,000 units per district per month.

Funding pattern

The funding pattern for assistance under the project is grouped into four categories as shown in table 1.9.
Table 1.9
Category-wise Funding Pattern under Adarna

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit cost</th>
<th>Funding Pattern</th>
<th>% of units to be assisted</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Upto Rs.2,500/-</td>
<td>10% Loan 80%</td>
<td>37.5%</td>
</tr>
<tr>
<td>II</td>
<td>Rs.2,501 to 5,000/-</td>
<td>10% Loan 70%</td>
<td>25.0%</td>
</tr>
<tr>
<td>III</td>
<td>Rs.5001 to 10,000/-</td>
<td>15% Loan 50%</td>
<td>25.0%</td>
</tr>
<tr>
<td>IV</td>
<td>Rs.10,001 to 20,000/-</td>
<td>15% Loan 35%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

Source: Andhra Pradesh Backward Classes Co-operative Finance Corporation Limited Andhra Pradesh.

MUNDADUGU
(For the benefit of scheduled castes beneficiaries)

The State Government launched a new policy – Mundadugu, with thrust on education, economic development and social welfare. There are approximately 25.00 lakh SC families in Andhra Pradesh today. In the next 6 months the state government proposes to assist ten Lakh families under various economic assistance programmes as follows:

i) House sites 1.50 Lakh
ii) Housing 1.50 “
iii) SC finance corporation 2.00 “
iv) DWCRA groups 2.00 “
v) Sanitation programme 2.50 “
vi) IRDP 0.50 “
vii) Maternity benefit 0.50 “
viii) Old age pensions and widow pension 0.75 “
ix) Girl child protection scheme 0.20 “

Total 11.50 lakh
• It is proposed to sanction one residential school for each district during this year and 50 new hostels for scheduled caste college boys.

• Back to School Programme was launched for discouraging dropouts. So far 3.5 lakh students were helped under this programme.

• Mess charges for boarders have been enhanced to Rs. 270/- up to 7th class, and Rs. 330/- for those studying 8th to 10th classes. Post-matric scholarships were enhanced by 25%.

• 6,000 students are given computer training during the current year.

• Rehabilitation of 60,000 jogin, devadasi, matamma

• Rs. 10,000/- deposit + house under Indira Awas Yojana (IAY) + pension

• Energisation of 14,000 wells.

• Electrification of 1000 SC colonies.

• A programme for the benefit of 1.62 lakh tribal families is under implementation with the assistance of Internal Fund for Agriculture Development (IFAD).

• During last two years, 250 medical officers were appointed in the tribal areas.

• 2,125 community health workers were also appointed.

• 940 girijan vidya vikas kendras, 50 ashram schools, 5 residential schools and 13 residential junior colleges were sanctioned in the last two years.

• 2.45 Lakh children in primary schools are covered under mid-day meal programme.

• 2,098 education volunteers were appointed 3,069 posts of teachers were filled up with STs by relaxing qualifying examination.

• 1,800 posts of Village Administrative Officer (VAOs) were filled up with STs.

• 15,000 white ration cards were distributed exclusively among tribals and 200 new Public Distribution (PD) depots were sanctioned.

• Additional irrigation facilities were provided for 50,000 acres.

• It is proposed to take up coffee plantation in 50,000 acres in the coming two years.

• Nearly 40 lakh acres of degraded forest land has been handed over to tribals under joint forest management scheme by forming vana samrakshana samithies. The entire
benefit out of this land will go to tribal members. In addition to this, 50% of the revenue from beedi leaf auctions will henceforth be given to the VSS.

- It is proposed to offer minimum support price for all the minor forest produce (MFP) by Girijan Co-operative Corporation (GCC).

CHAITANYAM

(Tribal welfare)

The AP. State Government launched **Chaitanyam** for the benefit of scheduled tribes in the state. Tribals are predominantly living in the scheduled areas. Government decided to step up the programme for the benefit of tribals. During the current year 1998-99 itself, it was estimated to benefit 2.5 lakh scheduled tribes living in the Integrated Tribal Development Authority (ITDA) areas.

**Programme Details**

<table>
<thead>
<tr>
<th>Programme</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>House sites</td>
<td>60,000</td>
</tr>
<tr>
<td>Latrines</td>
<td>50000</td>
</tr>
<tr>
<td>Artisans</td>
<td>10,000</td>
</tr>
<tr>
<td>Land purchase</td>
<td>10,000</td>
</tr>
<tr>
<td>Housing</td>
<td>50000</td>
</tr>
<tr>
<td>DWCRA groups</td>
<td>50000</td>
</tr>
<tr>
<td>Self-employment schemes</td>
<td>15000</td>
</tr>
<tr>
<td>HRD</td>
<td>5000</td>
</tr>
</tbody>
</table>

- Drinking water – 1,900 uncovered habitations.
- Electrification – 1,100 habitations.
- Community health workers – 8,500 local tribal women to be engaged (Rs. 300 per month + drug kit worth Rs. 300/- + referral fund of Rs. 3,000/- per year.)
♦ Primary schools -- 5,910 to cover all school-less habitations.

♦ School complexes -- 256 school complexes (each complex to look after about 30 schools)

♦ Roads -- 2,500 habitations will be provided approach roads.

♦ Backlog vacancies to be filled by 30th June, 1999.

♦ Mess charges, post-metric scholarships and cosmetic charges enhanced.

Other Features

♦ Self-help groups have been formed in the state to achieve the 'tribal development' objective. These groups are CMEY, DWARCA, watershed management, water users' associations, vana samrakshana samithis, school education committees.

♦ Andhra Pradesh stands first in the implementation of DWACRA programme. About one lakh forty thousand women groups have so far been formed.

