

# **An Economic Evaluation of Swaranjayanti Gram Swarozgar Yojana in Kashmir Valley - A Case Study of Block Kulgam**

## **DISSERTATION**

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BY

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Under the Supervision of  
**Dr. Imtiyaz-ul-Haq**



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**(NAAC Accredited Grade-A)**

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**CERTIFICATE**

The Dissertation entitled, "An Economic Evaluation of Swaranjayanti Gram Swarozgar Yojana in Kashmir Valley-A Case Study of Block Kulgam" submitted by **Rashid Rasheed Wani** for the partial fulfillment of the requirement for the degree of **Master of Philosophy in Economics (M.Phil)** is a research work done under my supervision and guidance. The candidate has fulfilled all the statutory requirements for the submission of the dissertation.

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## **DECLARATION**

*This dissertation is the result of an independent investigation. Wherever, the work is indebted to the work of others it has been acknowledged and cited.*

*I declare that this dissertation has not been accepted in substance for any other degree or diploma nor is it concurrently being submitted in candidature or achievement of any other degree at any other university*

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Research Scholar

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## ABBREVIATIONS

<b>AAJ</b>	Antyodaya Anna Yojana
<b>APL</b>	Above Poverty Line
<b>BDO</b>	Block Development Officer
<b>BPL</b>	Below Poverty Line
<b>BSMT</b>	Block Level SHG Management Team
<b>CBO</b>	Community Based Organization
<b>CSS</b>	Centrally Sponsored Schemes
<b>CDP</b>	Community Development Programme
<b>DWCRA</b>	Development of Women and Children in Rural Areas
<b>DRDC</b>	District Rural Development Cell
<b>DPAP</b>	Drought Prone Area Programme
<b>EAS</b>	Employment Assurance Scheme
<b>FWP</b>	Food For Works Programme
<b>FGD</b>	Focus Group Discussions
<b>GKY</b>	Ganga Kalyan Yojana
<b>GSMT</b>	Gram Panchayat Level SHG Management Team
<b>GP</b>	Gram Panchayat
<b>GOI</b>	Government of India
<b>HADP</b>	Hill Area Development Programme
<b>HYVP</b>	High Yielding Variety Programme
<b>IAAP</b>	Intensive Agriculture Area Programme
<b>IRDP</b>	Integrated Rural Development Programme
<b>IIT</b>	Indian Institute of Technology
<b>IADP</b>	Intensive Agriculture District Programme
<b>JGSY</b>	Jawhar Gram Samridhi Yojana
<b>KVK</b>	Krishi Vigyan Kendra
<b>LKP</b>	Loka Kalyan Parishad

<b>M.P.P</b>	Mandal Praia Parishad
<b>MORD</b>	Ministry of Rural Development
<b>MF</b>	Microfinance
<b>MFAL</b>	Marginal Farmers And Agriculture Laborers Development Programme
<b>MNP</b>	Minimum Needs Programme
<b>MSW</b>	Minimum Skill Requirements
<b>MWS</b>	Million Wells Scheme
<b>NSSO</b>	National Sample Survey Organisation
<b>NREP</b>	National Rural Employment Programme
<b>NGO</b>	Non Government Organisation
<b>NABARD</b>	National Bank for Agriculture and Rural Development
<b>P.P.P</b>	Purchasing Power Parity
<b>PRI</b>	Panchayati Raj Institutions
<b>PS</b>	Panchayat Samity
<b>PRDD</b>	Panchayat and Rural Development Department
<b>RBI</b>	Reserve Bank of India
<b>RLEGP</b>	National Rural Employment Programme
<b>RF</b>	Revolving Fund
<b>SITRA</b>	Supply of Improved Tool Kits to Rural Artisans
<b>SGSY</b>	Swarnajayanti Gram Swarozgar Yojana
<b>SHG</b>	Self Help Group
<b>SLBC</b>	State Level Bankers' Committee
<b>SB</b>	Savings Bank
<b>SC</b>	Social Caste
<b>ST</b>	Scheduled Tribe
<b>SFDA</b>	Small Farmers Development Agency

<b>SGRY</b>	Sampoorna Gramin Rozgar Yojana
<b>TRYSEM</b>	Training of Rural Youth for Selfemployment
<b>VLW</b>	Village Level Worker
<b>WSHG</b>	Women Self Help Groups

*DEDICATED*  
*TO*  
*MY*  
*BELLOVED*  
*PARENTS*

## **CHAPTER – 1**

### **INTRODUCTION**

**D**espite the efforts made over the few decades, rural poverty in India continues to be significant. According to latest Sample Survey Data on consumer expenditure made available by National Sample Survey Organization (NSSO) from its 61<sup>th</sup> round ( July 2003-2004) the poverty ratio on thirty recall basis is estimated at 21.80 per cent for the country as a whole. The incidence of poverty expressed as percentage of people living below the poverty line has witnessed a steady decline from 55 per cent in 1973 to 36 per cent in 1993 – 94, 26 per cent in 1999-2000 and 21.80 per cent in 2003-04. Though the poverty ratio declined, the number remained stable at round 320 million for a long period of two decades (1973-93), due to countervailing growth in population<sup>1</sup>. The effect of such a large percentage of poor is not difficult to appreciate, thus the urgent need is to redress the situation. It is in this context that Self-employment and income-generating programmes assume significance for they alone can provide income to the rural poor in sustainable basis.

Rural development is the strategy designed to improve the economic and social life of specific group, the rural poor which comprises small and marginal farmers, tenants, the landless rural artisans, scheduled castes and scheduled tribes. It is also concerned with modernization and monetization of rural society and with its transition from traditional isolation to integration with the national economy, so that each component of rural life changes in a desired directions along with other components. The contours of rural development, therefore, encompass improved productivity, increased

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<sup>1</sup> Eleventh five year plane, 2007-12, Vol. III, Agriculture, Rural Development Industry Services, Physical Infrastructure, pp 90-94 by Planning Commission.

employment, higher incomes, minimum expectable levels of food, clothing, shelter, health, education.

The importance of rural development in India can be well ascertained by the fact that since independence, policy makers and planners have been emphasizing the need for transforming the rural areas where an overwhelming majority of population is living below the poverty line. Poverty removal has become the corner stone of economic thinking and political talks since 1969 when Smt. Indira Gandhi gave the slogan of “Garabi hatao”. The talks of poverty over shadowed the glittering goal of socialistic patterns of society, which was accepted as the ultimate objective of economic development since 1954. The concept and estimation of poverty and the definition has become an important task of Yojana Bhawan. The government policy planning and programmes are since 1969, colored and conditioned by the objective of poverty removal. Although the entire sixth plan and other social and economic measures of the government are directed to raise the status of the poor sections of the society above the poverty line, some special programmes have been designed for this purpose. Although, planned exercise towards rural development started in the post independence period, but it has its echoes from the pre independence rural development experiments, launched by various charismatic personalities to transform the socio-economic structure of rural people like Rabindranath Tagore’s Sriniketan project, Marthendam project of Spencer Hatch, F.L. Braynes Gurgoan project, the Baroda project of V.T Krishnamachari, Sevagram project of Mahatma Gandhi, SK Dey’s Nilokheri projects, Firka project and the Eatawah project of Albert Mayer. These experiments were limited in scope, resources and as such these projects failed to inflict any change in the rural India. Yet these succeeded in creating an awareness among rural masses about rural development.



After the independence , the country launched various anti poverty and employment oriented programmes like Community Development Programme (CDP), Drought Prone Area Programme(DPAP), Intensive Agriculture District Programme( IADP), Intensive Agriculture Area Programme(IAAP), High Yielding Variety Programme (HYVP), Small Farmers Development Agency (SFDA), Marginal Farmers And Agriculture Laborers Development Programme (MFAL), Food For Works Programme(FWP), Minimum Needs Programme (MNP), Hill Area Development Programme (HADP), from time to time. But these programmes did not make much headway by attaining the desired objective. It is in this background that during the 5<sup>th</sup> Five years plan, the concept of Integrated Rural Development Programme (I.R.D.P.), was coined and started in 1978 on experimental basis in 2300 selected blocks and in 1980, it was extended to all the blocks of the country. The main objective of the Integrated Rural Development Programme (IRDP), is to assist the families living below the poverty line to cross the line of poverty<sup>2</sup>. Besides launching of IRDP, country launched other antipoverty and employment oriented programmes like Training Youth for Self Employment Programme (TRYSEM), Development of Women and Children in Rural Area (DWCRA), National Rural Employment Programme (RLEGP), Employment Assurance Scheme (EAS).

Since Integrated Rural Development Programme (IRDP) was the only self-employment programme, beginning with training of Rural Youth of Self Employment (TRYSEM), a number of allied programmes have been added over the years such as Development of Women and Children in Rural Areas,(DWCRA), Supply and Improved Toolkits to Rural Artisans (SITRA) and Ganga Kalyan Yojana (GKY).The multiplicity of the programmes being viewed as separate programmes in themselves resulted in lack of proper social intermediation and absence of desired linkages among these programmes. To

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<sup>2</sup> Arora R.C. (1979), Integrated Rural Development New Delhi, S. Chand and Company Ltd.

rectify the situation, National Government has decided to restructure the self employment programmes. A new programme known as “Swaranjayanti Gram Swarozgar Yojana” (SGSY), has been launched from 1<sup>st</sup> April,1999. This is a holistic programme covering all aspects of self-employment such as organization of poor into Self Help Groups, Training Credit, Technology, Infrastructure and Marketing.

### **SALIENT FEATURES OF SGSY**

1. A central sponsored self-employment scheme. Funding is shared between the central and state in ratio 75:25. For Northern – Eastern States, the ration is 90:10.
2. The scheme is implemented by District Rural Development Agency (DRDAs)/ Zillah parishads through panchayat samithis with active involvement of panchayats based on the funds provided for the SGSY.
3. NGOs, CBOs and Self Help Promoting Institutions (SHPIs) are assisted up to Rs 10,000 per group by govt for the promotion and development of SHGs.
4. DRDA may incur a maximum amount of 10 per cent of allocation towards training and capacity building.
5. S.G.S.Y Infrastructure fund comprises up to 20 per cent of the allocation to states and 25 per cent in the case of North- Eastern states.
6. D.RD.A provides Rs 10,000 to each SHG as revolving fund, banks provide cash credit of Rs 15,000 for grade I SHG.
7. Banks provide loans to GradeII SHGs with minimum repayment period of three to five years depending on the nature of scheme.
8. Subsidy under SGSY is uniform at 30 per cent of the project cost subject to a maximum of Rs 7500 per Swarojgarie (Rs 10,000 for SCs/STs/ Disabled) beneficiaries.

9. S.G.S.Y. has special focus on the vulnerable groups among rural people. Accordingly the Scheduled caste/ Scheduled Tribe account for at least 50 per cent, Women 40 per cent and Disabled 3 per cent of those assisted
10. Swarozgaries are not entitled for benefit of subsidy if the loan is fully repaid before the lock-in period.
11. The programme envisages establishing a large number of microenterprises by the poor in rural areas with an emphasis on four to five key activities identified at the block level based on resources, occupational skills of the people and availability of markets.
12. The SGSY adopts a Project approach for each key activity. Project reports are to be prepared in respect of each of the identified key activities. The banks and other financial institutions have to be closely associated and involved in preparing these project reports, so as to avoid delays in sanctioning of loans and to ensure adequacy of financing.
13. The SGSY provides for promotion of marketing of the goods produced by the SGSY Swarozgaris, which involves provision of market intelligence, development of markets and consultancy services, as well as institutional arrangements for marketing of the goods including exports.

The main aim of SGSY is to bring every assisted family above the poverty line within three years by providing suitable credit facilities for taking up income generating activities identified/ recommended by block SGSY committee and approved by the district level SGSY committee. The assisted families called Swarozgaries, may be individuals or group approach under which BPL families (One person from each family), are organized into SHGs. The ideal size of SHG is 10 to 20 members. However, in difficult areas like deserts, hills with scattered and sparse population and in case of minor irrigation and physically challenged persons, SHG may be constituted with minimum of 5 members. The monthly income of Swarozgar from the activity taken should be more than Rs. 2000/ net after the repayment of bank loan

within a period of three years<sup>3</sup>. In the entire study area, only individual beneficiaries earn round Rs 2000 from their respective activity, while as each member from SHGs earn less than Rs 2000 which is the point of concern.

Consistent with policy parameters of Union Govt, the state of Jammu and Kashmir also adopted planning as an instrument for economic development and accordingly launched various employment oriented and anti- poverty programmes like Food for Work Programme (FWP), National Rural Employment Programme (NREP), Training of Rural Youth for Self Employment Programme (TRYSEM). Development of Women and Children in Rural Area (DWCRA), Employment Assurance Scheme (EAS), Jawhar Gram Samridhi Yojana (JGSY), Sampoorna Gramin Rozgar Yojana (SGRY). Despite the launching all these programmes, the state continues to be in state of acute poverty and unemployment. From the beginning of the year 1980 the Integrated Rural Development Programme was under implementation in all its blocks. The evaluation of IRDP by the researchers and Institution reveal that the programme had contributed to poverty alleviation but its impact was far from satisfactory<sup>4</sup>. As a result IRDP was restructured into Swaranjayanti Gram Swarozgar Yojana SGSY in 1999 to overcome the deficiencies of the erstwhile programme of IRDP. It is in this background that present study entitled “An Economic Evaluation Swaranjayanti Gram Swarozgar Yojana in Kashmir Valley- A case Study of Block Kulgam” was conducted.

## **BLOCK KULGAM: A PROFILE**

The Govt. of Jammu and Kashmir under its process of the creation of 8 new Districts in the State declared Kulgam as a separate District after being carved out from District Anantnag and was made functional administratively from April 1<sup>st</sup> 2007. District Kulgam is situated at a distance of about 68 Kms

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<sup>3</sup> Swaranjayanti Gram Swarozgar Yoana, Guidelines, Govt. of India, Ministry of Rural Development, New Delhi.

