Chapter VII

Summary of Findings, Conclusions and Suggestions
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Poverty has diverse dimensions, as employment opportunities all over the world are decreasing due mainly to rapid technological changes. Government sponsored employment scheme is seen as the only way out of poverty. But lack of financial assets such as credit and savings comes in the way of entrepreneurial ventures. It is in this context, that an innovative financial arrangement for the poor micro finance credit through commercial bank comes in to being.

The Central and State Government have introduced several subsidy schemes such as Integrated Rural Development Programme, Prime Minister Rojgar Yojana, Rural Landless Employment Gurantee Programme, Swarna Jayanthi Gram Swarozgari Yojana (SGSY) and the like. The loans sanctioned under these programmes come under priority sector lending. The bank credit for these programmes are included in the district credit plan. As per the Reserve Bank of India (RBI) guidelines, in the total lending by a Commercial Bank, 10 per cent of advances should go to the poverty
alleviation schemes. The present study is an attempt to analyse and evaluate the Government sponsored employment scheme with reference to Swarana Jayanth Gram Swarajgar Yojana (SGSY) in Sivaganga District of Tamil Nadu. The specific objective of the study are

1. To study the various Government sponsored employment schemes in India.
2. To examine and compare the development performance in the implementation of the SGSY programme amongst the blocks in terms of growth indicators.
3. To measure and compare the impact of scheme SGSY in terms of equity angles amongst the blocks.
4. To analyse the relation between characteristics of the beneficiaries and their familial characteristics.
5. To examine the variation in income before and after availing of bank credit of the beneficiaries and to assess their contribution towards family income.
6. To study the impact of SGSY scheme on income, asset and employment generation, and
7. To analyse repayment and recovery performance and views of bankers and beneficiaries.

For this, 300 beneficiaries under SGSY scheme were selected using proportionate probability sampling technique from the four commercial bank
nearly Indian Overseas Bank, Pandian Gram Bank, Indian Bank and State Bank of India which top the list regarding the amount loan sanctioned and disbursed in Sivaganga district. The study is based on both primary and secondary data. The primary data collected pertain to the financial year 2003-04. The survey was conducted from September 2003 to March 2004. The sample beneficiaries were post – stratified into Non-Agricultural and Agricultural and allied activities. The secondary data relating to the number of persons willing to avail of loan, loan amount, subsidy amount, total loan, employment generated and the like for the period from 1999-2000 to 2003-04 were obtained from published and unpublished reports and records of banks and collectorate of Sivaganga District.

In the foregoing chapters, SGSY programme implementation from growth and equity angles in different blocks, socio-economic characteristics of the sample respondents, Familial characteristics, variation in income before and after bank credit, evaluation of SGSY in terms of income generation, asset creation and employment generation, factors influencing the repayment of loan, recovery performance, bankers' view and views of beneficiaries have been discussed. The major findings along with conclusions and suggestions are now presented in this chapter.
Findings and Conclusions

Generation of the employment opportunities for the people especially for women has been the basic and foremost objective of the SGSY programme in Sivaganga district. Of the various schemes taken up by the Government of India, no other schemes are like SGSY that inherit in it the aim of creating women empowerment through capacity building with their own efforts with adequate financial assistance. An attempt has been made in the Chapter IV, to analyse the overall performance of the implementation of SGSY in terms of growth and equity in different blocks in Sivaganga district.

The performance in the implementation of SGSY programme has been examined on the basis of selected indicators viz. number of persons willing to avail of loan, employment generated, loan amount, subsidy amount, total amount sanctioned for SC/ST and BC and employment generated for women.

Compound growth rates have been used to examine the indicators of growth of SGSY programme. The taxonomic method has been used to
identify the performance variation and equity in the implementation of SGSY programme amongst the centres in the district.

The performance of SGSY scheme studies in terms of growth analysis indicates that S.Pudur, Ilayarangudi, Thiruppathur, Devakottai, Sivaganga, Manamadurai and Sakkottai had better growth during 1999-2000 to 2003-04 regarding willingness to avail of loan.