♦ The success story of "Kalva Village in Kurnool District where Smt. Fatima Begum, a woman sarpanch had been honoured with United Nations Development Programme (UNDP) Award for achieving the social objectives through people's participation" can be quoted as an example.

♦ The object of the state government is to achieve Swarna Andhra Pradesh through of "Vision 2020" and with a spirit from Janma Bhoomi.

♦ Youth associations are requested to participate in the social programmes like literacy, Janma Bhoomi, family planning etc.
Objectives

While the objective of the movement is to empower the youth to participate effectively in the development of rural areas, by providing them opportunities of employment and creating a sense of accomplishment, the entire movement is based on the principles of diligence, self-help, cooperation and sense of patriotism. This programme emphasizes the promotion of sound morals, self-sacrifice and the establishment of firm social order through healthy discipline. This ultimately should result in improving the quality of life of youth.

Youth Association

This programme is based upon "group strategy". A group of 5-10 members of youth of 18-35 years of age may form a 'Youth Association' to take up economic activities suited to their educational background, skills, aptitudes, local resources and needs. A group may be unregistered and informal also. There can be more than one association in a village.

The family income of the youth association members shall not exceed Rs. 11,000/- per annum.

Registered Youth Association

A youth association which is registered under the Societies Act/A.P. Mutually Aided Cooperative Act, 1995/Companies' Act partnership deed, can approach a bank for getting
a loan in the name of the youth association. Such a registered association may also have its activities dovetailed to agencies like SC/ST/BC/Minorities/Women Finance Corporations' and DRDA/KVIB, for obtaining margin money/subsidy, etc.

Youth policy of the government is to cover all the urban and rural areas in the state, by implementing economic support schemes under CMEY programme.

**Motivator**

A motivator is the one selected by the youth associations from amongst themselves, who is known for commitment towards social service, entrepreneurship, motivating ability to arouse oneness among the youth of the area and to propagate ethical values. He acts as a facilitator organising motivational camps and youth leadership training programmes, etc., entrusted by government from time to time.

**Mandal Youth Empowerment officer (MYEO)**

One officer known for commitment, self-sacrifice and social service at mandal level would be identified by the District Collector from among Mandal Education Officers/Extension Officers/Rural Development/Industrial Promotion Officers/other Services to take up the responsibility of bringing youth of one village in a mandal on one platform, inspiring, convincing and arousing oneness among the youth and also inculcating the spirit of self-help, cooperation and patriotism among them apart from guiding them as a friend -- but certainly not as an officer -- to form as many youth associations as possible; based upon educational background, skills, aptitudes, local
resources, need and demand, duly surveying and studying all the aspects of forward and backward linkages. Technical consultancy may be engaged, if necessary. An officer assigned with this responsibility would be termed as "Mandal Youth Empowerment Officer".

Selection of Projects

Once youth associations are identified, each may apply to the District Youth Welfare Officer in a district for recognition, through motivator/mandal youth empowerment officer. Recognized youth associations may be unregistered and informal also. Such recognized youth associations may seek for financial assistance from government agencies for the projects of their choice, duly handing over their applications along with their project reports to the Mandal Youth Empowerment Officer. Projects are selected and decided by consensus of the members of youth association and implemented with their total participation. No impression should be given under any circumstances that the government is taking care of projects by proxy. Motivator/Mandal Youth Empowerment Officer may guide in the selection of a project or in project formulation but shall not to thrust a project or activity upon them. Projects should be selected keeping in view specific conditions of a village, topography, potential, natural and socio-economic conditions.

Function of Youth Association

There can be a group organiser, selected by the members of youth association, which must meet as often as possible to chalkout its plan of action, review and monitor the
progress of activities taken up and to sort-out issues that may arise from time to time. The group members must get to know each other well, understand the group strategy and recognise the strength or potential of the group. The group organiser selected from amongst the members will be their friend and guide and will help in the choice of activity, procurement of raw materials and marketing of products, etc. A youth association is expected to understand the spirit of the movement, diligence, self-help, cooperation and a sense of patriotism. Members must put the spirit into daily practice by "pledging" themselves for the propagation of the movement.

Youth association will maintain a savings bank account to be jointly operated by the group organiser and one other member of the association nominated with the willingness of all the members. Deposits or withdrawals from the bank account shall be made only on the strength of resolutions of meetings to be convened, whenever necessary.

Members of each youth association are required to participate in the programmes of education, health, nutrition, sanitation and other awareness campaigns. Priority support from government is provided to exemplary villages/towns going ahead with enthusiastic popular participation. Outstanding leadership of youth association organisers and members' positive participation are the key to the success of the projects.

**Projects in General**

Land-based, agro-based projects are to be given priority. Horticulture, floriculture, sericulture, aquaculture, diary, apiary, food processing, handlooms, handicrafts,
ancillary industries, community afforestation, vegetable cultivation and transport activities may also be taken up on priority.

Any activity based upon need and demand based upon local infrastructure, resources, potential, socio-economic conditions may be taken up. However, a thorough survey and study is required to be done in the beginning. Services of technical consultants may be engaged, if necessary, for project formulation.

The works of the nature of rural link roads, drainage, sanitation, water works, minor irrigation schemes, field channels, maintenance of bore-wells, transformers and pumpsets may be entrusted to youth associations, on nomination basis, provided the estimated cost of such works is of the order of Rs. 2 Lakhs and below. The rules concerned would be amended facilitating nomination, wherever necessary.

**Eligibility**

(a) Each youth association shall consist of at least two members possessing minimum educational qualification of 7th standard to facilitate maintenance of accounts relating to youth association concerned.