<sup>4</sup> Arora R.C. Op.cit

from Srinagar and about 17 Kms from Anantanag and has road connectivity with neighbouring districts like Anantanag, Pulwama, and Shopian. The geographical area of the District Kulgam is 1067sq.km. The District consist of three Tehsils namely Kulgam, Devsar, and Damhal Hanji Pora and have five blocks namely Kulgam, Devsar, Qumoh, and Damhal Hanji Pora. As per census2011 Kulgam consists of 265 villages out of which 259 are inhabited and 6 are uninhabited. As per census 2011, the District has a population of 389015 persons (199901 male and 189114 female) with a sex- ratio of 946 females per 1000 males as against the state sex-ratio of 896 females per 1000 males. The population of the District is predominantly of Muslims followed by Hindus. About 86.55 per cent of the population lives in rural areas and agriculture is the main source of livelihood of about 80 per cent of the total population. Nature has gifted the District with agro-climatic conditions suited for agriculture in its lower belts. On account of its fertile land with better productivity Kulgam is considered as the “*Rice Bowl of Kashmir*”.

Educationally, the District Kulgam has not achieved a remarkable progress as compared to other districts of the state. As per 2001, literacy rate is 38.06 per cent as against 55.52 per cent at the state level and 64.8 per cent national level.

In Block Kulgam, during the period 1999-2002, 180 individual cases and 26 self help groups were assisted in which 80 members were women beneficiaries, 9 cases were schedule tribes, 5 cases were minority cases. During this period 33 lacs were disbursed among self help groups (SHGs) out of which 4 lac rupees were disbursed as subsidy among self help groups (SHGs). Over the years, number of beneficiaries in terms of individual cases and self help groups have recorded a consistent growth upto 2009-2010. A total number of 501 individual cases and 66 self help groups have been

assisted under Swaranjayanti Gram Swarozgar Yojana (SGSY) in Block Kulgam<sup>5</sup>.

## **OBJECTIVES OF THE STUDY**

The following objectives are laid down for an in-depth study.

1. To evaluate the performance of Swaranjayanti Gram Swarozgar Yojana (SGSY) in Kashmir valley.
2. To study the impact of Swaranjayanti Gram Swarozgar Yojana (SGSY) on the beneficiaries in the block Kulgam.
3. To assess the role of District Rural Development Cell (DRDC) and financial institutions in attaining the basic objectives of the scheme.
4. To highlight various problems faced by the beneficiaries in promoting their activities.

## **HYPOTHESES**

In consonance with the above objectives the following hypotheses are laid down;

1. Swaranjayanti Gram Swarozgar Yojana (SGSY) has been successful in achieving its objectives in the study area.
2. Logistic support provided by the supporting institutions to the beneficiaries has remained satisfactory.
3. Self Help Groups (SHGs) have been able to maintain the professional character in their business activities.

## **DESIGN OF THE STUDY**

The study has been divided into five chapters including introduction

**Chapter II: “Review of literature, Concepts and Methodology”** attempts to review the existing literature available on topic of the study as well as provide detailed view on the concepts related to the topic and the methodology.

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<sup>4</sup>As per Official Record of B.D.O Office Kulgam.

**Chapter III: “SGSY in Kashmir Valley”** In this chapter an attempt has been made to check the performance of SGSY in Kashmir valley in terms of coverage of beneficiaries, finance disbursement, training provided to Swarozgaries in Kashmir division.

**Chapter IV: “SGSY in Block Kulgam – An economic Appraisal”** is based on the analysis of the data obtained from field survey. In this chapter an endeavour has been made to check the performance of SHGs as well as to measure the economic impact of the scheme on the beneficiaries belonging to block Kulgam. Various problems faced by the promoters in their activities are also highlighted in this chapter.

**Chapter V: “Summary and Conclusion”** presents the main findings and recommendations of the present study.

## CHAPTER – 2 LITERATURE REVIEW, CONCEPTS AND METHODOLOGY

Despite the efforts made over the few decades, rural poverty in India continues to be significant. According to latest Sample Survey Data on consumer expenditure made available by National Sample Survey Organization (NSSO) from its 61<sup>th</sup> round ( July 2003-2004) the poverty ratio on thirty recall basis is estimated at 21.80 per cent for the country as a whole. The incidence of poverty expressed as percentage of people living below the poverty line has witnessed a steady decline from 55 per cent in 1973 to 36 per cent in 1993 – 94, 26 per cent in 1999-2000 and 21.80 per cent in 2003-04. Though the poverty ratio declined, the number remained stable at round 320 million for a long period of two decades (1973-93), due to countervailing growth in population<sup>6</sup>. The effect of such a large percentage of poor is not difficult to appreciate, thus the urgent need is to redress the situation. It is in this context that Self-employment and income-generating programmes assume significance for they alone can provide income to the rural poor in sustainable basis.

Rural development is the strategy designed to improve the economic and social life of specific group, the rural poor which comprises small and marginal farmers, tenants, the landless rural artisans, scheduled castes and scheduled tribes. It is also concerned with modernization and monetization of rural society and with its transition from traditional isolation to integration with the national economy, so that each component of rural life changes in a desired directions along with other components. The contours of rural development, therefore, encompass improved productivity, increased employment, higher incomes, minimum expectable levels of food, clothing, shelter, health, education.

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<sup>6</sup> Eleventh five year plane, 2007-12, Vol. III, Agriculture, Rural Development Industry Services, Physical Infrastructure, pp 90-94 by Planning Commission.



The importance of rural development in India can be well ascertained by the fact that since independence, policy makers and planners have been emphasizing the need for transforming the rural areas where an overwhelming majority of population is living below the poverty line. Poverty removal has become the corner stone of economic thinking and political talks since 1969 when Smt. Indira Gandhi gave the slogan of “Garabi hatao”. The talks of poverty over shadowed the glittering goal of socialistic patterns of society, which was accepted as the ultimate objective of economic development since 1954. The concept and estimation of poverty and the definition has become an important task of Yojana Bhawan. The government policy planning and programmes are since 1969, colored and conditioned by the objective of poverty removal. Although the entire sixth plan and other social and economic measures of the government are directed to raise the status of the poor sections of the society above the poverty line, some special programmes have been designed for this purpose. Although, planned exercise towards rural development started in the post independence period, but it has its echoes from the pre independence rural development experiments, launched by various charismatic personalities to transform the socio-economic structure of rural people like Rabindranath Tagore’s Sriniketan project, Marthendram project of Spencer Hatch, F.L. Braynes Gurgoan project, the Baroda project of V.T Krishnamachari, Sevagram project of Mahatma Gandhi, SK Dey’s Nilokheri projects, Firka project and the Eatawah project of Albert Mayer. These experiments were limited in scope, resources and as such these projects failed to inflict any change in the rural India. Yet these succeeded in creating an awareness among rural masses about rural development.

After the independence , the country launched various anti poverty and employment oriented programmes like Community Development Programme (CDP), Drought Prone Area Programme(DPAP), Intensive Agriculture

District Programme( IADP), Intensive Agriculture Area Programme(IAAP), High Yielding Variety Programme (HYVP), Small Farmers Development Agency (SFDA), Marginal Farmers And Agriculture Laborers Development Programme (MFAL), Food For Works Programme(FWP), Minimum Needs Programme (MNP), Hill Area Development Programme (HADP), from time to time. But these programmes did not make much headway by attaining the desired objective. It is in this background that during the 5<sup>th</sup> Five years plan, the concept of Integrated Rural Development Programme (I.R.D.P.), was coined and started in 1978 on experimental basis in 2300 selected blocks and in 1980, it was extended to all the blocks of the country. The main objective of the Integrated Rural Development Programme (IRDP), is to assist the families living below the poverty line to cross the line of poverty<sup>7</sup>. Besides launching of IRDP, country launched other antipoverty and employment oriented programmes like Training Youth for Self Employment Programme (TRYSEM), Development of Women and Children in Rural Area (DWCRA), National Rural Employment Programme (RLEGP), Employment Assurance Scheme (EAS).

Since Integrated Rural Development Programme (IRDP) was the only self-employment programme, beginning with training of Rural Youth of Self Employment (TRYSEM), a number of allied programmes have been added over the years such as Development of Women and Children in Rural Areas,(DWCRA), Supply and Improved Toolkits to Rural Artisans (SITRA) and Ganga Kalyan Yojana (GKY).The multiplicity of the programmes being viewed as separate programmes in themselves resulted in lack of proper social intermediation and absence of desired linkages among these programmes. To rectify the situation, National Government has decided to restructure the self employment programmes. A new programme known as “Swaranjayanti Gram Swarozgar Yojana” (SGSY), has been launched from 1<sup>st</sup> April,1999. This is a

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<sup>7</sup> Arora R.C. (1979), Integrated Rural Development New Delhi, S. Chand and Company Ltd.

holistic programme covering all aspects of self-employment such as organization of poor into Self Help Groups, Training Credit, Technology, Infrastructure and Marketing.

### **SALIENT FEATURES OF SGSY**

14. A central sponsored self-employment scheme. Funding is shared between the central and state in ratio 75:25. For Northern – Eastern States, the ration is 90:10.
15. The scheme is implemented by District Rural Development Agency (DRDAs)/ Zillah parishads through panchayat samithis with active involvement of panchayats based on the funds provided for the SGSY.
16. NGOs, CBOs and Self Help Promoting Institutions (SHPIs) are assisted up to Rs 10,000 per group by govt for the promotion and development of SHGs.
17. DRDA may incur a maximum amount of 10 per cent of allocation towards training and capacity building.
18. S.G.S.Y Infrastructure fund comprises up to 20 per cent of the allocation to states and 25 per cent in the case of North- Eastern states.
19. D.R.D.A provides Rs 10,000 to each SHG as revolving fund, banks provide cash credit of Rs 15,000 for grade I SHG.
20. Banks provide loans to GradeII SHGs with minimum repayment period of three to five years depending on the nature of scheme.
21. Subsidy under SGSY is uniform at 30 per cent of the project cost subject to a maximum of Rs 7500 per Swarozgarie (Rs 10,000 for SCs/STs/ Disabled) beneficiaries.
22. S.G.S.Y. has special focus on the vulnerable groups among rural people. Accordingly the Scheduled caste/ Scheduled Tribe account for at least 50 per cent, Women 40 per cent and Disabled 3 per cent of those assisted
23. Swarozgaries are not entitled for benefit of subsidy if the loan is fully repaid before the lock-in period.

24. The programme envisages establishing a large number of microenterprises by the poor in rural areas with an emphasis on four to five key activities identified at the block level based on resources, occupational skills of the people and availability of markets.
25. The SGSY adopts a Project approach for each key activity. Project reports are to be prepared in respect of each of the identified key activities. The banks and other financial institutions have to be closely associated and involved in preparing these project reports, so as to avoid delays in sanctioning of loans and to ensure adequacy of financing.
26. The SGSY provides for promotion of marketing of the goods produced by the SGSY Swarozgaris, which involves provision of market intelligence, development of markets and consultancy services, as well as institutional arrangements for marketing of the goods including exports.

The main aim of SGSY is to bring every assisted family above the poverty line within three years by providing suitable credit facilities for taking up income generating activities identified/ recommended by block SGSY committee and approved by the district level SGSY committee. The assisted families called Swarozgaries, may be individuals or group approach under which BPL families (One person from each family), are organized into SHGs. The ideal size of SHG is 10 to 20 members. However, in difficult areas like deserts, hills with scattered and sparse population and in case of minor irrigation and physically challenged persons, SHG may be constituted with minimum of 5 members. The monthly income of Swarozgar from the activity taken should be more than Rs. 2000/ net after the repayment of bank loan within a period of three years<sup>8</sup>. In the entire study area, only individual beneficiaries earn round Rs 2000 from their respective activity, while as each member from SHGs earn less than Rs 2000 which is the point of concern.

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<sup>3</sup> Swaranjayanti Gram Swarozgar Yoana, Guidelines, Govt. of India, Ministry of Rural Development, New Delhi.

Consistent with policy parameters of Union Govt, the state of Jammu and Kashmir also adopted planning as an instrument for economic development and accordingly launched various employment oriented and anti- poverty programmes like Food for Work Programme (FWP), National Rural Employment Programme (NREP), Training of Rural Youth for Self Employment Programme (TRYSEM). Development of Women and Children in Rural Area (DWCRA), Employment Assurance Scheme (EAS), Jawhar Gram Samridhi Yojana (JGSY), Sampoorna Gramin Rozgar Yojana (SGRY). Despite the launching all these programmes, the state continues to be in state of acute poverty and unemployment. From the beginning of the year 1980 the Integrated Rural Development Programme was under implementation in all its blocks. The evaluation of IRDP by the researchers and Institution reveal that the programme had contributed to poverty alleviation but its impact was far from satisfactory<sup>9</sup>. As a result IRDP was restructured into Swarnajayanti Gram Swarozgar Yojana SGSY in 1999 to overcome the deficiencies of the erstwhile programme of IRDP. It is in this background that present study entitled “An Economic Evaluation Swarnajayanti Gram Swarozgar Yojana in Kashmir Valley- A case Study of Block Kulgam” was conducted.

### **BLOCK KULGAM: A PROFILE**

The Govt. of Jammu and Kashmir under its process of the creation of 8 new Districts in the State declared Kulgam as a separate District after being carved out from District Anantnag and was made functional administratively from April 1<sup>st</sup> 2007. District Kulgam is situated at a distance of about 68 Kms from Srinagar and about 17 Kms from Anantnag and has road connectivity with neighbouring districts like Anantnag, Pulwama, and Shopian. The geographical area of the District Kulgam is 1067sq.km. The District consist of three Tehsils namely Kulgam, Devsar, and Damhal Hanji Pora and have five

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<sup>4</sup> Arora R.C. Op.cit

blocks namely Kulgam, Devsar, Qumoh, and Damhal Hanji Pora. As per census 2011 Kulgam consists of 265 villages out of which 259 are inhabited and 6 are uninhabited. As per census 2011, the District has a population of 389015 persons (199901 male and 189114 female) with a sex-ratio of 946 females per 1000 males as against the state sex-ratio of 896 females per 1000 males. The population of the District is predominantly of Muslims followed by Hindus. About 86.55 per cent of the population lives in rural areas and agriculture is the main source of livelihood of about 80 per cent of the total population. Nature has gifted the District with agro-climatic conditions suited for agriculture in its lower belts. On account of its fertile land with better productivity Kulgam is considered as the “*Rice Bowl of Kashmir*”.

