AN IMPORTANT COMPONENT OF THE ANTI-POVERTY PROGRAMME, SWARNJAYANTI GRAM SWAROZGAR YOJANA (SGSY)

Pradeep Kumar Gupta* and M. K. Prajapati†
*Research Scholar, Bhagwant University, Ajmer (Raj.)
†Assistant Professor, JMV, Ajeetmal, Auriya (U.P.)

Abstract

Swarnajayanti Gram Swarojgar Yojana (SGSY) is an initiative launched by the Government of India to provide sustainable income to poorest of the poor people living in rural & urban areas of the country to provide self-employment to millions of villagers. Which families living below the poverty line were organized into Self-help groups established with a mixture of government subsidy and credit from investment banks. The scheme recommended the establishment of activity clusters or clusters of villagers grouped together based on their skills and abilities.

Key words: Swarnjayanti, Gram, Swarozgar, Yojana, Poverty, Anti-poverty, Poverty Eradication Programme

Introduction

Programme for self-employment of the poor has been an important component of the anti-poverty programmes implemented through government initiatives in the rural areas of India. Presently Swarnajayanti Gram Swarojgar Yojana (SGSY) is the major on-going programme for the self-employment of rural poor at present. The programme was started with effect from 1st April 1999 after review and restructuring of erstwhile Integrated Rural Development Programme (IRDP) and allied programmes namely Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Toolkits in Rural Areas (SITRA) and Ganga Kalyan Yojana (GKY), besides Million Wells Scheme (MWS). The earlier programmes are no more in operation with the launching of the SGSY. The basic objective of the SGSY is to bring the assisted poor families (Swarozgaris) above the Poverty Line by providing them income-generating assets through a mix of bank credit and governmental subsidy. In India, being a developing nation, has approx. 26.1% is below poverty line of its total population of 102.7 crores (Bori, 2014).

Strategy

The SGSY is different from earlier programmes, in terms of the strategy envisaged for its implementation. It has been conceived as a holistic programme of self-employment. It covers all aspects of self-employment of the rural poor viz. organisation of the poor in to Self Help Groups (SHGs) and their capacity building, training, selection of key activities, planning of activity clusters, infrastructure build up, technology and marketing support.

Social Mobilisation of the poor

A major shift of the SGSY from the erstwhile programmes is in terms of its emphasis on social mobilization of the poor. The programme focuses on organisation of the poor at grassroots level through a process of social mobilisation for poverty eradication. Social mobilisation enables the poor to build their own organisations Self-Help Groups (SHGs), in which they participate fully and directly and take decisions on all issues that will enable them to cross the poverty line. An SHG may consist of 10-20 persons belonging to families below the poverty line and a person should not be a member of more than one group. In the case of minor irrigation schemes, disabled person and in difficult areas i.e. hills, deserts and sparsely populated areas, the number of persons in a group may range from 5-20. However, if
necessary 20% and in exceptional cases upto 30% of
the members in a group may be from APL; (marginally
above the poverty line and residing continuously with BPL
families) if agreed to by BPL members of the group.
Efforts have to be made to involve women members in
each SHG. 50% of Self-Help Groups in each block should
be exclusively for women. Group activities are to be given
preference and progressively, majority of the funding
should be for Self-Help Groups.

Activity Clusters

Planning and Selection
The SGSY emphasizes assistance to the Swarojgaris
for those activities which have been identified and selected
as key activity in terms of their economic viability in the
area. Each Block may select about 10 key activities but
focus should be on 4-5 key activities based on local
resources, occupational skills of the people and availability
of markets so that the Swarojgaris can draw sustainable
incomes from their investments. The SGSY adopts a
project approach for each key activity.

Project reports are to be prepared in respect of each
identified key activity. The banks and other financial
institutions have to be closely associated and involved in
preparing these project reports, so as to avoid delay in
sanctioning of loans and to ensure adequacy of financing.
Selection of the activities has to be done with the approval
of the Panchayat Samitis at the Block level and District
Rural Development Agency/Zilla Parishad at the District
level. These key activities should preferably be taken up
in activity clusters so that the backward and forward
linkages can be effectively established and economies of
large scale production can be reaped. It is desired that a
major share of the assistance to be provided under the
SGSY should be for activity clusters.

Target group families below the poverty line (BPL)
in rural areas constitute the target group of the SGSY.
Within the target group special safeguards have been
provided to vulnerable sections by way of reserving 50%-
benefits for SCs/STs, 40% for women and 3% for
disabled persons.