(b) The youth association must be in existence with regular savings activity for a minimum period of 3 (three) months with a minimum savings of Rs. 30/- per month per member. The youth association must have opened a joint account in the bank of the area concerned and must be in possession of a pass book indicating constant transactions and ledgers.
(c) The youth association must have participated and rendered meritorious service in programmes like janmabhoomi, shramadan, family welfare, literacy programmes, village and community development activities, etc.

(d) The youth association shall consist of trained members by way of participation in motivation camps/youth leadership training programmes organised under the CMEY programme.

Training
All the motivators and mandal youth empowerment officers selected by the District Collectors, District Youth Welfare Officers and Chief Executive Officers of this programme would be provided orientation training at state headquarters. During this orientation course, academicians, economic experts, financial wizards, bankers and administrators would interact with them. State/national youth awardees would also be invited to participate in this orientation programme. Orientation training of two days will be imparted to members of youth association selected under CMEY Programme by reputed training institute/organisations at mandal and district level. The nature and level of the training depends upon the type of economic activity/project selected by the youth association.
**Financial Assistance**

For a Youth Association taking up an activity/project of Rs. One lakh and below, the pattern of financing will be as follows:

<table>
<thead>
<tr>
<th>Means of finance</th>
<th>Amount Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Group savings</td>
<td>20,000</td>
</tr>
<tr>
<td>2. Margin money equivalent to savings</td>
<td>20,000</td>
</tr>
<tr>
<td>3. Subsidy under group loaning From District Rural Development Agency/ Municipality/Municipal corporation</td>
<td>25,000</td>
</tr>
<tr>
<td>4 From societies for training and employment promotion.</td>
<td>25,000</td>
</tr>
<tr>
<td>5 Institutional Finance, Preferably from A.P State Co-op. Bank Limited</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,00,000</strong></td>
</tr>
</tbody>
</table>

Adequate Institutional finance may be tied up for the projects of beyond Rs. One lakh also.

**Accounts Maintenance**

Youth associations shall maintain detailed and definite accounts in respect of amounts raised through savings, sanctioned, received and utilized. An expenditure statement along with utilization certificate is to be given every month to Mandal Youth Empowerment Officer. The accounts shall be kept open for inspection by the concerned authorities of government.

Profits by youth associations would be shared jointly and equally; duly keeping 1/3rd amount as reserve (for furtherance of activity or promoting new activity, etc.)
Review and Monitoring

Two committees have been constituted at district level namely, District Sanction Committee (DSC) and District Consultative Committee (DSC) under the chairmanship of the District Collector. District Sanction Committee comprises representatives of DRDA, SC/ST/BC/Minorities/Women Finance Corporations/District Industries Centres (DICs). District Youth Welfare Officer, lead bank, and one representative of local industry. The Chief Executive Officer (CEO), Society of Training and Employment Promotion (STEP) will act as member convenor. The terms of references of DSC are to meet once in a month, to review the physical and financial progress, monitor progress of grounded schemes, ensure participation of concerned corporations, ensure strict adherence to subsisting GOs, look into the functioning of mandal youth federations (MYF); and to send reports to the Special commissioner, Department of Youth Services from time to time.

The District Consultative Committee is constituted with the Project Director, DRDA as member convenor and representatives of CEO (STEP), DYWO, DIC, lead bank, Members of Legislative Assembly of the district, Member of Parliament of the district and state youth awardees of the district as members. The terms of reference include reviewing progress of economic activities of all the youth associations once in 3 months. Salient features of CMEY programme will be published by this committee. It will also coordinate activities among all departments and corporations to identify and approve projects meeting local needs. The committee will be responsible to assess the flow of funds from government as well as other institutions at district level; to review administrative sanctions accorded and to suggest measures for overcoming drawbacks either in the formulation or implementation of economic support activities taken up under CMEY; to promote growth of infrastructure, sports and cultural activities as envisaged
under youth policy and to send reports to the Special Commissioner, Youth Services from time to time.

*If Youth Association Becomes Defunct*

In case of the group becoming defunct or found to be utilizing the matching assistance for other purposes than those for which it is sanctioned, the entire amount will be recovered under Revenue Recovery Act. Each youth association shall submit a written undertaking on Rs. 10/- non-judicial stamp paper to this effect at the time of receiving financial assistance.

*Review of Literature*

It describes the activities carried out to help constituents combat unemployment and poverty, particularly through the creation of employment opportunities and improvement of existing jobs. Considerable emphasis is also placed on policy advocacy at the international level, with a view to gaining greater international acceptance of policies and principles.

An increasingly important component for the promotion of employment is the support that it offers constituents to encourage and develop entrepreneurship, with a view to improving enterprise performance and promoting employment and increase in incomes through the creation of cooperatives and small and micro-enterprises, particularly by vulnerable groups. Related activities are designed to increase productivity and improve the policy environment for informal sector enterprises.
This review also covers the field of self-employment and programmes for its promotion with emphasis on Andhra Pradesh State, Indian and international experiences.

Several studies emphasized the importance of Small and Medium Enterprises (SMEs) in the economies of all countries and in the creation of jobs in the context of high levels of unemployment. Many researchers referred to the dynamism and resilience of SMEs and the need to develop a business-friendly environment which removes administrative and other constraints for their development. Others attached importance to the quality of employment as an integral part of a strategy to promote efficient and competitive SMEs, which probably employ majority of world's workforce. This involves promoting good working conditions, social protection, security, workers' representation and equal opportunities.

For several decades now, many agencies, in both industrialized and developing countries, have been working in the field of non-financial support services for small enterprises. The importance of a participatory approach in the planning and implementation of support programmes is to create a feeling of ownership and to ensure they are adapted to the needs of clients.