Educationally, the District Kulgam has not achieved a remarkable progress as compared to other districts of the state. As per 2001, literacy rate is 38.06 per cent as against 55.52 per cent at the state level and 64.8 per cent national level.

In Block Kulgam, during the period 1999-2002, 180 individual cases and 26 self help groups were assisted in which 80 members were women beneficiaries, 9 cases were schedule tribes, 5 cases were minority cases. During this period 33 lacs were disbursed among self help groups (SHGs) out of which 4 lac rupees were disbursed as subsidy among self help groups (SHGs). Over the years, number of beneficiaries in terms of individual cases and self help groups have recorded a consistent growth upto 2009-2010. A total number of 501 individual cases and 66 self help groups have been assisted under Swaranjayanti Gram Swarozgar Yojana (SGSY) in Block Kulgam<sup>10</sup>.

## **OBJECTIVES OF THE STUDY**

The following objectives are laid down for an in-depth study.

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<sup>4</sup>As per Official Record of B.D.O Office Kulgam.

1. To evaluate the performance of Swaranjayanti Gram Swarozgar Yojana (SGSY) in Kashmir valley.
2. To study the impact of Swaranjayanti Gram Swarozgar Yojana (SGSY) on the beneficiaries in the block Kulgam.
3. To assess the role of District Rural Development Cell (DRDC) and financial institutions in attaining the basic objectives of the scheme.
4. To highlight various problems faced by the beneficiaries in promoting their activities

### **HYPOTHESES**

In consonance with the above objectives the following hypotheses are laid down;

1. Swaranjayanti Gram Swarozgar Yojana (SGSY) has been successful in achieving its objectives in the study area.
2. Logistic support provided by the supporting institutions to the beneficiaries has remained satisfactory.
3. Self Help Groups (SHGs) have been able to maintain the professional character in their business activities.

### **DESIGN OF THE STUDY**

The study has been divided into five chapters including introduction

**Chapter II: “Review of literature, Concepts and Methodology”** attempts to review the existing literature available on topic of the study as well as provide detailed view on the concepts related to the topic and the methodology.

**Chapter III: “SGSY in Kashmir Valley”** In this chapter an attempt has been made to check the performance of SGSY in Kashmir valley in terms of coverage of beneficiaries, finance disbursement, training provided to Swarozgaries in Kashmir division.

**Chapter IV: “SGSY in Block Kulgam – An economic Appraisal”** is based on the analysis of the data obtained from field survey. In this chapter an endeavour has been made to check the performance of SHGs as well as to measure the economic impact of the scheme on the beneficiaries belonging to block Kulgam. Various problems faced by the promoters in their activities are also highlighted in this chapter.

**Chapter V: “Summary and Conclusion”** presents the main findings and recommendations of the present study.



## **Chapter – 3**

### **SGSY in Kashmir Valley**

**T**his chapter “SGSY in Kashmir Valley” is based on secondary data collected from various sources. In this chapter an attempt is made to check the performance of SGSY in Kashmir Valley in terms of coverage of individual beneficiaries and SHGs, training to the beneficiaries, credit and subsidy disbursed among individual beneficiaries and SHGs, credit and subsidy disbursed among the weaker sections of society like women, social caste, scheduled tribe, sector wise coverage of beneficiaries and the role of different banks in disbursing the funds is also highlighted in this chapter. The present chapter divided into two sections. The section I gives brief introduction about SGSY and Section II studies the performance of SGSY in Kashmir Valley.

#### **SECTION I**

Poverty in India is wide spread with nation estimated to have a third of the world poor. According to a 2005 World Bank estimate 42% of India falls below the international poverty line of US\$1.25 a day (PPP in nominal terms Rs 21.6 a day in urban areas and Rs 14.3 in rural areas) as per exchange rate of 1971. According to planning commission of India, which recently adopted the Tendulkar Committee Methodology for poverty estimate that includes spending on Education and Health , besides food taking the number of poor to a whopping 37.20 per cent in 2009 from 27.50 per cent as estimated by an National Sampling Survey Organization (NSSO) earlier in 2004-05. This means that India now has hundred million more people living below the poverty line than in 2005<sup>11</sup>. Poverty reduction has been one of the major goals of development planning since independence and the planning process

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<sup>11</sup> Tendulkar Committee Report (2009) by Planning Commission.

has been sensitive to the needs of the poor. Accordingly, the development efforts have been directed in creating adequate livelihoods and provision of services for a better quality of life for the poor. It is recognized that poverty is an outcome of multiple deprivations and it is not simply a matter of inadequate income but also a matter of low literacy, short life expectation and lack of basic needs such as drinking water. Since these deprivations are inter-related, a comprehensive approach alone can eliminate poverty and ensure optimal utilization of human resources for sustainable development. Thus, multi-pronged and convergent approaches with proper targeting are deemed essential for elimination of poverty. It is also recognized that poverty is not only an economic phenomenon but also a social one. Well designed poverty alleviation programmes, if effectively implemented, not only supplement the poverty reducing effects of growth but also could promote pro-poor growth.

Several poverty alleviation programmes have been in place for a long time now. The programmes and schemes have been modified, consolidated, expanded and improved over time. The targeted programmes fall into four broad categories: (i) self-employment programmes, (ii) wage employment programmes, (iii) direct cash transfers to the targeted groups and (iv) public distribution system. There are numerous centrally sponsored schemes (CSS) under the first three categories which are designed by the Centre administered by the Ministry of Rural Development, but implemented by the States, with States generally contributing 25 per cent to their cost. In addition, some State governments have their own poverty-reduction schemes. There has been multiplicity of programmes on the grounds of multi-dimensionality of poverty, heterogeneity of the poor and inter-state variations in the efficiency of the delivery system. The J&K state is not free from this poverty problem. It was estimated 21.37 percent number of people living below poverty line<sup>12</sup>. In order to tackle the problem of unemployment and poverty J&K Government

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<sup>2</sup> Directorate of Economics and Statistics, Digest Statistics, (2008-2009), Planning and Development Department, J&K.

has initiated a number of poverty alleviation Schemes to mitigate the rural poverty as well as the urban poverty which are being implemented in state with full financial and technical support of central Government. These schemes serve the dual purpose of poverty alleviation as well as employment generation.

Swaranjayanti Gram Swarozgar Yojana is one such programme, which were implemented for poverty alleviation and rural employment. It was an initiative launched by Government of India to provide employment to poor people living in rural areas of a country. The scheme was launched in April 1999, replaced the schemes like Integrated Rural Development Programme (IRDP), Development of Women and Children's in Rural Areas (DWACRA), Supply of Improved Tool Kits to Rural Artisans (SITRA), Million Wells Scheme (MWS), Ganga Kalyan Yojana (GKY) and Training of Rural Youth for Self Employment (TRYSEM). The basic objective of SGSY is to bring the assisted poor families above poverty line by providing them income-generating assets through bank credit and government subsidy. Formation of organizations of the poor at the grassroots level through a process of social mobilization for poverty reduction is central to the programme. The approach of SGSY is based on SHGs that have to act as a financial intermediary and in many cases there are women SHGs which are also expected to serve as vehicle for their empowerment.

The self help group approach helps the poor to build their self confidence through community action. Group process and collective decision were to enable them in the identification and prioritization of their needs and resources. This process would ultimately lead to the strengthening and socio-economic empowerment of the rural poor as well as improve their collective bargaining power Non-Government organizations (NGOs) are expected to facilitate the formation of these groups. The community involvement as emphasized in SGSY, in contrast to IRDP, is reflected in the mobilization for the formation of SHG groups. SGSY has been conceived as a holistic self-governing programme covering all aspects of self-employment of the rural poor such as organization of the poor into SHGs, their capacity building,

selection of key activities, planning of activity clusters, infrastructure build-up, technology and market support. The main tenets of the SGSY are: (a) key activities, (b) cluster approach, and (c) group method. The first reduces the number of activities; the second shrinks the geographical spread to fewer contiguous or selected villages; and the third reduces the number of clients from a large number of individuals to a small number of groups and enables peer group monitoring associated with self-governing institutions. All these are expected to reduce the burden of follow-up and the extension inputs for providing backward and forward linkages. The programme aims at establishing a large number of micro enterprises by the poor in rural areas by augmenting the ability of the poor in a manner appropriate to the potential of each area. Financial assistance under SGSY is given in the form of subsidy by government and credit by the banks.

## **SECTION II**

### **3.1.1- Financial Outlay Under SGSY**

It was observed that on an average Rs800-900 lakhs were made available to the J&K state annually during 2001-07 for the implementation of SGSY. Although the state had centre has released only 68 percent of the allocated funds to the state during 2001-05, which further dropped to 63 percent during 2005-07. During 2007-08, financial outlay under SGSY for the state was Rs13.53 crore, out of which 5.97 crore was allocated to Kashmir division accounting for 44.12 percent. During 2008-09 financial outlay under SGSY was 16.27 crore, out of which 8.14 crores was allocated to Kashmir division accounting for 50.03 percent. In 2009-10, financial outlay for Kashmir division under SGSY was 10.28 crores. While in 2010-11, financial outlay for Kashmir Division under SGSY was 6.72 crores to the J&K state<sup>13</sup>.

**Table: 3.1**

#### **Inter- District Physical Progress of SHGs in Kashmir Division (1999-2011)**

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<sup>3</sup>Compiled from Official data of Directorate of Rural Development Kashmir.

District	Periods	Total SHGs formed	Percentage change in formation of SHGs	Women Self Help Groups formed	Percentage Change in formation of WSHG	SHGs Passed Grade I	SHGs Passed Grade II
Srinagar	Period I	300	-	218	-	216	67
	Period II	173	-42.33%	67	-69.26%	67	39
	Total	473	-	285	-	283	106
Budgam	Period I	529	-	473	-	216	67
	Period II	587	9.88%	422	-10.78%	380	290
	Total	1116	-	895	-	596	357
Baramulla	Period I	822	-	714	-	464	75
	Period II	574	-30.17%	451	-36.83%	362	260
	Total	1396	-	1165	-	826	335
Kupwara	Period I	630	-	556	-	464	101
	Period II	288	54.28%	164	-70.50%	173	52
	Total	918	-	720	-	637	153
Pulwama	Period I	492	-	231	-	247	22
	Period II	200	-59.34%	189	-18.18%	127	146
	Total	692	-	420	-	374	168
Anantnag	Period I	1089	-	268	-	216	67
	Period II	71	-93.48%	16	-94%	71	43
	Total	1160	-	284	-	287	110
Kargil	Period I	39	-	32	-	34	0
	Period II	70	79.48%	56	75%	27	8
	Total	109	-	88	-	61	8
Leh	Period I	201	-	199	-	216	67
	Period II	118	-41.29%	92	-53.76%	120	123
	Total	319	-	291	-	336	190
Kashmir Division	Period I	4102	-	2691	-	2073	466
	Period II	2081	-49.26%	1457	-45.85%	1543	961
	Total	6183	-	4148	-	3616	1427

Period I Jan 1999 to Dec 2005 and Period II Jan 2006 to 201

Source: Compiled from official data of the Directorate of Rural Development Kashmir.

The main objective of the Swaranjayanti Gram Swarozgar Yojna is to bring the assisted poor families above the poverty line by ensuring

appreciable sustained level of income over a period of time. This objective is to be achieved by organizing the rural poor into self help groups through the process of social mobilization, their training and capacity building and provision of income generating assets. Thus, the success of Swaranjayanti Gram Swarozgar Yojana (SGSY) mainly depends upon the formation of self help groups. The table-3.1 shows that in Kashmir Division during 1999-2011, the total number of 6183 self help groups were formed, out of which 4148 women were accounting for 67.08 percent. It is revealed from the table-3.1 that majority of these groups were formed in the initial years of the implementation of SGSY, and the number of groups formed declined over the time. The total number of groups formed in the Kashmir division, around 58.48 percent have passed Grade I and only 23.07 percent have passed Grade II during reference period. From Kashmir division district Baramullah has the distinction of having registered the largest growth of SHGs accounting for 22.57 percent, while as district Kargil stands at the bottom with less than 2.0 percent. However, these SHGs in Kashmir division as a whole have fallen by half in period-II (2006-2011) compared to period-I (1999-2005). This decline was particularly prominent in case of Women Self Help Groups (WSHGs) registering a fall of more than 45.0 percent alone. This shows that in Kashmir Division less importance has been given to the formation of women self help groups, which is the point of concern.

### 3.2.2 Inter-District Coverage of Individual Beneficiaries

Table 3.2

#### Inter - District Coverage of Individual Beneficiaries in Kashmir Division 2006-2011

District	Total	Social Caste	Scheduled Tribe	Women	Disabled
Srinagar	1114		111	157	-
Budgam	1511	-	2	722	-
Baramulla	5174	-	186	1767	18
Kupwara	2999	2	175	932	3
Pulwama	1503	-	76	811	-
Anantnag	3585	-	300	1186	-
Kargil	946	-	358	109	-
Leh	439	-	221	118	-
Kashmir Division	17271	2	1429	5802	21

**Source:** Compiled from official Data of the Directorate of Rural Development Kashmir.

The table-3.2 shows that in Kashmir Division from 2006-2011, 17271 individual cases were assisted, out of which 5802 were women, 1431 were social caste/scheduled tribe and only 21 were disabled beneficiaries accounting 33 per cent, 59 per cent, 8.28 per cent, and 0.12 per cent respectively. It indicates that SGSY have not achieved success in Kashmir division as per guidelines. The scheme envisages 50 percent for SC/ST, Women 40 percent and the disabled 3 percent of those assisted which was not achieved in Kashmir division during reference period.