S.Pudur, Ilayarangudi, Thiruppathur, Devakottai, Sivaganga and Manamadurai had higher than overall growth rates in terms of employment generated for women.

In terms of "Loan Amount Disbursed" the centres, Thiruppathur, Singampuneri, Sivaganga and Devakottai have performed well.

Regarding the "subsidy amount" the centres of Ilayarangudi, S.Pudur, Thiruppathur, Devokottai and Sivaganga have shown much better performance.

The "total amount assistance" category indicates that Ilayarangudi, S.Pudur, Thiruppathur, Sivaganga and Singampuneri centres have performed well.
The centres like Ilayangudi, S.Pudur and Thiruppathur have recorded a substantial growth rate in terms of the "employment generated for SC/ST".

The "employment generated for women" shows that among the centres Ilayangudi, S.Pudur, Thiruppathur, Devakottai, Sivaganga, Manamadurai and Sakkottai are the centres having better growth rates.

The classification analysis revealed that Ilayangudi ranks first in implementation of the scheme followed by Sivaganga. The performance indicators of the programme show that the Ilayangudi ranks first in overall performance and Kannangudi the last in the overall performance among the 12 selected performance indicators. The other four centres fall in between.

The equity analysis reveals that there is inequity in the distribution of almost all the performance indicators among the 12 centres except Ilayangudi, Sivaganga and Sakkottai.

The Chapter V is devoted to an analysis of the socio-economic characteristics of the beneficiaries and their family profile.

In order to analyse the socio-economic characteristics 300 sample beneficiaries were randomly selected and categorised into two groups
namely non-agricultural activities and agricultural and allied activities. The analysis revealed that more than 45 per cent of the respondents belong to the age group of 30-40 years in both sectors. Further, it has been found out that more than 90 percentage of the sample beneficiaries have been well educated and 50 per cent of them were graduates, post-graduates and possessed technical qualification in both the sectors.

The economic status of the sample beneficiaries indicates that 76.07 percentage and 77.34 per cent of the respondents come under the monthly income category of Rs.5,000 – Rs.10,000 in non-agricultural and agricultural sector respectively. 16.57 per cent and 11.68 per cent of them come under the income category of Rs.10,000 and above in both the sectors respectively.

In the analysis chi-square test was applied to examine the relationship between the income of the respondents and their family size and family income. The results revealed that there exists the relationship between the income of the respondents and their family size and family income in non-agricultural sector and there exists no relationship between the income of the respondents and their family characteristics in agricultural sector.
One way ANOVA test has been carried out to examine the variations in the monthly income of the beneficiaries between non-agricultural and agricultural sector. It has been found out that the monthly income of the respondents varied significantly for different groups among beneficiaries in both the sectors.

In order to assess the contributions of beneficiaries to family income multiple regression analysis has been fitted and it has been found out from the result that the contribution of beneficiaries towards family income had been equal to their spouses in non-agricultural sector whereas in the agricultural sector their contribution has been more than the earnings of their spouses. Thus, the earnings of beneficiaries in agricultural sector contribute significantly towards the family income than that of women beneficiaries in non-agricultural sector.

In Chapter VI an attempt has been made to identify the problems connected with the implementation of the SGSY scheme and future prospects for development. It has been found out regarding the income generation after getting the loan under SGSY that there has been highest increase in per capita income in the income group "below Rs.2,000" by
40.63 per cent, followed by the income group of "Rs.2,000 – 3,000" by 38.29 per cent. The increase in per capita income was 53.27 per cent, 50.68 per cent and 25.71 per cent in agricultural sector, non-agricultural and overall respectively.

With regard to the asset position, it has been found out that after getting the loan under SGSY scheme, the position of the beneficiaries under the asset group of "Rs.30,000 – 40,000" has improved and it has been followed by the asset class "below Rs.20,000" and "Rs.20,000 – 30,000".

The venture-wise increase in asset position has been found to be highest in the case of non-agricultural sector followed by agricultural sector and overall.