Further guidance on the development of a supportive small business environment is contained in a practical manual, which was developed as a tool for policy-makers and small enterprise development practitioners1.
The makeup of the entrepreneur has been explored by a number of social scientists. McClelland looked at motives, and identified three underlying ones: the need for achievement, the need for affiliation and the need for power. According to him, the person motivated for high achievement has optimism, wants responsibility, enjoys challenges and novelty and is a moderate risk-taker. Others have looked at the need for autonomy and the desire for influence.

The list of attributes was prepared by Bibb, describe enterprise as the exercise of such attributes and the entrepreneur. The enterprising attributes identified had been given as initiative, strong persuasive power, moderate rather than high risk-taking, flexibility, creativity, independence/autonomy, problem solving ability, need for achievement, imagination, high belief in control of one's own destiny, leadership and hard work.

The more traditional view of enterprise has largely been that it is an attribute that exists and can be measured and encouraged, but which is not evenly distributed among the population. Some have more of it than others, and it is those with more of it who tend to display enterprising activity such as starting businesses. The implication has been that if more of those individual levels of enterprise could be raised above some sort of implicit enterprise threshold then more enterprise activity and more business startups would be the result.

An alternative view of enterprise, and of enterprising behaviour, is based on the attributes and resources that an individual may possess at any point of time. It is suggested that it is
the interaction between these factors produces a rational response, on the basis of available information, when the opportunity occurs for a business startup. This theory acknowledges however, that there is inertia in individual behaviour and that it may take a discontinuity in work, or in life, to trigger a review of an individual's situation. Whether this review will lead to an individual trying his own enterprise will then depend on the attributes and resources he has accumulated and on his perception of environmental factors such as the ability of grants and training.

Gibb and Ritchie\(^{(3)}\) have summarised the necessary condition for enterprise as the possession of Motivation, Ability, Idea, and Resources.

There are numerous variables, but we can see that these attributes are clustered, and research by Durham University Business School \(^{(4)}\) on enterprising tendencies reveals that enterprising people tend to have a strong need for achievement and autonomy, an internal locus of control, are strongly proactive and independent, have a creative tendency, and are moderate risk-takers. Others add self-confidence, persistence, an ability to deal with failure, and trust. \(^{(5)}\)

Entrepreneurial research suggests that effective entrepreneurs are moderate risk-takers, while Durham Business School believes that enterprising people are calculated risk-takers. They assess situations thoroughly and do not pursue options which they consider to have a small probability of success. Drucker goes so far as to say that successful
entrepreneurs tend to be cautious and are opportunity-focussed, as opposed to risk-focussed. For him 'defending yesterday' rather than 'making tomorrow' is really risky\(^6\).

The enterprising people exercise considerable control over events in their everyday world. Rotter was instrumental in assessing this aspect of personality, and he designated those who feel in control as 'internals' and those not in control as 'externals'. 'Internal' declarations emphasize the importance of ability, hard work, determination and planning in achieving outcomes, and their outlook is epitomized by the statement 'What happens to me is my own doing'.\(^7\)

An enterprising person is often concerned with development of new products or processes or markets to bring something creative in his venture. It beings with identifying an opportunity, understanding the situation, contemplating new linkages and ends with possible new combinations of products. Very often creativity depends on the situational requirements. In this context, Thompson feels that creativity is enhanced when people have some freedom, but not too much; high internal commitment to the task, but not too high a commitment; a high proportion of intrinsic rewards, but some extrinsic rewards as well; some competition but not winner-take-all competition.\(^8\) Therefore, it is important to recognise that an enterprising outcome depends on the process of innovation following creativity, not on creativity alone.

Cromie. S emphasised the need for autonomy as people who do their own thing regardless of others or who disregard with impunity rules that constrain them could be considered as disruptive dissenters. Independence may produce negativity, but
enterprising people tend to be freethinkers who need to break away from the shackles imposed by collective social institutions. When asked why they wanted to start their own firm, aspiring entrepreneurs in one study most frequently cited autonomy, and the need to achieve, as the most important factors in their decisions.\(^9\)

Individuals in many groups, enterprises and societies are expected to adhere to the norms, rules and regulations of collective social organisms. In this context, enterprising people have the problem solving abilities pertaining not only within the organisation but also in the social environment.

Enterprising people have a strong need for achievement (sometimes referred to as N\text{ Ach}), which stimulates them into action. When they accomplish something they consider to be worthwhile, their self-esteem is enhanced and they are encouraged to seek other demanding assignments. Thus enterprising people are constantly on the lookout for challenges.\(^10\)

McClelland argues that such a person is more self-confident, enjoys taking carefully calculated risks, researches his environment actively and is very much interested in concrete measures of how well he is doing. Some what surprisingly., he does not seem to be galvanized into activity by the prospect of profit... (he).... Works hard anyway, provided there is an opportunity of achieving something.\(^11\)
It has been argued that enterprising individuals seek out demanding tasks that produce the intrinsic rewards of achievement, that they act on their environments in uncovering these opportunities rather than responding to changes, that they impose their independent authority to explore creative risky options for problems or opportunities. It is most unlikely that people who lack self-confidence could undertake these tasks. Proactivity, creativity and achievement are not accomplished without major change and, as Gibb has argued, enterprising persons have a security borne of self-confidence in uncertain situation. Self-confidence seems therefore to be indispensable for enterprise. Along with self-confidence generally goes trust. Some people consider enterprising individuals, especially in a business context, to be selfish, exploitative and uncaring, with a short-term get-rich-quick approach to business. In reality, however, successful enterprise requires the coordination of disparate inputs, and a degree of faith, trust and cooperation between contributors is essential. "Studies of entrepreneurs indicate that many are highly ethical and socially responsible compared to the general population."(12)

If, as a result of their endeavours, enterprises are successfully completed, leadership will be reinforced. In an uncertain environment leadership has been taken as common attribute and may be viewed as most self-assured and self-confident. In comparison with the present research study the task of leadership and problem solving ability are identified as the key factors and will be discussed in the coming chapters.