### 3.3.3 Training of Swarozgaries

**Table 3.3**

**Details of Training of Swarozgaries in Kashmir Division 2006- 2011**

No of members of SHGs trained						No of Individual Swarozgaries Trained				
District	Total	SC	ST	Women	Disabled	Total	SC	ST	Women	Disabled
Srinagar	815	-	-	390	-	1020	-	27	553	-
Budgam	1950	-	-	1600	-	630	-	-	190	-
Baramulla	12325	-	158	11037	-	1702	-	142	136	3
Kupwara	863	-	-	639	-	2060	2	111	122	2
Pulwama	1457	-	-	845	-	1152	-	91	179	-
Anantnag	190	-	-	145	-	1259	2	98	357	-
Kargil	293	-	166	111	-	511	-	493	16	2
Leh	1410	-	705	705	-	325	-	214	111	-
Kashmir Division	19303	-	1029	15472	-	8659	4	1176	1664	7

**Source:** Compiled from official Data of the Directorate of Rural Development Kashmir

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 and the training curriculum is tailored to meet the needs of the identified key activities. DRDAs are allowed to set apart upto 10% of the SGSY allocation on training. This may be maintained as 'SGSY - Training Fund'. The table - 3.3 presents information that in Kashmir division during 2006-2011, 19303 members of self help groups (SHGs) were trained, out of which 1029 members from scheduled Tribe and 15472 members were women accounting 5.33 percent and 80.0 percent respectively. The table also shows that no member from social caste was trained. Again it is the district Baramullah where highest numbers of beneficiaries were trained, accounting for 63.85 percent while as district Anantanag could not cover even one percent of beneficiaries in terms



of providing training. It shows that in district Anantanag less importance were given to training component under SGSY. From the data contained in the same table and for same reference period it appears that as many as 8659 individual swarozgaries were trained, out of which 1664 were women, 1176 swarozgaries were scheduled Tribe, 4 members were social caste and only 7 members were disable. Accounting 19.21 percent, 13.58 percent, 0.046 percent and 0.08 percent respectively. It shows that social caste and disable swarozgaries are totally ignored under component of training, which is very important element under SGSY.

### 3.4.4 Credit and Subsidy Disbursed to SHGS and Individual Swarozgaries

**Table 3.4**

**Details of Credit and Subsidy Disbursed to SHGs and Individual Swarozgaries in Kashmir Division 2006-2011**

District	Credit Disbursed(in lakhs)			Subsidy Disbursed( in lakhs)		
	Total	SHGs	Individual Swarozgaries	Total	SHGs	Individual Swarozgaries
<b>Srinagar</b>	480.54	53.85	429.69	138.35	52.20	86.15
<b>Budgam</b>	1035.01	396.55	638.46	339.05	221.20	117.84
<b>Baramulla</b>	2623.44	370.57	2252.87	600.97	221.58	379.39
<b>Kupwara</b>	1417.87	64.40	1353.47	286.30	58.04	228.26
<b>Pulwama</b>	567.81	59.570	508.22	141.65	36.33	105.32
<b>Anantnag</b>	1529.61	54.80	1474.81	340.16	37.89	302.27
<b>Kargil</b>	227.28	2.30	224.98	56.06	3.40	52.66
<b>Leh</b>	105.30	35.39	69.91	45.22	23.12	22.10
<b>Kashmir Division</b>	7986.86	1037.43	6949.41	1947.76	653.76	1293.99

**Source:** Compiled from official data of the Directorate of Rural Development Kashmir

In Kashmir Division during 2006-2011, the total amount of rupees 7986.86 lakhs were disbursed among self help groups and individual swarozgaries out of which rupees 1037.43 lakhs were disbursed among SHGs and rupees 6949.41 lakhs were disbursed among the individual beneficiaries ( table-3.4). The district Baramullah accounts for 32.84 percent to the total credit disbursed in Kashmir division, which is relatively higher than the other districts of Kashmir division. In district Srinagar, Pulwama, Kargil, and Leh the credit was disbursed below the division average and in district Budgam, Baramullah, Kupwara, and Anantnag, credit was disbursed above the division average. It is very important to allocate more funds to the districts in which credit was disbursed below the division average. During period of reference the total amount of rupees 1947.76 lakhs were disbursed among the self help groups and individual beneficiaries as subsidy, out of which rupees 653.76 lakhs were disbursed among SHGs and rupees 1293.99 lakhs were disbursed among the individual beneficiaries.

### 3.5.5 Subsidy and Credit Disbursed to Weaker Sections:

**Table 3.5**

**Detail of subsidy and credit disbursed to weaker sections in Kashmir division 2006-2011 (in lakhs)**

District	Social caste			Schedule tribe			Women			Disabled		
	Total	Credit	Subsidy	Total	Credit	Subsidy	Total	Credit	Subsidy	Total	Credit	Subsidy
<b>Srinagar</b>	-	-	-	30.25	23.55	6.70	24.65	20.24	4.41	-	-	-
<b>Budgam</b>	-	-	-	-	-	-	563.45	398.70	164.75	-	-	-
<b>Baramula</b>	-	-	-	95.14	71.85	23.29	680.74	420.53	260.21	7.7	6.0	1.7
<b>Kupwara</b>	1.00	0.80	0.20	15.35	12.35	3.0	185.96	151.34	34.62	1.4	1.13	0.27
<b>Pulwama</b>	-	-	-	35.38	27.64	7.74	35.39	29.16	6.23	-	-	-
<b>Anantnag</b>	1.00	0.84	0.16	98.50	77.20	21.30	368.67	303.37	65.67	1.5	1.2	0.30
<b>Kargil</b>	-	-	-	283.34	227.28	56.06	63.46	51.86	11.6	-	-	-
<b>Leh</b>	-	-	-	108.64	80.52	28.12	66.98	51.18	15.80	-	-	-
<b>Kashmir Division</b>	2.00	1.64	0.36	666.60	520.39	146.21	1989.3	1426.38	563.27	10.6	8.33	2.27

**Source:** Compiled from official Data of the Directorate of Rural Development Kashmir

So far as the weaker sections are concerned, such as women, social caste, scheduled tribe and disabled, the information contained in table-3.5 shows that in Kashmir division during 2006-2011, the total amount of rupees 2.00 lakhs were disbursed among the members of social caste, out of which rupees 1.64 lakh were disbursed as loan and rupees 0.36 lakhs were disbursed as subsidy. Thus social caste account for 0.074 percent of the total credit disbursed among the members of weaker section under SGSY, which is very low amount for their upliftment. The total amount of credit disbursed among the members of scheduled Tribe was rupees 666.60 lakhs, out of which rupees 520.39 lakhs were disbursed as loan and rupees 146.21 lakhs were disbursed as subsidy. The scheduled tribe accounting for about 25.0 percent to the total credit disbursed which is something better as compared to social caste category. The total amount of rupees 1989.30 lakhs were disbursed to women section, out of which rupees 1426.38 lakhs were disbursed as loan and rupees 156.27 lakhs disbursed as subsidy accounting for almost 75.0 percent, while as the share of the credit extends to disable category accounts for less than half a percent.

**3.6.6- Bank Wise Disbursed to Beneficiaries**

**Table 3.6**

**Bank wise Credit Disbursed to Beneficiaries under SGSY in Kashmir Division  
(Rs in lakhs)**

<b>District</b>	<b>Commercial Banks</b>	<b>Cooperative Banks</b>	<b>Regional Rural Banks</b>	<b>Others</b>	<b>Total</b>
Srinagar	407.57	73.67	19.09	-	500.33
Budgam	640.18	297.55	125.25	32.03	1095.01
Baramula	1312.82	604.13	527.93	-	2444.88
Kupwara	351.49	465.18	52.68	448.51	1317.86
Pulwama	439.85	117.03	-	-	556.88
Anantnag	1101.38	360.66	47.07	20.50	1529.61
Kargil	201.28	24	-	-	225.28
Leh	101.07	1.95	-	-	103.02
Kashmir Division	4555.64	1944.17	772.02	501.04	7772.84

**Source:** Compiled from official Data of the Directorate of Rural Development Kashmir.

The role of financial institutions in disbursing the credit is very vital to the success of any development programme. According to the information contained in table-3.6 total amount of rupees 7772.87 lakhs was disbursed through different financial institutions during 2006-2011 in Kashmir division under SGSY. An amount of rupees 4555.64 lakhs were disbursed through various commercial banks, rupees 1944.17 lakhs disbursed through cooperative banks, rupees 772.02 lakhs through Regional Rural Banks, and only rupees 501.04 lakhs were disbursed through other small financial intuitions .It is

evident that commercial banks have taken lead in finance the credit to the SGSY scheme in Kashmir division by contributing to the extent of more than 58.0 percent of the total credit.

### **3.7.7 Sector-Wise Coverage of Beneficiaries:**

**Table 3.7**

**Sector-wise Coverage of Members of SHGs and Individual Swarozgaries  
Beneficiaries under SGSY (2006-2011)**

<b>District</b>	<b>Primary sector</b>	<b>Secondary sector</b>	<b>Tertiary sector</b>	<b>Total</b>
Srinagar	306	836	262	1404
Budgam	983	6754	-	7737
Baramula	1749	8167	1913	11829
Kupwara	1604	1081	1262	3947
Pulwama	1858	1364	-	3242
Anantnag	1406	2221	691	4318
Kargil	30	50	490	570
Leh	91	835	105	1031
Kashmir Division	8047	21303	4723	34078

**Source:** Compiled from official Data of the Directorate of Rural Development Kashmir

In Kashmir Division the percentage of beneficiaries assisted under primary sector has fallen from 60.14 percent to 47.86 percent in 2002-2003. The percentage of beneficiaries assisted under SGSY in secondary sector has from 27.69 percent in 1999-2000 to 38.34 percent in 2002-2003. The percentage beneficiaries assisted under tertiary sector has increased from 11.37 percent in

1999-2000 to 18.80 percent in 2002-2003<sup>14</sup>. The table 3.7 presents information that in Kashmir division during 2006-2011, total number of 34078 beneficiaries were assisted under different sectors. The total number 8047 members assisted under primary sector constitute 23.61 percent, 21308 beneficiaries assisted under secondary sector constitute 62.52 percent, 4723 beneficiaries assisted under tertiary sector constitutes 13.85 percent to the total number beneficiaries assisted under different sectors during period of reference. It shows that large number of the beneficiaries had got employment in secondary sector than primary and tertiary sector under SGSY. The primary and tertiary sector has almost been neglected under SGSY, although tertiary sector provides employment opportunity throughout the year. In order to attain a desirable rate of economic growth it is necessary that all the sectors of the economy are adequately developed.

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<sup>14</sup> Compiled from Official data of Directorate of Rural Development Kashmir.

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**Chapter – 4**  
**SGSY in Block Kulgam- An Economic Appraisal**

**T**his Chapter “SGSY in Block Kulgam- An Economic Appraisal” is based on analytical study of the data obtained from field survey. The selection of respondents was done on the basis of random sampling. A sample of 30 per cent each from total 501 of individual beneficiaries (comprising 150 individual respondents) and 66 SHGs (comprising 20 SHGs) was chosen from all villages giving a proportional representation to each village. The data related to this scheme has been collected from field with the help of well designed and structured questionnaires. For the purpose of comprehensive analysis, we have gathered data from the field study regarding a range of diverse social, demographic and economic variables. Additionally for the purpose of measuring and ranking the performance of a group, a maturity index was developed with 20 key performance indicators. For each indicator, values (marks) are assigned as per actual performance of the group. The maximum values allocated to each of the indicator aggregates to 100. The performance of SHGs is assessed on the basis of total marks obtained on 20 indicators. In this chapter an endeavour has been made to measure the economic impact of the scheme on the beneficiaries belonging to block Kulgam. Various problems faced by the promoters in their activities are also highlighted in this chapter.



#### 4.1.1 Age Structure

**Table 4.1**

**Age group of Sample Individual Beneficiaries and Members of SHGs**

<b>A</b>				<b>B</b>	
<b>Individual beneficiaries</b>				<b>SHGs</b>	
<b>S. No</b>	<b>Age Group</b>	<b>No of Respondents</b>	<b>Percentage</b>	<b>No of Respondents</b>	<b>percentage</b>
1.	18-40	115	76.66	150	75
2	41-60	31	20.66	30	15
3	Above 60	4	2.66	20	10
<b>Total</b>		<b>150</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey

Table 4.1 gives clear picture about the age profile of respondents. Part A of the table reveals that maximum respondents, i.e more than 76 per cent of Individual beneficiaries fall in the age group of 18-40, followed by about 20 per cent in the age group of 41-60. Similarly in case of SHGs,  $\frac{3}{4}$ <sup>th</sup> (75 percent) of the beneficiaries fall in the age group of 18-40, followed by 15 per cent in the age group of 41-60 as indicated in the part B of the same table. Thus in both cases more than 90 per cent beneficiaries fall in the working age population group i.e 18-60 years.

#### 4.2.1 Gender Profile

**Table 4.2**

**Gender Profile of Sample Individual Beneficiaries and Members of SHGs**

<b>A</b>				<b>B</b>	
<b>Individuals Beneficiaries</b>				<b>SHGs</b>	
<b>S.No</b>	<b>Gender</b>	<b>Number of Respondents</b>	<b>Percentage</b>	<b>Number of members</b>	<b>Percentage</b>
1	Male	130	86.66	150	75
2	Female	20	13.34	50	25
<b>Total</b>		<b>150</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey

The information contained in table 4.2 about the gender of the beneficiaries reveals an important fact that this micro credit development programme in block Kulgam is dominated by male participation, which is in

contravention to the basic provisions of the scheme. According to the scheme a minimum participation of 40 per cent is reserved for women. Part A of the table reveals that only about 13 per cent of the beneficiaries are women while about 87 per cent are male participants.