Financial Assistance

Assistance under the SGSY to individual swarojgaris
or Self Help Groups is given in the form of subsidy by the
government and credit by the banks. Credit is the critical
component of the SGSY, subsidy being a minor and
enabling element. Accordingly, the SGSY envisages
greater involvement of the banks. They are to be involved
closely in the planning and preparation of project reports,
identification of activity clusters, infrastructure planning
as well as capacity building and choice of activity of the
SGSYs, selection of individual swarojgaris, pre-credit
activities and post-credit monitoring including loan
recovery. The SGSY also seeks to promote multiple credits
rather than a one-time credit injection. The credit
requirements of the swarojgaris need to be carefully
assessed. The swarojgaris are allowed and in fact
encouraged increasing credit intake over the years.

Subsidy under the SGSY to individuals is uniform at
30% of the project cost subject to a maximum of ₹7500/-
. In respect of SCs/STs and disabled persons the subsidy
is 50% of the project cost subject to a maximum of
₹10,000/-. For groups of swarojgaris, the subsidy is 50%
of the cost of the scheme, subject to per capita subsidy
of ₹10,000/- or ₹1.25 lakh whichever is less. There is
no monetary limit on subsidy for irrigation projects.
Subsidy is back ended.

Training of Swarojgaris

The SGSY seeks to lay emphasis on skill development
through well-designed training courses. Those, who have
been sanctioned loans are to be assessed and given
necessary training. The design, duration of training and
the training curriculum is tailored to meet the needs of
the identified key activities. The DRDAs will be entitled
to meet the expenses, incurred by the training institutions
for both Basic Orientation and Skill Development Training
from out of the SGSY funds. However, the total
expenditure on Basic Orientation and Skill Development
Training will not exceed ₹5,000/per trainee. Duration of
skill development will be decided by the State Government
depending upon the activities and skill level of swarojgaris.

Infrastructure Development

The SGSY provides for review of existing
infrastructure for the cluster of activities and identification
of gaps. Critical gaps in investments have to be met from
the funds available under the SGSY programme
infrastructure, subject to a ceiling of 20% of the annual
allocation made under the scheme for each district.

Marketing and Technology Support

The SGSY attempts to ensure upgradation of
technology in the identified key activity. The technology
intervention seeks to add value to the local resources,
including processing of the locally available material from
natural and other resources for local and non-local
market. The SGSY provides for promotion of marketing
of the goods produced by the swarojgaris by organizing
exhibitions/melas at District/State/National/International
levels for exhibition and sale of goods produced by the
Swaroojgaris, provision of market intelligence, development of markets and consultancy services, as well
as institutional arrangements for marketing of the goods including exports. DRDAs could spend upto ₹5.00 lakh per annum for management of professional input related to identification of viable activities, preparation of projects for product & design development, value addition, packaging etc.

**Implementing Agencies**

The SGSY is being implemented by the District Rural Development Agencies (DRDAs), with the active involvement of Panchayati Raj Institutions (PRIs), the Banks, the Line Departments and the Non-Government Organisations (NGOs).

**Funding Pattern**

The Swarnjayanti Gram Swarozgar Yojana (SGSY) is financed on 75:25 cost sharing basis between the Centre and the States.

**Monitoring**

A comprehensive system of monitoring has been adopted under the SGSY. The programme is monitored from the central level down to the grassroot level. At the central level, the Central Level Co-ordination Committee (CLCC) monitors and reviews the implementation of the programme and lays down policy guidelines for all aspects related to credit linkages for the SGSY. The performance review committee of the department of rural development also reviews the implementation of the SGSY. At the state level, a State Level Coordination Committee (SLCC) monitors the programme. In addition, the progress under the SGSY is monitored periodically through reports and returns submitted by DRDAs/states. Detailed monitoring formats for reporting progress of the programme have been circulated to all the DRDAs. Implementation of the programme is monitored and reviewed through the project directors, workshops and periodic meetings with the state secretaries.

**Conclusion**

SGSY impart is to uplift the living standard of poor people living in villages of the country, but its success is not only depended on its announcement its needs mass mobilization of its benefits among the poorest people of the villages, so that they could understand its utility in their own family life. It is duty of the agency which is deputed to implement the scheme in the villages among the needful people and convince them of its future impacts in their income as well as self-employment by providing them financial help honestly.

**References**