Economic enterprise is said to thrive in a free, or market, economy. It was Adam Smith in 'The Wealth of Nations' in 1776 who argued that the enormously complex task of
deciding which goods and services to produce in an economy should not be carried out by a central authority but should be delegated to individual buyers and sellers.\textsuperscript{(13)} He did recognise that government nevertheless had a role in such a free market. It had the responsibility for the legal framework of laws to protect the right of individuals involved in the market and for mechanisms to maintain social stability.

Therefore, as well as the personal attributes and resources of the individuals who are being enterprising, external influences, social, economic and political, also have implications for enterprise.

The importance of such a context is highlighted by a study carried out by the University of Groningen, covering nine countries (Brazil, Cameroon, Colombia, Indonesia, Japan, Kenya, Netherlands, UK, and West Germany) and almost 2,700 entrepreneurs.\textsuperscript{(14)} It gave some interesting indications of the values and motivations that differ between western and eastern countries and the values and motivations that differ between the industrialised and the less developed countries.

The factors considered in determining the study were, personal initiative, motivation, family background, culture, receptiveness and social environment.

\textit{Group dynamics}

In group dynamics cooperative enterprises will play an important role in providing income and sustainable employment for large numbers of people, particularly in rural
areas and in countries in transition, where the capacity of governments to ensure the supply of jobs, services and products to the local population is diminishing rapidly. Cooperative enterprises and associations are also of great importance in industrialized countries, particularly in areas of agriculture, marketing, retailing and the provision of social services, including insurance. However, cooperatives in general are facing something of an identity crisis. In developing and transition countries, with receding state control and support, they are having to become more self-sufficient and capable of survival in the private sector. In industrialized countries, their business success has often been to the detriment of their social identity.

One such example in India can be taken as INDISCO programme (Indian Integrated Social Community Cooperatives) which is exclusively for the tribal people with a view to improving their socio-economic conditions through the promotion of cooperatives and other self help groups. It started its activities in states like Orissa, Madhya Pradesh, Bihar and Gujarat from 1989. Its activities which included projects in different states were as follows.

Under the group dynamics apart from cooperatives mentioned above several activities have been chalked out by different organizations at national as well as global levels. In all these activities the main focus has been a thrust on empowering youth. So that they can adhere to develop their own enterprises and help the community at large.
Training

Increasingly, enterprises and individuals are having to rely on knowledge, innovation and technical ability to improve their performance and adapt to the changing demands of globalized competition and more flexible labour markets. At the same time, high levels of unemployment and the erosion of employment security are making it necessary to invest more in skill development to improve the employability of workers throughout their working lives. Against this background, the priorities of policy-makers are:

- acquisition of skills by workforce which allow workers to engage in freely chosen and productive lines of employment and adapt to changing labour market needs; and
- enhance training opportunities for women and vulnerable groups to hone their skills, productivity and incomes.

Meeting these priorities requires greater efficiency, flexibility and relevance in public and private training systems, and participation of employers' and workers' representatives, alongside governments, in the development of training policies and programmes.

Activities to help improve productivity were undertaken in nearly 30 countries. The assistance provided mainly consisted of the dissemination of information on productivity improvement issues and the provision of training and advisory services to a series of government and Non-governmental Organisation (NGO) clients, including management development and productivity institutions, business schools, employers' organizations and, increasingly, workers' organizations. The approach adopted in all of these activities
is that productivity is an issue that concerns and benefits all those involved in production process, including management, workers and society at large. To emphasize the important role of the workforce as partners in productivity improvement, studies were prepared on the role of workers as stakeholders in productivity and on gainsharing from productivity improvements.\(^{(15)}\)

Given the wide variation in social understanding, perceptions, attitudes and behaviours, a unicultural interpretation of the meaning of enterprise and its development may not be accepted as a global and positive concept. It will also be difficult for business leaders to function effectively in other cultures as the drive towards globalisation accelerates. It is, however, clear that a supportive cultural environment for actions and policies to promote enterprise development and business start-up and growth is important, and that it can take many forms.

♦ Some Enterprise Associations:

  Free Enterprise

  Clusters and Competitiveness

Hofstede's work reveals that successful nations [in economic terms] can exhibit significantly different scores in each of the dimensions he describes, suggesting that there are no easily defined 'right' or 'wrong' cultural conditions. Positive economic outcomes can emerge from wide range of contexts.
Whether all such outcomes derive from enterprise in its conventional western definitions is more difficult to assess. The collectivist tradition and culture is about subordinating personal to group interests, sharing, cooperation and group harmony. Is entrepreneurial behaviour exhibited by the group itself, by individuals working through the group or by breaking group norms or does the concept of 'entrepreneurial behaviour' need to be redefined in different cultural contexts?