#### **4.3.1 Family System**

**Table 4.3**

**Family System of Sample Individual Beneficiaries and Members of SHGs**

<b>A</b>				<b>B</b>	
<b>Individual Beneficiaries</b>				<b>SHGs</b>	
<b>S.No</b>	<b>System</b>	<b>Number of respondents</b>	<b>Percentage</b>	<b>Number of respondents</b>	<b>Percentage</b>
1	Nuclear	90	60	150	75
2	Joint	60	40	50	25
<b>Total</b>		<b>150</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey

The family system implies that whether the family is a nuclear one or a joint family. The table-4.3 shows that out of the 150 individual beneficiaries in our sample, 60 per cent beneficiaries have nuclear families and remaining 40 per cent belong to the joint family system. Similarly in the case of SHGs 75 per cent beneficiaries have nuclear family structure, while as 25 per cent formed the part of joint family system.

#### 4.4.1 Family Size

**Table 4.4**  
**Family Size of Sample Individual Beneficiaries and the Members of SHGs**

<b>A</b>				<b>B</b>	
<b>Individual Beneficiaries</b>				<b>Members of SHGs</b>	
<b>S.No</b>	<b>Family Members</b>	<b>Respondents</b>	<b>Percentage</b>	<b>Respondents</b>	<b>Percentage</b>
1	Less than 5	60	40.00	50	25
2	5-8	80	53.33	130	65
3	8 and above	10	6.67	20	10
<b>Total</b>		<b>150</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey

The size of the family depends to some extent on the nature of the family. It is presumed that the joint families are large in size as compared to the nuclear families. The size of family, generally, determines the number of dependents, saving capacity, per capita income and standard of living. Table 4.4 presents a clear picture about the family size of sample individual beneficiaries and members of SHGs. Part A of table shows that maximum respondents, more than 50 per cent, have 5-8 family members followed by 40 percent with less than 5 family members. Part B of same table reproduces the information that 65 percent respondents of SHGs have 5-8 family members followed by 25 per cent having less than 5 family members.

#### 4.5.1 Education Level

**Table 4.5**

#### **Education Level of Sample Individual Beneficiaries and Members of SHG**

<b>A</b>				<b>B</b>	
<b>Individual Beneficiaries</b>				<b>SHGs</b>	
<b>S.No</b>	<b>Qualification</b>	<b>Number of respondents</b>	<b>Percentage</b>	<b>Number of respondents</b>	<b>Percentage</b>
1	Graduate	1	0.68	0	0
2	Under Graduate	21	14	0	0
3	Under Matric	61	40.66	50	25
4	Illiterate	67	44.66	150	75
<b>Total</b>		<b>150</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey

Education is one of the important factors, which affects the attitudes and shapes the personality of individuals in a positive manner. Besides enhancing information and awareness level, education is an important ingredient for social and economic development. Table- 4.5 reveals the information that maximum respondents, about 45 per cent of our sample from individual beneficiary category are illiterate, followed by 40 per cent with under matric level of education; whereas 14 per cent respondents are educated up to under graduate level and below 1 per cent are qualified graduates. In case of SHGs 75 per cent members are without any education (illiterate), while as remaining 25 percent members possessed under matric level education. It was found during field survey illiteracy made a negative impact on the performance of SHGs in terms of SHG management, banking functions and income generation.

#### 4.6.1 Economic Status

In determining the economic status, we have tried to capture information about the beneficiaries in three important areas. i.e, their status with respect to poverty line, land holdings, and family system.

**Table 4.6**

**Economic Status of Sample Beneficiaries and Members of SHGs**

<b>A</b>				<b>B</b>	
<b>Individual Beneficiaries</b>				<b>SHGs</b>	
<b>S.No</b>	<b>Status</b>	<b>Number of respondents</b>	<b>Percentage</b>	<b>Number of respondents</b>	<b>Percentage</b>
1	APL	73	48.66	80	40
2	BPL	59	39.34	120	60
3	AAY	18	12	0	0
<b>Total</b>		<b>150</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey

**Note:** Categorization of beneficiaries into various classes is based on the official documents

Table 4.6 reveals the important fact that maximum respondents under individual beneficiaries category i.e 48.66 percent were having APL status followed by about 40 per cent with B.P.L. status. Part B of same table shows that 60 per cent respondents living below poverty line have formed the membership in sample self help groups. This fact contradicts with the provisions of the SGSY scheme as it envisages all members of the group should belong to families below the poverty. However, if necessary, a maximum of 20 per cent, and in exceptional cases, where essentially required, up to a maximum of 30 per cent of the members in a group may be from families marginally above poverty line, living continuously with BPL families and if they are acceptable to BPL members of the group. So we can conclude from this fact that in actual position people living above the poverty line reap the fruits of the scheme.

**Table 4.7**  
**Total Land Holding of Sample Beneficiaries and Members of SHGs**

A				B	
Sample Individual Beneficiaries				Sample SHGs	
S.No	Land holding in acres	Number of Respondents	Percentage	Number of Respondents	Percentage
1	Land less	25	16.66	50	25
2	Below 1	98	65.34	139	69.50
3	Below 2	27	18	7	3.50
4	Below 3	0	0	3	1.50
5	3 and above	0	0	1	0.50
<b>Total</b>		<b>150</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey

The distribution of the sampled beneficiaries (Individual + SHG beneficiaries) according to land holdings is documented in table 4.7. It is apparent from the table that more than 65 per cent respondents from individual beneficiaries possess less than 1 acre land followed by about 16 per cent belonging to landless category. The same table reveals that 25 per cent members of SHGs possessed no land and about 70 per cent were having less than 1 acre of land. Thus it is clear from the sample data that majority of the respondents in the scheme possessed less than 1 acre land.

**Table 4.8**  
**Annually Family Income of Sample Beneficiaries and Members of SHGs**

A				B	
Individual Beneficiaries				SHGs	
Annual Income				Annual Income	
S.No	Income- group	Number of Respondents	Percentage	Number of Respondents	Percentage
1	Below 10,000	15	10	160	80
2	10000-50000	130	86.66	40	20
3	50000 and above	5	3.34	0	0
<b>Total</b>		<b>150</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey

**Note:** The information about the family incomes was obtained by directly asking questions on the annual incomes of the respondents. It is noteworthy that this observation is in contradiction to the official figures on the basis of which the

respondents are classified into different income group like APL, BPL, AAY as indicated in table 4.6

Above given table shows that 87 per cent respondents in case of the individual beneficiaries category fall in the family income group of Rs 10,000-Rs50,000. While as 10 per cent respondents belong to the families managing to earn only up to Rs 10,000 annually. During our field survey as indicated in the table, it was observed that some respondents about (3 per cent) belonged to the families with an annual income of Rs 50,000 and above.

In case of SHGs it was observed that majority of members ( 80 per cent) belonged to the families with less than Rs 10,000 annual income, while as rest of 20 per cent members belonged to the family income group of Rs 10,000 to Rs 50,000. It, therefore, is apparent that SHGs component of the SGSY scheme has better been directed towards relatively poor people compared to individual beneficiaries category.

#### **4.7.1 Identification of Beneficiaries**

**Table 4.9**

**Identification of Sample Individual Beneficiaries and SHGs**

<b>A</b>				<b>B</b>	
<b>Sample Individual Beneficiaries</b>				<b>SHGs</b>	
<b>S.No</b>	<b>Identified by</b>	<b>Number of Respondents</b>	<b>Percentage</b>	<b>Number of Respondents</b>	<b>Percentage</b>
1	VLW*	150	100	200	100
3	M.P.P**	0	0	0	0

Source: Field Survey

(\*Village Level Worker, \*\*Mandal Praia Parishad)

Table 4.9 presents information that maximum of respondents from both individual beneficiaries and SHGs category are indentified by V.L.Ws. The reason for the identification of majority of respondents by VLWs is that they are fully aware about the people in their respective areas.

#### 4.8.1 Assignment of Activities

**Table 4.10**

**Self Chosen / Assigned Activity of Sample Individual Beneficiaries and SHGs**

A				B	
Sample Individual Beneficiaries				SHGs	
S.No	Activity Chosen	Number of respondents	Percentage	Number of Sample SHGs	Percentage
1	Self Chosen	124	82.66	20	100
2	Assigned by VLW	26	17.34	0	0
<b>Total</b>		<b>150</b>	<b>100</b>	<b>20</b>	<b>100</b>

Source: Field Survey

Table 4.10 reveals that about 83 per cent respondents choose activity by self and remaining 17 per cent respondents started activities assigned by V.L.W. The table also shows that all sample SHGs had chosen activity by themselves. It supports the fact that majority respondents choose their activity by themselves, because before SGSY assistance they were allied with their respective activities which they intended to continue after SGSY assistance.

#### 4.9.1 Loan Defaulters

**Table 4.11**

**Outstanding Loan Amount Against Defaulters of Sample Individual Beneficiaries and SHGs**

A				B	
Individual Beneficiaries				SHGs	
S.No	Outstanding Loan amount	Number of respondents	Percentage	SHGs	Percentage ( out of 20 SHGs)
1	Below 20000	6	4	0	0
2	Below 30000	73	48.66	2	10
3	30000-50000	11	7.33	6	30
4	50000-70000	0	0	4	20
5	70000 and above	0	0	0	0
<b>Total</b>		<b>90</b>	<b>59.99</b>	<b>12</b>	<b>60</b>

Source: Field Survey



From our sample individual and SHGs beneficiaries and SHGs beneficiaries an enquiry was made regarding the financial component of the scheme in terms of loan repayment. It is pertinent to mention here that under the provision of the scheme a loan obtained by the beneficiary has got to be liquidated within the period of 5 to 8 years depending upon the cost of the project. Table 4.11 shows the details of the defaulters who could not liquidate the loan amount within the specified time period. Figures in the table indicates that under individual category 48 per cent respondents had outstanding loan amount between Rs 10000-30000, followed by 11 per cent having in between Rs 30000-50000. The same table reveals that 30 per cent SHGs had outstanding loan amount between Rs 30000-50000, followed by 20 per cent having Rs 50000-70000. The table reveals that about 60 per cent respondents, individual as well as SHGs are defaulters. It is because of the fact that the borrowers belong to extremely poor section of the society and not getting good return from their income generating activities sufficient to liquidate the interest along with principle amount. It has been observed that the net rate of returns from their business is, in some cases, less than the rate of interest. While in some cases, it was noted that the beneficiaries tend to spend more on personal consumption than repay the instalments because of which they become defaulters.

#### 4.10.1 Illegal Expenses

**Table 4.12**

**Illegal Expenditure Incurred by Sample Beneficiaries and SHGs**

<b>A</b>				<b>B</b>	
<b>Individual Beneficiaries</b>				<b>SHGs</b>	
<b>S.No</b>	<b>Expenditure in Rs</b>	<b>Number of Respondents</b>	<b>Percentage ( out of 150)</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	Less than 1000	9	6	4	20
2	1000-2000	29	19.33	6	30
3	2000-5000	4	2.66	2	10
4	5000 and above	42	28	0	0
<b>Total</b>		<b>84</b>	<b>55.99</b>	<b>12</b>	<b>60</b>

Source: Field Survey

Illegal expenditure here refers to the money spent in cash or kind other than legal expenses such documentation, stamps, processing etc. It is the evident from the Part A of table -4.12 that about 56 percent of respondents had to bribe the concerned officials to get assistance under SGSY. A maximum of 28 percent under individual beneficiary category alleged to have paid more than Rs5000 followed by the 19 percent paying between Rs 1000-2000. In case of SHGs 30 per cent of SHGs accepted to have paid Rs1000-2000 followed by 20 percent less than Rs 1000. It reveals that majority of respondents had to incur expenditure for sanctioning of loan, which hampers the effectiveness of scheme.

#### 4.11.1 Training

**Table 4.13**  
**Training to Sample Individual Beneficiaries and Members of SHGs**

A			B		
Individual Beneficiaries			SHGs		
Total Respondents	Number of Respondents received training	Percentage	Number of members of SHGs	Number of Respondents received training	Percentage
150	0	0	200	190	90

Source: Field Survey

SGSY proposes a number of measures for upgrading the capacity of swarozgaries both in individual as well as group oriented activities. While developing the project profiles for the indentified key activities, the district SGSY committee makes consultations with concerned technical personnel to determine the minimum skill requirements (M.S.R), in terms of both the technical and managerial skills. Once the persons or group of persons has been identified for assistance their training needs also should be ascertained with reference to minimum skill requirements (M.S.R.). The objective of this training is to ensure that the swarozgaries passes the minimum skill requirements are eligible for assistance only, and loans will be disbursed only when they have satisfactorily completed skill training. The table 4.13 reveals that under individual beneficiaries category, no respondent was imparted training through DRDA, while as 90 per members of SHGs received training through DRDA office. Which contradicts with the standard guidelines of SGSY as it envisages that each beneficiaries must undergo training for more than a week.

#### 4.12.1 Satisfaction with Rate of Interest

**Table 4.14**

#### **Sample Individual Beneficiaries and SHGs Satisfied with Interest Rate**

<b>A</b>			<b>B</b>		
<b>Individual Beneficiaries</b>			<b>SHGs</b>		
<b>Total Respondents</b>	<b>Number of respondents satisfied with interest rate</b>	<b>Percentage</b>	<b>Number of members of SHGs</b>	<b>Number of respondents satisfied with interest rate</b>	<b>Percentage</b>
150	24	16	200	50	25

Source: Field Survey

Table 4.14 presents information that only 16 per cent under the individual beneficiaries category are satisfied with the prevailing interest rate of 12 per cent charged by banks. It reveals that majority of respondents i.e 84 per cent are not satisfied with the current interest rate. Part B of the same table shows that only 25 per cent members of SHGs are satisfied with rate of interest charged by banks, with 75 per cent respondents beneficiaries dissatisfied.