Regarding the employment generation, the average mandays generated among the family members and also with regard to hired lands have been found to be the highest in the per capita income group "Rs.2,000 – 4,000". Among the ventures, the non-agricultural sector has provided more number of mandays both within the family and for hired labourers.
Regarding the identification of the factors which influence the repayment of loans, it has been found out that the variables, "the loan amount received" and the variables, "the instalment" had significant effect on the repayment of loan under SGSY scheme. The coefficient of variable "the loan amount received" had a positive effect on the repayment of loan whereas "the number of instalments" showed a negative relation to the repayment in all the three categories.

In the case of recovery, the performance has been found to be the best in Pandian Gram Bank among the banks in Sivaganga district. The overall recovery percentage has been satisfactory with more than 60 percentage in all the banks under the study.

The main reasons for the non-payments of loan listed by the beneficiaries were found to be severe competition, lack of demand for their products, hike in price of essential commodities and unforeseen domestic expenditure. It has been found that the reasons for low recovery of loan were misutilization and diversion of funds, family scheme formulation and inadequate staff to follow up in recovery of loans in the banks.
Suggestions

For improving the content of the scheme and for better implementation, the following suggestions are offered.

Inspite of their best efforts the bankers find it difficult to know correctly the background of the applicants. Hence, some times false addresses are given and existing employment concealed by the applicants. One way of over-coming these difficulties would be to inspect the ration card, of the applicant and to demand the recommendations of at least two account holders well known to the bank branch. This is needed since the scheme does not provide for collateral security or third party guarantee.

Political interference is often reported to be prevalent both at time of sanctioning (in the form of "Loan Meals") and at the time of recovery in the form of suggestions by certain unscrupulous politicians not to repay the loan. Such a kind of political interference should be avoided by the politicians.
The banks should assess property and the loan requirement since over financing or under financing results in misutilisation in the former case and low recovery in the latter.

The conception of the scheme itself suffers from faculty assumptions based on over optimistic calculations of income generation, marketing possibilities, entrepreneurial skills, subsidy, rate of income and gestation period. Some of the assumptions should be revised like the idea that a smaller loan amount calls for the shorter gestation period. In the case of SGSY loans, the gestation period should be increased reasonably.

Adequate number of work force should be deployed both at the DRDA and in the banks to supervise the proper implementation of the SGSY scheme.

The availability of subsidy should be linked to the repayment performance of the beneficiaries. Defaulters should be made to forfeit the subsidy.

The bank officials should devote more attention to examining the viability of the ventures apted by the beneficiaries. The scheme should be modified to include joint ventures by a group of unemployed youth.
The escalation in costs of raw materials, machinery, hired premises, labour has made the loan amount earmarked for each category of ventures grossly inadequate. Hence the loan amounts should be almost doubled if the scheme is to succeed.

Inadequate loan amount force the beneficiaries to go in for borrowed funds at high rate of interest.

Since the SGSY scheme has been sponsored by the Central Government and financed by banks, the State Government does not show a keen interest in successfully implementing the scheme. The DRDA is manned by State Government employees. Hence they are not motivated enough to work hard for the success of this scheme. They tend to concentrate more on State sponsored Scheme financed by State level financial institutions.

It is, therefore, necessary that the State Government should play a more positive role by identifying viable projects and helping the banks in the recovery of loans.
The State Government should organize training programme – cum – employment opportunity scheme as is being done in Andhra Pradesh since early as 1985. There are a number of initiatives that the State Government can take up as back-up measures, such as publicity, orientation campus for DRDA personnel, entrepreneurial development camps for unemployed youth, inclusion of a lesson on self employment opportunities in India in the X^{th} Standard text book, the Second Language paper etc.

The youth with technical education should be taken away from the purview of this scheme and a separate scheme should be introduced for them. The DRDA can thus be spared the task of handling technical details and devote its attention to other categories of youth.

It is my fervent hope that I have successfully endeavoured to do adequate justice to this special study of the implementation of government sponsored employment schemes in Sivaganga district with special reference to SGSY scheme. It is also felt that the various suggestions offered by me in the light of the arduous and back-breaking study I was fortunate to undertake, are taken seriously by the authorities concerned.