The creation of new enterprise or taking of new initiatives is perceived as a vital activity for any community hoping to have a thriving social and economic life. Some communities, however, appear to lack sufficient individual enterprising action to generate and develop new ideal that lead to improvement. Krueger notes that economically disadvantaged communities often suffer from low self-efficacy. Communities suffering from poverty often reflect the symptoms of learning helplessness, a perceived inability to help themselves. People cannot lift themselves up by their boot straps if they perceive themselves as having no boots.¹⁶

Community enterprise is generally an enterprise by a group, and sometimes individuals acting together as a team or group which can demonstrate qualities, command resources and engage in enterprising behaviour in a way better than that of acting individually. The reasons why group action occurs is, when individual enterprise does not yield expected results. No doubt issues of motivation, knowledge, skills (as well as of access to resources) and networks will contribute to both categories. Community enterprise is particularly recognised in community businesses, which has been defined in various ways

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but generally are business ventures that not only return to the community surplus they create but also benefit the community in other ways such as by working on projects which enhance the environment or by developing skills of community members in their workforce.

Therefore, there is much in common between community and business enterprise. They both need a vision of what is possible, they both require application of resources to achieve that vision, they both involve acceptance of a level of risk and they both generally need personal drive to make them work.

The prevailing theory, Michael Porter suggests, has been that economies of scale, labour costs and interest and exchange rates are the strongest factors in determining competitiveness. He argues, however, that it is domestic rivalry and geographic concentration that provide necessary conditions to build expertise and innovation that really produce competitiveness. The presence of strong local rivals is a powerful stimulus to the creation and persistence of competitive advantage, and, again, nations succeed in particular industries because their home environment is the most forward-looking, dynamic, and challenging.

An important activity in the effort to improve entrepreneurial skills worldwide continued to be the Start and Improve Your Business (SIYB) training programme. The focus was on consolidating and expanding the use of the programme in English-speaking Africa, Latin America, Eastern Europe and Central Asia, and on launching it in French-
speaking African countries. SIYB materials, which have since been used in some 70 countries, were further updated and improved during the biennium to optimize their impact on business performance and employment generation.\(^{(20)}\)

**Enterprise development through group approach – Indian and international experience**

Number of developed as well as developing economies are focussing more on enterprise promotion exclusively for youth in rural and semi-urban areas. The young enterprise initiative has had its origin from USA as junior achievement programme. In UK in 1963 a national educational charity initiated enterprise promotion for young people mainly in the age group of 15-19.\(^{(21)}\)

Thrust was mainly given to enable youth to develop their personal and inter-personal skills, knowledge and understanding of business objectives and the wealth creation process. In Ethiopia group enterprises have been initiated in rural, semi-urban areas with a view to curbing unemployment and poverty. In India also, starting from 1979 the government was keen in promoting enterprises for young folk through many programmes. Fortunately one such programme with group approach was initiated and implemented in Andhra Pradesh in 1996. Brief experiences of these programmes are discussed below.

**Grameen bank: Organisation and operation (Yunus, Muhammed - 1989)**\(^{(22)}\)

**Group formation**

The process of group formation itself contributes to the strength of Grameen. Usually it takes some time for members to identify each other and consult each other before they
make an announcement that they wish to form a group. Many times members screen each other before they arrive at the final five. Some drop out because of fear instilled in them by relatives and neighbours. Before even beginning negotiation with the bank, members have already gone through a process of understanding and mutual confidence building. By the time bank confers on a group the much sough after recognition, a member has got to know the bank quite well, the bank knows him/her well, and the rules and procedures of the bank come quite easily to them. They will come to know the other partners in the group and in the centre. It is a long period of suspense and learning. It gives them a great thrill when they receive the final recognition. It is a great moment for them and they know that they can also earn by themselves. It gives them the first important lift in building self-confidence.

**Participatory decision - making process**

Like any other organisation, Grameen has to come up with new decisions, which affect the work and life of many people. Being a new and fast expanding organisation, Grameen needs to modify old decisions and introduce new decisions quite regularly and frequently. In coming up with new decisions Grameen management always tries to assess the views of the people whose work and life would be affected by these decisions.

By opening doors for everybody to participate in the decision-making process a large amount of misunderstanding and tension in the organisation has been avoided. Now everybody knows what the decisions are, and why these decisions were taken. Inadvertent mistakes through careless use of words are avoided because somebody has
already pointed them out at the draft stage. This type of decision making creates support for the decisions taken. Everybody knows what is coming his way and if he does not like it, he can try to stop it, or at least modify it.

The study made by Khandker, S.R. et.al (1995) also reiterated the importance of sustainability in participatory process.

**The youth enterprise programme in Ireland (Connon P.J., 1985)**

The programme was conceived and implemented by AnCo, the industrial training authority in Ireland established under the Industrial Training Act 1967 of Ireland, with responsibilities at the national level for raising the skills of the Irish workforce at all levels in industrial and commercial activities.

In contrast to the rest of Western Europe, which experienced marked declines in the rate of population growth during the 70’s, Ireland witnessed a considerable increase in its population during the period, making the 15 - 24 age group a substantial 17.7% of the population during 1981. This resulted in the literal doubling of the number of first time job seekers during the period. By Dec 84, job seekers under 25 years of age were a good 30.8% of the total unemployed. AnCo, therefore, designed and developed the youth enterprise programme to stimulate entrepreneurship in young persons.

At the time of implementation of the programme, the general mindset of the population was in favour of employment in government and self-employment was not quite an
option or an ideal one aspired to, nor was there parental enthusiasm for participation in
the youth enterprise programme. Levels of achievement motivation for success through
entrepreneurship in the society were low, imposing social and other barriers on young
persons choosing entrepreneurship as a viable and desirable option. However, with all the
institutional support available, young people with no previous business experience or
family tradition in business, were not being found to be attractive propositions in most
cases by the commercial banks.

Many of the young persons in the programme had some technical skills to start with, such
as carpentry, dress making, catering, etc. The programme was designed to add to such
skills, two other ranges of skills, i.e., entrepreneurial/self-management skills and
management skills. The efficacy of the programme was judged by evaluation and
subsequent modification were made in the programme.