**Table 4.15**

**Desirable Interest Rate Suggested by Sample Individual Beneficiaries and SHGs**

<b>A</b>				<b>B</b>	
<b>Sample Individual Beneficiaries</b>				<b>SHGs</b>	
<b>S.No</b>	<b>Interest rate chargeable</b>	<b>Number of Respondents</b>	<b>Percentage</b>	<b>Number of Respondents</b>	<b>Percentage</b>
1.	No Interest rate	50	33.33	35	17.50
2.	Below 2 Percent	30	20	59	29.50
3.	Below 4 Percent	28	18.67	45	22.50
4.	Below 6 Percent	15	10	7	3.50
5.	Below 8 Percent	3	2	3	1.50
6.	Below 10 Percent	0	0	1	0.50
7.	10 Percent and above	0	0	0	0
<b>Total</b>		<b>126</b>	<b>84</b>	<b>150</b>	<b>75</b>

Source: Field Survey

The table 4.15 provides comprehensive picture regarding suggestion of respondents about interest rate. The maximum respondents i.e more than 33 per cent suggest that no interest should be charged on the loan amount, followed by 20 per cent beneficiaries suggesting 2 per cent interest rate, while below 4 per cent interest rate was suggested by about 19 percent respondents as desirable rate. It is because the maximum respondents are from poor section of society, unable to pay a huge interest rate charged by banks on the loan amount provided under the scheme.

### 4.13.1 Loan Repayments

**Table 4.16**

**Repayment of Loan Instalments by Sample Individual Beneficiaries and SHGs**

A					B		
Individual Beneficiaries					SHGs		
S.No	Activity	Respondents	Repayment of instalment at proper time	Percentage	Number of SHGs	Repayment of instalments at proper time	Percentage
1	Crewel	40	12	8	8	1	5
2	Dairy	46	9	6	4	1	5
3	Retail Shop	28	6	4	0	0	0
4	Carpet	12	3	2	8	5	25
5	Others	24	7	4.66	0	0	0
<b>Total</b>		<b>150</b>	<b>37</b>	<b>24.66</b>	<b>20</b>	<b>7</b>	<b>35</b>

Source: Field Survey

Table 4.16 presents the information about the activity wise status of beneficiaries and their tendency to repay the loans along with SHGs. Part A of table shows that under the individual beneficiary category only less than 25 per cent of respondent paid loan instalments at the proper time. The Part B of the same table represents that 35 percent of SHGs pay loan instalments at the proper time.

#### 4.14.1 Demand for Additional Funds

**Table 4.17**

**Demand by Sample Beneficiaries and SHGs for Additional Funds**

<b>A</b>				<b>B</b>	
<b>Sample Individual Beneficiaries</b>				<b>SHGs</b>	
<b>S.No</b>	<b>Number of Respondents</b>	<b>Demand for additional Fund</b>	<b>Percentage</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	80	Rs 50000	53.33	0	0
2	15	Rs 60000	10	0	0
3	10	Rs 70000	6.66	6	30
4	0	Rs 80000	0	2	10
5	0	Rs 90000	0	0	0
6	0	Rs 100000	0	0	0
7	0	Above Rs 10000	0	3	15
<b>Total</b>	<b>105</b>		<b>69.99</b>	<b>11</b>	<b>55</b>

Source: Field Survey

Table 4.17 shows that 70 per cent respondents under individual beneficiaries category demanded that assistance should get enhanced. The maximum respondents more than 53 per cent under this category demanded that assistance should be enhanced up to Rs 50000. In case of SHGS maximum SHGs i.e 30 per cent demanded that assistance should increase up to Rs 70000.

4.15.1 Returns from Business

**Table 4.18**  
**Annual Returns and Employment of Individual Beneficiaries**

Activity (A)	Beneficiaries (B)	Total Sales (C)	Average Sales D=(C/B)	Expenditure on raw material (E)	Interest and Principal Amount (F)	Total Expenditure G=(E+F)	Average Expenditure H=(G/B)	Net Returns (Average sales- Average expenditure) I=(D-H)	Total personal employment (Man days) ( J)	Average Employment (Man days) K= ( J/B)	Average Earnings Per day L=(I/K)
Crewel	40	25,19000	62,975	9,59000	5,60000	15,19000	37,975	25,000	11,440	286	87.41
Dairy	46	5,41,720	54,172	7,24,914	7,59000	14,83,914	32,259	21,913	14,214	309	70.91
Retail Shop	28	23,63,984	84,428	11,73,984	3,36,000	15,09,984	53,928	30,500	9184	328	257.4
Carpet	12	99,992	79,166	3,55,392	2,37,600	5,92,992	49,416	29,750	3072	256	116.21
Others	24	14,10000	58,750	5,32,200	3,31,200	8,63,400	35,975	22,775	6912	288	79.07

Source: Field Survey



Table 4.18 provides the comprehensive picture about the annual net return of sampled beneficiaries under different activities. The most remarkable finding in this aspect is that maximum respondents earn less than the prevailing wage rate Rs 300 as reported by respondents during field survey as well as less than the wage offered at MGNREA which is Rs 130. Which reflects that they are not gainfully employed. The same table shows that respondents working under the activity of retail shop have an average net return of Rs30,500 per annum followed by the carpet having Rs 29, 750, with Crewel Rs 25,000, and Dairy Rs 21,912.82. It reveals that relatively high average net return is from retail shop because of marketing support at the village level and relatively low net returns from dairy activity because of high cost of raw material and low price of the product.

**Table 4.19**  
**Annual Returns and Employment of SHGs**

Type Activity (A)	Number SHGs (B)	Number of members in per group (C)	Total number of members in group (D)	Total Sales (Rs) (E)	Average Sales (Rs) F=(E/B)	Expenditure on raw material (Rs) (G)	Interest and Principal Amount (Rs) (H)	Total Expenditure (Rs) I=(G+H)	Average Expenditure (Rs) J=(I/B)	Net Return (Average sales- Average expenditure) (Rs) K=(F-J)	Average net return per member (Rs) L=(K/C)	Total personal employment to the members ( Man days) (M)	Average Employment to per member ( Man days) N= ( M/80)	Average Earnings Per day to per member O= (L/N)
Crewel	8	10	80	16,00000	2,00000	4,56000	1,84000	6,40000	80000	12,0000	12,000	19,200	240	50
Carpet	8	10	80	3,500000	4,37,500	6,40000	10,40000	16,80000	2,10000	2,27,500	22750	20,800	260	87.5
Dairy	4	10	80	8,00000	2,00000	1,12000	88,000	2,00000	50,000	1,50000	15000	8114	202	74.25

Source: Field Survey

The table 4.19 shows that the SHGs working under the activity of carpet have an average net return of Rs22,7500 per annum followed by SHGs under activity of Dairy having Rs1,50000 per annum and crewel SHGs having only net return of Rs 1,20000 per annum. The average net return per member under the activity of carpet is Rs 22,750 per annum followed by dairy having Rs15000 and crewel Rs 15000. The carpet activity has relatively high returns because the DRDA Provide them marketing support outside the state. The important finding in this aspect is that maximum respondents earn net return less prevailing market wage rate Rs 300 as reported by respondents during field survey as well as less than current wage rate under MNERGA, which is about Rs130. This reflects the fact that they are not gainfully employed. An important observation recorded here is that average per day earnings of the members of SHGs is even less than the average returns earned by individual beneficiaries per day.

#### 4.16.1 High Cost of Raw Material

**Table 4.20**

#### **Sample Individual Beneficiaries and SHGs Claiming for High Cost of Raw Material**

A					B		
Sample Individual Beneficiaries					SHGs		
S.No	Activity	Respondents	Number of respondents claiming high cost of raw material	Percentage	Number of SHGs	High Cost Raw Material	Percentage
1	Crewel	40	10	25	8	3	37.50
2	Dairy	46	34	73.91	4	1	25
3	Retail Shop	28	15	53.57	0	0	0
4	Carpet	12	8	66.66	8	2	25
5	Others	24	15	62.50	0	0	0
<b>Total</b>		<b>150</b>	<b>82</b>	<b>54.65</b>	<b>20</b>	<b>6</b>	<b>30</b>

Source: Field Survey

Table 4.20 shows high cost of raw materials as claimed by individual beneficiaries and members of SHGs. Part-A and Part-B of the table show that in case of individual beneficiaries, falling under dairy activity, majority i.e 74 per cent respondent beneficiaries claimed that the cost of raw material including fodder and dry grass was very high. While in case of SHGs falling under the same activity only 25 per cent reported that the cost of raw material was high. Likewise in case of crewel activity under individual category, only 10 per cent claimed for high cost of raw material while, in case of SHG, above 38 per cent claimed expensive raw material. The reason being in case of dairy SHGs due to their collective efforts, they can combine the resources which makes them to avoid high cost of raw material. However individual beneficiaries have to resort to market for the purchase of raw material like grass and fodder. On the contrary in case of crewel activity, it was predominately the SHGs that found the raw material expensive (37.51 per cent) compared to individual beneficiaries (10 per cent) under the same activity. A question was asked to enquire about this phenomenon. It was found that while individuals used to make efforts to search for cheap raw material, the same spirit was not found in the group behaviour. These groups used to purchase the raw material from the brokers. On the whole in case of individual category 82 per cent respondents felt the cost of raw material was high due to which their profit margins were squeezed. In case of SHGs only 30 per cent respondents claimed for high cost of raw material.

#### 4.17.1 Marketing Support

**Table 4.21**

**Marketing Support Provided by DRDA to Sample Individual Beneficiaries and SHGs**

<b>A</b>			<b>B</b>		
<b>Individual Beneficiaries</b>			<b>SHGs</b>		
<b>Total Respondents</b>	<b>Number of Respondents who received marketing support</b>	<b>Percentage</b>	<b>Total SHGs</b>	<b>Number of SHGs who received marketing support</b>	<b>Percentage</b>
150	Nil	0	20	18	90

Source: Field Survey

Traditionally the self-employment programmes concentrated on the input supply than output marketing and it is very common to find production patterns overlooking the market strategies. In SGSY, too, one often finds that the recommendation of a key activity is not preceded by the much needed market survey. This is in spite of the fact that market surveys are essential to identify viable activities to be taken up by the swarozgaris. SGSY guidelines. In fact emphasized the need for preparation of project profiles of key activities based on scientific understanding of the potential markets. In the entire study region, no professional market survey for swarozgaris products was carried out. As such, the DRDAs and other development agencies were not able to assess the size of the market. The swarozgaris took decisions on the basis of their past experience. This was the reason that most of beneficiaries concentrate on local market. Table 4.21 contains the information of marketing support provided by DRDA to sample beneficiaries and sample SHGs. Part A of the table shows that no respondent received some sort of marketing support from DRDA. Part B of the same table shows that 90 per cent of SHGs received some sort of marketing support. The important finding in this respect is that infrastructure fund is not fully utilized in providing the marketing support to the individual beneficiaries in the case study area of Kulgam. Here it is pertinent to mention that infrastructure fund is used by DRDA for marketing support such as,

constructions of sheds, shopping outlets, free transportation for carrying goods from one state to the other. The beneficiaries in the absence of proper marketing facility get exploited by the intermediaries in many ways who pay them very low prices as observed during field survey. This, as alleged by the beneficiaries, does not leave them with a reasonable surplus.

**Table 4.22**

**Sample Individual Beneficiaries and SHGs Facing Infrastructure Constraint**

<b>A</b>			<b>B</b>		
<b>Individual Beneficiaries</b>			<b>SHGs</b>		
<b>Total Respondents</b>	<b>Lack of Infrastructure</b>	<b>Percentage</b>	<b>Total SHGs</b>	<b>Lack of Infrastructure</b>	<b>Percentage</b>
150	99	66	20	8	40

Source: Field Survey

Table 4.22 reveals the fact that 66 percent respondents under the individual beneficiary category and 40 percent of SHGs face infrastructure constraint. This is against guidelines of SGSY as it envisages that 20 percent of infrastructure fund must be spend on strengthen of infrastructure but in the study area of block Kulgam no such step was taken.

#### **4.18.1 Time Taken by Concerned Agencies in Sanctioning Financial Assistance**

**Table 4.23**

**Time taken by BDO Office in Sanctioning Finance Assistance to Sample Beneficiaries**

<b>Time period</b>	<b>Respondents</b>	<b>Percentage</b>
Within 15 days	0	0
Within 1 month	10	6.66
Within 2 months	85	56.66
Within 3 months	23	15.33
Within 4 months	18	12
Within 5 months	8	5.35
More than 5 months	6	4
<b>Total</b>	<b>150</b>	<b>100</b>

Source: Field Survey

As is revealed by the table 4.23, in most of the cases, about 56 per cent , it takes more than one month for B.D.O. office to sanction the finance for the proposed activity to sample beneficiaries. While as 15 per cent and 12 per cent respondents reported the time taken by the BDO office to be more than two months and more than 3 months respectively. In some cases it took more than 5 months to sanction the facility. It was also observed during our field study that only 10 per cent respondents were able to get their loans sanctioned within one month, but in no case the financial assistance was sanctioned within 15 days. Here it is pertinent to mention that as per guidelines of the scheme, financial assistance under SGSY should be disposed off within a stipulated period of 15 days only.

**Table 4.24**

**Time Taken by Banks in Sanctioning the Financial Assistance to Sample Beneficiaries**

<b>Time period</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Within 15 days	0	0
Within 1 month	8	5.33
Within 2 months	14	9.33
Within 3 months	25	16.66
Within 4 months	38	25.33
Within 5 months	24	16
More than 5 months	41	27.35
<b>Total</b>	<b>150</b>	<b>100</b>

Source: Field Survey

Table 4.24 reveals that banks take more than 5 months to sanction the financial assistance to the majority of respondents i.e.27 per cent followed by 25 per cent with more than 3 months. While as more than 16 per cent respondents reported the time taken to sanction the financial assistance as more than 2 months. It was also observed during field study that only 5 per cent respondents were able to get their loans within 1 month, but in no case the financial assistance was sanctioned within 15 days. It is pertinent to mention that as per guidelines of the scheme, that all the loan granted is to be treated as advance under priority sector. Loan application should be disposed of within 15 days and not later than one month.