Social marginality and the small businessman (Stanworth, MJK and Curran, J. -
1973)(25)

The authors of the work put across the model of entrepreneurship in which social
marginality is an important motivating factor to propel individuals towards
entrepreneurship. This review outlines the basics of the theory, in so far as it corresponds
to the outcome of the CMEY programme, as visible during the initial phase of the
programme which formed the subject of the present study.

By using the concept of social marginality, one can not only describe some of the
personal characteristics involved in high motivation towards setting up small businesses,
but also indicate the social conditions, which are associated with this progress. This must obviously be subject to structural factors such as the level of entrepreneurial opportunity available in the society, that is the number of openings in the economy for small businesses. Thus, other things being equal, the proportion of marginal persons seeking small business solution to marginality can be expected to be directly proportional to the level of entrepreneurial opportunity.

Although many may not be expected to have an exact idea of the risks involved in going into businesses for themselves, in a modern industrial society, the mass media and the informal channels of communication are pretty efficient at moulding general feelings of confidence or pessimism of businessmen and economists of the economy. This information is on the whole, highly correlated with the real level of entrepreneurial opportunity.

Harper, M. - 1995\(^{(26)}\) studied empowerment of women by a group action through enterprise development.

**Poverty and entrepreneurship (Mueller, C.E. - 1981)\(^{(27)}\)**

Gifford, Florida is an unincorporated rural all-black minority community (some 10,000 residents) located a couple of miles away from Florida's Atlantic coast, roughly 135 miles north of Miami, in Indian river county, (Vero Beach, with a largely white population of about 20,000 is the county seat, directly on the ocean). In sharp contrast to its affluent neighbour, Gifford is very poor and its unemployment rate appears to be astronomical, probably well above 50% mark in the younger age groups. In addition to this very large
pool of citizens with relatively low educational and skills levels, looking for work, it has one other important asset, a group of unusually talented and vigorous community leaders, who are willing and able to spearhead the kind of community effort that would be required to get at the root of its unemployment problem.

Since there is no industry to speak of in the county, the bulk of work centered around citrus, tourism, and a Piper Aircraft assembly plant and with no immediate prospect of any significant new employers coming in, the only feasible long term solution appeared to be for this community to create its own jobs from scratch. In the situation, therefore, a shortage of jobs translates into simply a shortage of local job-creators, i.e., of hometown entrepreneurs.

The community further seeks all necessary inputs into the model through a multi-lateral funding programme, with assistance coming in from all the participating agencies/organisations as if in support of a multi-disciplinary research project.

The study concludes that poverty in America's poorer communities can be eliminated if weight of the national government is put into the fight for economic as well as social justice and that the Small Business Administration, as the arm of the government, equipped with the requisite knowhow could begin the job of making small business independence accessible to all, by teaching the basic skills required to make people economically independent citizens in their own local communities.
The study thus portrays, a vivid scenario in which, even in the developed economies, what to speak of poorer countries, for poverty alleviation in rural- marginalised sections of population, using self-employment as an expedient, a well-orchestrated state intervention is an imperative.

**Rural enterpreneurship (Matthai, R.J. - 1978)**

The paper outlines various aspects of risk perceptions in the rural setting as technical, economical, social and environmental.

These aspects of risk can be used as a framework for the development of strategies, aimed at the deliberate creation of specific learning opportunities for favourable modifications in the risk perceptions, thus paving way for long term HRD benefits.

In all endeavours to develop entrepreneurship in rural settings, it is worth considering as to whether the appropriate approach is to search for and select entrepreneurs, or to create a set of circumstances, which may gradually reduce the intensity of risk perceptions in the minds of a growing number of people, and to develop in them their own capabilities to handle and control evolving risks with the ever changing circumstances.

**The need of the study**

Despite the far-reaching political and economic changes of the past decade, the promotion of full, productive and freely chosen employment has remained an unresolved challenge for many national economies and the international community as a whole. In many developing countries, recent generations of economic reform and structural adjustment programmes, have included measures to assist the groups which are most
affected, as greater account has been taken of principles and concerns at the state, national and international levels. However, despite the measures taken to address social concerns, greater attention needs to be paid to the issue of participation by the social partners in the design and implementation of the programmes and policies.

The present research study aims to address the issue of participation by a group of persons within that particular location of the state which can be taken as the social partner for community development.

However, the aim of these measures is to provide emergency support for poor families, whereas the principal objective of reform programmes is to create economic growth that is distributed more widely, and particularly towards the poor, the low paid and disadvantaged social groups.

In the transition economics there have been sharp increases in income inequality, even where the rise in unemployment has been relatively moderate. In most of the developing world, the majority of the labour force remains trapped in low productivity employment that offers little relief from poverty.

The growing globalization of the world economy will necessarily aggravate the situation and maintains that there is still considerable policy autonomy at the national level.
It is therefore, important to manage the transition to a more open market economy at a pace and in a manner that minimize social costs and to ensure that it is supported by strong compensatory policies towards those most adversely affected.

Higher unemployment has been caused by a decline in growth rates, rather than any onset of jobless growth.

In the developing countries, in particular, this depends on the successful implementation of economic reforms to achieve macroeconomic stability and a more efficient, open and competitive economy. However, this does not preclude an active role for the state in several areas, such as overcoming market imperfections and high levels of inequality in the distribution of income and assets. The economy is characterized by very high levels of underemployment and poverty. Working conditions are often unhealthy and unsafe and the organized sector of the economy is limited in scope.

Policies to improve the equity and efficiency of labour markets are required to address the problems of unemployment and social exclusion. To design and evaluate these policies, governments and the social partners need to undertake the necessary analysis, based on the collection of reliable and accurate labour market information. Thus the present study attempts to evaluate this unique programme, which was initiated by the present government in the State of Andhra Pradesh.

Assistance was provided directly to the district CEOs (Chief Executive Officers) for the development of a policy environment which is conducive to employment-intensive
growth, at both the macro and sectoral levels. These activities were designed to combat
poverty, particularly among disadvantaged groups, and to support activities of employers'
and workers' organizations in this connection.

It is now almost universally acknowledged that most new jobs are created in the private
sector, and particularly by small and medium-sized enterprises (SMEs).

Summary

Measuring poverty is difficult because of conceptual problems, data deficiencies and
social judgement. Three types of poverty are defined by comparing actual income
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According to this “Human Development, if not engendered, is endangered” (P 6).

India alone is the home of 34 per cent of the world poor. As a result from Fifth Five Year
Plan onwards the government stressed on the development of minimum needs such as
wage employment, infrastructure development, self employment, entre- preneurship
development etc., through major schemes at national and state level mechanisms.
Various schemes implemented by both Central and State Governments have been
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The high incidence of poverty in rural India is directly related to prevalence of large
growth, at both the macro and sectoral levels. These activities were designed to combat poverty, particularly among disadvantaged groups, and to support activities of employers' and workers' organizations in this connection.

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The high incidence of poverty in rural India is directly related to prevalence of large
scale unemployment and under employment. Majority of the rural population is landless and sustains entirely on wage employment. The Jawahar Rozgar Yojana (1989) is one such rural major programme for providing wage employment, which is looking after both NREP (National Rural Employment Programme) and RLEGP (Rural Landless Employment Guarantee Programme) as a single rural employment programme. For curbing under employment, Employment Assurance Scheme (EAS) was introduced in 1993.

Apart from wage employment promotion, self employment and entrepreneurship development have been taken as important tasks and by the government through several programmes. One such major programme IRDP, aimed at providing income generating assets and self employment opportunities for the rural poor targeting the families below poverty line.

With a view to overcoming this situation and to involve the rural women more intensely in economic activities and matters that concerned the rural community, one of the initiatives taken by the government is introduction of an exclusive programme for women groups viz., Development of Women and Children in Rural Areas (DWCRA). The intervention aims at not only raising the incomes of rural women of poor households, but also enables the organised participation of groups in the programmes of credit, skill training and infrastructure support for self employment in groups who cannot take up economic activities individually on their own by adding to major components viz., Community Based Convergent Services (CBCS) and Child Care.
Another important programme initiated by the Government aimed at providing basic technical and managerial skills to the rural youth from families below the poverty line to enable them to take up self employment and wage employment in the broad fields of agriculture and allied sectors, industries, services and business activities sectors requires acquisition or upgradation of skills relevant to industries and business enterprises.

In order to modernise artisan trades, Supply of Improved Tool kits to Rural Artisans (SITRA) has been started. Aiming educated unemployed youth the government also launched programmes like SEEUY (Self-employment for the educated unemployed youth), PMRY (Prime Minister’s Rozgar Yojana) etc.

From April 1999 onwards, Government of India implemented a scheme focussing majority on group approach, organising the beneficiaries into self help groups called Swarnajayanthi Gram, Swarozgar Yojana (SGSY). The schemes aims at establishing a large number of micro enterprises in the rural/urban areas through the intervention of local governments.

The Andhra Pradesh State also launched several schemes to eradicate poverty by promoting income generating activities in rural/urban areas. The important schemes include Adharana programme to empower backward class artisans in the state by providing hand tools, power tools and small technological equipment, Mundadugu – with a thrust on education, economic development and social welfare of Scheduled Caste
The Chapter also dealt with the review of related literature for the study and covered the field of Self employment and programmes for its promotion with emphasis on Andhra Pradesh State, Indian and International experiences.

Economic non-farm is said to thrive in a free, or market economy. The factors considered in determining the enterprise were personal initiative, motivation, family background, culture, receptiveness and social environment.

In group dynamics cooperative enterprises will play an important role in providing income and sustainable employment for large numbers of people, particularly in rural areas and countries in transition, where the capacity of government to ensure the supply of jobs, services and products to the local population is diminishing rapidly. In industrialised countries, their business success has often been to the detriment of their social identity.

One such example in India can be taken as INDISCO programme (Indian Integrated Social Community Cooperatives) which is exclusively for the tribal people with a view to
improving their socio-economic conditions through the promotion of cooperatives and other self-help groups. Number of developed as well as developing economies are focussing more on enterprise promotion exclusively for youth in rural and semi urban areas. The young enterprise initiative has had its origin from USA as Junior achievement programme. In UK in 1963 a national educational charity initiated enterprise promotion for young people mainly in the age group of 15-19.

Thrust was mainly given to enable youth to develop their personal and inter-personal skills, knowledge and understanding of business objectives and the wealth creation process. In Ethiopia group enterprises have been initiated in rural, semi-urban areas with a view to curbing unemployment and poverty. Fortunately one such programme with group approach was initiated and implemented in Andhra Pradesh in 1996 as CMEY.

After reviewing the thematic approaches suggested by several authors, the present research study aims to address the issue of participation by a group of persons within that particular location of the state which can be taken as the social partner for community development.
Notes and References


10. Ibid., P.43

11. Ibid., P. 44


18. Ibid., p 74.


20. SIYB materials are adapted for use in each country. There is therefore, no single product for which a reference can be given. More information on SIYB activities can be obtained from the ILO web site under enterprise.