**Table 4.25**

**Time Taken by B.D.O. Office in Sanctioning Ist Grade to the SHGs**

<b>Time period</b>	<b>SHGs</b>	<b>Percentage</b>
Within 15 days	0	0
Within 1 month	1	5
Within 2 months	4	20
Within 3 months	6	30
Within 4 months	5	25
Within 5 months	2	10
More than 5 months	2	10
<b>Total</b>	<b>20</b>	<b>100</b>

Source: Field Survey

As is clear from the table 4.25, in maximum cases (55 per cent) it takes 3 to 4 months for B.D.O. office to sanction the requisite financial assistance under grade-1 of SHG after they have demonstrated their successful existence for about six months. While as time taken to sanction the financial assistance in 20 per cent cases was reported to be between 5 to 7 months. From our sample of 20 SHGs only one group reported that it took less than 2 months for BDO office to sanction grade Ist. This is against guidelines of SGSY as it envisages that within no time Ist grade should be sanctioned to SHGs after they have demonstrated their successful existence for about six months. It was reported by the respondents that this administrative delays in sanctioning the funds made negative impact on the effectiveness of the scheme.

**Table 4.26**

**Time taken by Banks in Sanctioning Ist Grade to the SHGs**

<b>Time period</b>	<b>SHGs</b>	<b>Percentage</b>
Within 15 days	0	0
Within 1 month	0	0
Within 2 months	0	0
Within 3 months	2	10
Within 4 months	5	25
Within 5 months	4	20
Within 6 months	3	15
More than 6 months	6	30
<b>Total</b>	<b>20</b>	<b>100</b>

Source: Field Survey

Table 4.26 contains the information about time taken by the banks in sanctioning 1<sup>st</sup> grade in case of SHGs. As reported by the maximum respondents of 30 per cent that banks took more than 6 months in disbursing Ist grade financial assistance. While as 25 per cent and 20 per cent respondents reported the time taken by banks to be more than 3 months and more than 4 months respectively. It was also revealed from the field study that no case was sanctioned within the period of 2 months. This is in consistent with the guidelines of the scheme that makes it mandatory for the banks to provide the loans on the priority basis within the period of 15 days and not later than 1 month.

**Table 4.27**

**Time Taken by B.D.O Office in Sanctioning 2<sup>nd</sup> grade to the SHGs**

<b>Years</b>	<b>SHGs</b>	<b>Percentage</b>
Within 1 year	0	0
Within 2 years	8	40
Within 3 years	7	35
Within 4 years	4	20
Within 5 years	1	5
More than 6 years	0	0
<b>Total</b>	<b>20</b>	<b>100</b>

Source:

Field Survey

Table 4.27 gives clear information about the time taken by the BDO office in sanctioning 2<sup>nd</sup> grade in case of SHGs. As reported by the maximum number respondents i.e 40 per cent it took more than 1 year to achieve the 2<sup>nd</sup> grade status, while as 35 per cent respondents claimed the time taken to be more than 2 years. No respondents was found to achieve 2<sup>nd</sup> grade status within a period of the less than 1 year. It may be mentioned here that grade 2<sup>nd</sup> is inferred/ sanctioned to the SHG after making success on the parameters such as size of SHGs, saving capacity, meetings and attendance, tendency of loan seeking and repayment, and record maintenance which are required for sanctioning this grade. According to the standard guidelines it should not take more than 6 months to grant 2<sup>nd</sup> grade after making success on the parameters mentioned above. As is clear from the field survey that this time taken to grant grade 2<sup>nd</sup> is not in accordance with the standard guidelines after making success on above parameters.

**Table 4.28**

**Time Taken by Banks in Sanctioning 2<sup>nd</sup> grade to the SHGs**

<b>Time period</b>	<b>SHGs</b>	<b>Percentage</b>
Within 15 days	0	0
Within 1 month	0	0
Within 2 months	0	0
Within 3 months	2	10
Within 4 months	4	20
Within 5 months	7	35
Within 6 months	2	10
More than 6 months	5	25
<b>Total</b>	<b>20</b>	<b>100</b>

Source: Field Survey

Table 4.28 shows in most of the cases, about 35 per cent, it takes more than 4 months for banks to sanction the 2<sup>nd</sup> grade finance for proposed activities to sample SHGs. While as 25 per cent and 20 per cent respondents reported the time taken by the banks to be more than 6 months and more than 3 months respectively. Overall, it took more than two 3 months for 80 per cent beneficiaries to get the 2<sup>nd</sup> grade assistance. It was also observed during our field study that only 10 per cent respondents were able to get their 2<sup>nd</sup> grade within 2 months, but in no case the financial assistances was sanctioned within one or two months. Here it is pertinent to mention that as per the guidelines of the scheme, financial assistance under SGSY should be disposed off within a stipulated period of 15 days not later than 1 month.

#### 4.19.1 Location of Beneficiaries

**Table 4.29**

**Distance of Sample individual beneficiaries and SHGs from BDO Office  
and D.R.D.A. Office**

<b>A</b>			<b>B</b>	
<b>Sample individual beneficiaries</b>			<b>SHGs</b>	
<b>Distance in kms</b>	<b>Respondents</b>	<b>Percentage</b>	<b>No of SHGs</b>	<b>Percentage</b>
1-2	8	5.33	0	0
3-4	14	9.33	0	0
5-6	0	0	1	5
7-8	4	2.66	2	10
9-10	6	4	3	15
11-12	12	8	1	5
13-14	32	21.33	0	0
15-16	24	16	4	20
17-18	5	3.33	2	10
19-20	45	30	8	40
<b>Total</b>	<b>150</b>	<b>100</b>	<b>20</b>	<b>100</b>

Source: Field Survey

Table 4.29 contains information on the locational factor of the beneficiaries both under individual and SHG category. It can be observed from the table that a maximum of 30 per cent respondents in case of individual category and 40 per cent in case of SHGs were located at a distance of about 20 kms from the office head quarters. About 15 per cent respondents in case of individual beneficiaries were located within a radius of 4 Kms while no group in case of SHG was formed within the area of 4 Kms.

#### 4.20.1 Guidance Provided to Beneficiaries

**Table 4.30**

**Guidance Received by Sample Beneficiaries and SHGs Regarding Formalities of the Scheme**

A				B		
Individual Beneficiaries				SHGs		
Agency	Total Respondents	Respondents received guidance	Percentage	Total SHGs	SHGs received guidance	Percentage
150	V.L.W.	150	100	20	20	100

Source: Field Survey

The table -4.30 reflects information that V.L.Ws play important role in providing guidance regarding formalities of the scheme to respondents in the case study area block Kulgam. It is revealed from the same table all individual respondents and all members of SHGs received guidance regarding formalities of scheme through VLWs. It shows that no NGOs or any organization are active in the case study area in providing information to beneficiaries regarding this scheme.

#### 4.21.1 Problems Faced in Documentation

**Table 4.31**

**Problems Faced by Sample Beneficiaries and SHGs in Completing Formalities**

A				B	
Sample Individual Beneficiaries				SHGs	
S.No	Problem	Respondents	Percentage	No of SHGs	Percentage
1.	Complexity of Documents	10	6.66	2	10
2.	High Documentation Charges	30	20	4	20
3.	Guarantor Problem	70	46.66	8	40
4.	All above Problems	10	6.66	0	0
<b>Total</b>		<b>120</b>	<b>79.98</b>	<b>14</b>	<b>80</b>

Source: Field Survey

Table 4.31 presents information about the profile of problems faced by individual category respondents and members of SHGs regarding completion of the formalities of the scheme. Part A shows that more than 46 percent of respondents face the problem of guarantors which the bank officials demanded at the time of disbursing loan, followed by 20 percent facing the problem of high documentation charges and 6 per cent faced complexity of documents. Part B of same table shows that 80 percent of SHGs face different kinds of problems regarding fulfilment of formalities of scheme, out of which 40 percent face the problem of guarantor and 20 percent faces high documentation charges and 10 per cent complexity of documents. In all about 80 per cent of the beneficiaries from both individual and SHG category were found to have some kind of problems with the different components of the scheme.

#### **4.22.1 Visits Paid by Benefactress to the Banks and Block Offices**

**Table 4.32**

**Average Visits Paid by Sample Beneficiaries and the Members of SHGs at Bank and Block Level**

<b>A</b>			<b>B</b>	
<b>Sample Individual Beneficiaries</b>			<b>SHGs</b>	
<b>Level</b>	<b>Respondents</b>	<b>Average Visits</b>	<b>Respondents</b>	<b>Average Visits</b>
Block	150	8	200	9
Bank	150	21	200	15
<b>Total</b>		<b>29</b>	<b>Total</b>	<b>24</b>

Source: Field Survey

It was found that the beneficiaries and members of SHGs had to lose working days on account of visiting to block and banks for sanctioning the assistance. The number of man days lost as reported by the beneficiaries in the case study area block Kulgam is shown in the table-4.32. Part A of the table reflects information that under individual category, on an average, each member lost 29 man days amounting to a loss of Rs 3799 wage income . Part B

of the same table shows that, on an average, each member of SHGs lost 24 man days equal to Rs 3013. This income loss has been calculated on the basis of opportunity cost of wages offered at MGNREGA. In addition of the loss of man days there are several other expenses including travelling expenses that have to be incurred by the beneficiaries.

#### 4.23.1 Maturity Index

Maturity index comprises information on 20 variables explained in introductory chapter. Here we have divided 20 variables into four sub groups, with each sub group containing 5 variables. The information sought from the sample SHGs has accordingly has been compiled in the tables given below.

**Table 4.33: Maturity Index  
Performance of 20 SHGs on indicators 1 to 5**

S. No	Indicator	Category	Marks Assigned	Frequency	Percentage	Marks Awarded
1.	Frequency of meetings	Weekly	5	5	25	1.25
		Fort nightly	3	0	0	0
		Monthly	2	15	75	1.50
		Total	5	20	100	2.75
2.	Regularity of meetings	< 24 per cent of the scheduled meetings	0	0	0	0
		25 per cent scheduled to 74 per cent	10	20	100	10
		>75 per cent scheduled meeting held	15	0	0	0
		Total	15	20	100	10
3.	Democratic Character of the group*	Democratic	6	20	100	6
		Undemocratic	0	0	0	0
		Total	6	20	100	6
4.	Sanction against deviant behaviour	Groups having rules and also enforced	2	20	100	2
		No such rules	0	0	0	0
		Total	2	20	100	2
5.	Homogeneity of the group*	Homogeneous	2	0	0	0
		Partial	1	20	100	1
		Not homogeneous	0	0	0	0
		Total	2	20	100	1

Source: Field Survey

(\* for definitions refer to chapter II)



Table 4.33 contains information sought from 20 randomly chosen SHGs on the indicators 1 to 5, including frequency of meetings, regularity of meetings, democratic character of the group, sanction against deviant behavior, and homogeneity of the group.

### **Important Findings**

**Frequency of the meeting:** It was found that majority of the groups i.e 75 per cent conduct monthly meetings and rest 25 per cent used to conduct weekly meetings.

**Regularity of the meetings:** According to provision of the scheme, the SHGs are required to conduct 2 meetings in a month throughout the year. It was observed that all the SHGs were able to conduct the meetings falling between 25 per cent to 74 per cent.

**The democratic nature** of the group was studied to know the democratic election of leaders, Periodic changes of leadership, Free and fair participation of members in meetings. It was found that all sample SHGs have 100 per cent democratic character and enforced disciplinary actions against their deviant member.

**The homogeneity nature of the groups** was studied on the base of occupations, caste, ethnic, and social-economic status. It was found that all SHGs have come under the indicator of partial homogeneity in the case study area.

**Result:** In all the above 5 indicators, the sample SHGs scored **21.75 marks out of 30.**

**Table 4.34: Maturity Index  
Performance of 20 SHGs on indicators 6 to 10**

S.No	Indicator	Category	Marks assigned	Frequency	Percentage	Marks awarded
6	Book Keeping	>6 Registers	4	0	0	0
		5-3 registers	3	5	25	0.75
		2-1 registers	2	15	75	1.50
		Total	4	20	100	2.25
7	Maintenance of registers	More than 6 registers are updated	6	0	0	1
		5-3 registers are updated	4	5	25	1.5
		1-2 registers are updated	2	15	75	0
		No registers are updated	0	0	0	0
		Total	6	20	100	2.5
8	Members saving	Regular	4	20	100	4
		Some members regular	2	0	0	0
		All are not regular	0	0	0	0
		Total	4	20	100	4
9	Members access to the SHGs records	Have access	2	20	100	2
		Not access	0	0	0	0
		Total	2	20	100	2
10	Participation of members in meetings	Majority participate	4	20	100	4
		Few participate	2	0	0	0
		No participation	0	0	0	0
		Total	4	20	100	4

Source: Field Survey

Table 4.34: Contains the information of Sample SHGs on indicators 6 to 10, including Book keeping, Maintenance of registers, Members saving, Members access to the SHGs records, Participation of members in meetings.

### **Important Findings**

**Book keeping and maintenance of registers:** Most of the groups having 2-1 register and the maintenance of the registers was found good in 75 per cent of

the groups. It was observed “Saving first- Credit later” concept in the most of the groups.

**Members saving and access to SHGs records:** All of the members were found regularly saving in the group. However, It was observed that access to SHGs records by the members was very good in the study area.

**Participation of members in meetings:** Participation of members in meetings was found very well in study area.

**Result:** In all the above 5 indicators, the sample SHGs scored **14.75 marks out of 20**

**Table 4.35: Maturity Index**  
**Performance of the 20 SHGs on indicators 11 to 15**

S. No	Indicator	Category	Marks Assigned	Frequency	Percentage	Marks Awarded
11	Internal* lending	No internal lending	0	0	0	0
		One time	4	0	0	0
		Two time	8	8	40	3.20
		Three times and above	10	12	60	6
		Total	10	20	100	9.20
12	Loan repayment	As per instalment	8	7	35	2.80
		Irregular repayment	2	13	65	1.30
		No repayment	0	0	0	0
		Total	8	20	100	4.10
13	Loan size	Loan size has increased	4	0	0	0
		Loan size has not increased	0	20	0	0
		Total	4	20	100	0
14	Supported by professional agencies	Supported	4	0	100	0
		Not supported	0	20	0	0
		Total	4	20	100	0
15	Involved in credit plus activities*	Involved in credit plus activities	2	0	100	0
		Not	0	20	0	0

		involved in credit plus activities				
		Total	2	20	100	0

Source: Field Survey

(\* for definitions refer to chapter II)

Table 4.35 presents information of the sample SHGs on indicators 11 to 15, including internal lending, Loan repayment, Loan size, Supported by professional agencies, Involved in credit activities.

**Important Findings:**

Majority of members i.e 60 per cent have taken more than 3 times loan from their internal fund and repayment of the loan was made as per schedule.

It was found that the credit availed by the members from the group has not increased over the years.

All sample SHGs were not supported by the professional organization on various issues.

The performance of the groups on credit plus activities and social and political participation of members was not very encouraging.

**Result:** In all the above 5 indicators, the sample SHGs scored **13.30 marks out of 28.**

**Table 4.36: Maturity Index**  
**Performance of 20 SHGs on indicators 16 to 20**

S.no	Indicator	Category	Marks Assigned	Frequency	Percentage	Marks Awarded
16	Social and political participation of members	Without any membership/ official position	0	19	95	0
		Formal membership official position in any formal organization other than P.R.I <sup>^</sup>	1	0	0	0
		Official position in P.R.I <sup>^</sup> .	4	1	5	0.20
		Total	4	20	100	0.20
17	Members of Federation*	Members of federation	4	0	0	0
		Not a member of federation	0	20	100	0
		Total	4	20	100	0
18	SHGs Audit	SHGs audit	2	5	25	0.50
		SHGS not audit	0	15	75	0
		Total	2	20	100	0.50
19	Members training	More than 50 per cent member attended training	4	20	100	4
		Less than 50 per cent members attended training	0	0	0	0
		Total	4	20	100	4
20	Corpus fund*	<50 per cent of corpus fund in circulation	0	12	60	0
		50-75 per cent corpus fund in circulation.	4	8	40	1.60
		>75 per cent corpus fund in circulation	8	0	0	0
		Total	8	20	100	1.60

Source: Field Survey

(\* for definitions refer to chapter II)

Table 4.36: Contains information of the sample SHGs on indicators 16 to 20, including social and political participation of members, Members of federation, SHGs audit, Members training, Corpus fund.

**Important Findings:**

Auditing of the records by external agencies enhances the credibility of records but in block Kulgam only 25 per cent of sample groups have been audited by external agencies.

Formation and circulation of corpus fund enhances financial strength of the group. It was found only 40 per cent of groups had 50-75 per cent circulation of

corpus fund, whereas 60 per cent of the groups had less than 50 per cent corpus fund in circulation.

Training is an important input for capacity building of members of SHGs. However, on this indicator, 100 per cent sample SHGs reported that more than 50 per cent members have attended skill development training.

**Result:** In all the above 5 indicators, the sample SHGs scored **6.30 marks out of 22**

**Table 4.37**

**Aggregate Score of the Maturity Index of Group**

Indicators	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Total
Marks obtained	2.75	10	6	2	1	2.25	2.5	4	2	4	9.20	4.10	0	0	0	0.20	0	0.50	4	1.60	<b>56.10</b>
Max marks	5	15	6	2	2	4	6	4	2	4	10	8	4	4	2	4	4	2	4	8	<b>100</b>

Source: Field survey

### **Conclusion**

Indicator wise score and aggregate score of maturity index sampled SHGs are presented in table-4.37 which gives a comprehensive profile of the maturity level of the group. By employing maturity index, comprising 20 indicators, on 20 SHGs the overall score was found to be 56 out of 100 (56 per cent). This reflects a satisfactory performance in terms of professional character shown by the SHGs in conducting the business. However, in some major indicators like democratic character, regularity in saving, access to records, participation of members in meetings, and enforcement of rules-the groups performance has been more than satisfactory. While as there are certain areas in which the performance of groups is not upto mark like book keeping, maintenance of registers, loan size, supported by professional agencies, and involved in credit plus activities.

**Chapter-5**  
**Summary and Conclusion**

India is the country of around six lakh villages in which low level of income, infrastructure and sluggish growth is a common characteristic. That is why the development of Rural India has attracted much attention of leaders, planners and policy makers since 1947. The concept of development of villages was strengthened by Gandhiji. According to him, “Gram Swaraj is purne Swaraj”, so in this context he said that swaraj is meaningless unless and until the village economy of India will not get boost in all direction. The poverty can be alleviated while involving people in various directions and sectors.

Rural development is considered as pivot to overall economic development of India because it is projected that 22 per cent of world’s poor are residing in India with sub- human conditions in which 170.5 million poor are living in rural areas as projected in poverty projection report 2007. The planning commission of India has adopted the strategy for the alleviation of rural poverty in its various plans from the initiation of Ist five year plan (1951-56), which eventually gave birth to number of rural development programmes and policies.

S.G.S.Y is one such programmes which were implemented for poverty alleviation and rural employment. It was an initiative launched by government of India to provide employment to poor people living in rural areas of a country. The scheme was launched in April 1999, aims at reduction of rural poverty by creating various self-employed opportunities for the poor people with priority of organized self-help groups. The objective of the SGSY is to bring the assisted poor families above the poverty line by ensuring appreciable sustained level of income over a period of time. This objectives is to be achieved by, inter-alia, organizing the rural poor into self help groups through the process of social mobilization, their training and capacity building and provision of availability of financial assistance in income- generating activities.

The formation stage of SHGs generally takes six months. It is necessary to subject each SHG to test whether it has evolved into good group and ready to get into the next stage of evolution. This is done through a grading exercise to identify the weaknesses if any and help the group to overcome the same. Grading of the group should enable the DRDA's to establish linkages for the good groups with banks. Grading exercises are to be taken every quarter till such time that all groups obtain a good grade. The first grading has to be done after six months of the formation of Self Help Groups to ensure bank linkage of successful groups and making revolving fund available to them. The groups are ranked as successful on the basis of the parameters such as size of SHG's, saving capacity, meetings and attendance, tendency of loan seeking and repayment, and record maintenance.

A self-help group generally consists of ten to twenty members, Generally all members of the group should belong to families below the poverty. However, if necessary, a maximum of 20 per cent, and in exceptional cases, where essentially required, up to a maximum of 30 per cent of the members in a group may be from families marginally above poverty line, living continuously with BPL families and if they are acceptable to BPL members of the group. The APL members of group are not eligible for subsidy under the scheme and shall not become office bearers (group leader, assistant group leader or treasurer) of the group. The B.P.L. families must actively participate in the management and decision making, which should not entirely in the hands of APL families. SGSY lay stress on the cluster approach instead of funding diverse activities, each block should concentrate on a few select activities and attend to all aspects of the activities, so that the swarozgaris can draw sustainable incomes from their investment.

The SHG approach helps the poor to build their self-confidence through community action. An interaction in group meetings and collective decision making helps them in prioritization of their needs. This process would ultimately led to the strengthen and socio-economic empowerment of the rural poor as



well as improve their power of collective bargaining. For successful self-employment, it is necessary to take up right activity in right manner. It involves procurement of raw material, production, marketing of goods and dealing with finance. The funds for the scheme are being provided by the centre and state government in the ratio of 75:25. The subsidy allowed under Swaranjayanti Gram Swarozgar Yojana is 30 per cent of the total project cost to a ceiling of Rs 7500. In respect of SC/STs and disabled persons however, this will be 50 per cent of the project cost to a maximum of Rs 10,000 respectively. For groups of Swarozgaries (SHGs), the subsidy would be at 50 per cent of the project, subject to a ceiling of Rs 1.25 lakhs or per capita of Rs 10,000 whichever is less. The Swaranjayati Gram Swarozgar Yojana (SGSY) has special focus on the vulnerable groups among the rural people. Accordingly the Scheduled caste/ Scheduled Tribe account for at least 50 per cent, women 40 per cent and disabled 3 per cent of those assisted.

The present study has been undertaken to evaluate the importance and role of the SGSY scheme in the alleviation of poverty. In the preceding chapters, a detailed analysis of SGSY was carried out in light of primary as well as secondary data of Kashmir Valley especially district Kulgam. For the collection of primary data, selection of respondents was done on the basis of random sampling. A sample of 30 per cent each from total 501 of individual benefices (comprising 150 individual respondents) and 66 SHGs (comprising 20 SHGs) was obtained from all villages giving a proportional representation to each village. The analysis revealed number of findings, which are as under:

## **MAIN FINDINGS**

### **SGSY in Kashmir Valley**

1. In Kashmir division during 1999-2011, the total number of 6183 SHGs were formed, out of which 4148 were women accounting for 67 per cent. The majority of the groups were formed in the initial years of the implementation of SGSY and the number of groups formed declined over the time. As a whole the groups have fallen by half in period II

(2006-2011) compared to the period I (1999-2005). This decline was particularly in case of Women Self Help Groups (WSHGs) registering a fall of more than 45 per cent alone. This shows that in Kashmir division less importance has been given to formation of Women Self Help Groups (WSHGs) Which is the point of concern.

2. The total number of groups formed in the Kashmir division around 58.8 per cent have passed Grade I and only 23.07 per cent have passed grade II.
3. In case of individual beneficiaries from 2006-1, 17271 individual cases were assisted, out of which 5802 were women, 1431 were SC/ST and only 21 per cent were disabled beneficiaries accounting 33 per cent, 59 per cent, 8.28 per cent and 0.12 per cent respectively. It indicates that SGSY have not achieved success in Kashmir division as per guidelines. The scheme envisages 50 per cent to SC/ST, women 40 per cent and disabled 3 per cent of those assisted which was not achieved in Kashmir division during reference period.
4. In Kashmir division during 2006-11, the total amount of Rs 7986.86 lakhs were disbursed among SHGs and individual Swarozgaries, out of which Rs 1037.43 lakhs were disbursed among SHGs and Rs 6949.41 lakhs were disbursed among individual beneficiaries. The district Baramullah accounts for 32.84 per cent to the total credit disbursed in Kashmir division, which is relatively higher than the other districts of Kashmir division. In district Srinagar, Pulwama, Kargil, and Leh the credit was disbursed below the division average and in district Budgam, Baramullah, Kupwara, and Anantanag, credit was disbursed above the division average.
5. In Kashmir Division the percentage of beneficiaries assisted under primary sector has fallen from 60.14 percent to 47.86 percent in 2002-2003. The percentage of beneficiaries assisted under SGSY in secondary sector has increased from 27.69 percent in 1999-2000 to 38.34 percent in 2002-2003. The percentage beneficiaries assisted under tertiary sector has increased from 11.37 percent in 1999-2000 to 18.80 percent in 2002-2003.

6. In Kashmir division during 2006-2011, total number of 34078 beneficiaries were assisted under different sectors. The total number 8047 members assisted under primary sector constitute 23.61 percent, 21308 beneficiaries assisted under secondary sector constitute 62.52 percent, 4723 beneficiaries assisted under tertiary sector constitutes 13.85 percent to the total number beneficiaries assisted under different sectors during period of reference. It shows that large number of the beneficiaries had got employment in secondary sector than in primary and tertiary sector under SGSY. The primary and tertiary sector has almost been neglected under SGSY, although tertiary sector provides employment opportunity throughout the year. In order to attain a desirable rate of economic growth it is necessary that all the sectors of the economy are adequately developed.
7. The role of financial institutions in disbursing the credit is very vital to the success of any development programme .In Kashmir division total amount of rupees 7772.87 lakhs was disbursed through different financial institutions during 2006-2011. An amount of rupees 4555.64 lakhs were disbursed through various commercial banks, rupees1944.17 lakhs disbursed through cooperative banks, rupees 772.02 lakhs through Regional Rural Banks, and only rupees 501.04 lakhs were disbursed through other small financial intuitions. It is evident that commercial banks have taken lead in financing the credit to the SGSY scheme in Kashmir division by contributing to the extent of more than 58.0 percent of the total credit.

### **SGSY in Block Kulgam-An Economic Appraisal**

1. Majority of beneficiaries belonging to both individual as well as SHGs fall in the age group of 18-40 years.
2. 87 per cent and 75 per cent respondents from individual and SHGs category respectively belong to male category.
3. Majority of respondents from the individual and SHGs i.e 60 per cent and 75 per cent respectively have nuclear family.

4. Majority of respondents in the both individual and SHGs category 44 per cent and 75 per cent respectively are illiterate.
5. The maximum respondents i.e more than 48 per cent under the individual category belong to A.P.L. category, while as in case of SHGs majority of respondents i.e 60 per cent belonged to BPL category. This fact contradicts with the provisions of the SGSY scheme as it envisages all members of the group should belong to families below the poverty. However, if necessary, a maximum of 20 per cent, and in exceptional cases, where essentially required, up to a maximum of 30 per cent of the members in a group may be from families marginally above poverty line, living continuously with BPL families and if they are acceptable to BPL members of the group. So we can conclude from this fact that in actual position people living above the poverty line reap the fruits of the scheme.
6. Majority of respondents in both Individual and SHGs i.e 65 per cent and 70 per cent respectively were having less than 1 acres of land.
7. In the sample study 15 per cent individual beneficiaries and 80 per cent members in SHGs were found to have family income below Rs 10,000.
8. All individual beneficiaries and members of SHGs were identified by V.LW.s.
9. All respondents under individual category and members of SHGs received guidance regarding the formalities of the scheme.
10. 80 per cent of respondents from both individual and SHGs category faced different kinds of problems regarding completing formalities, out of which majority of respondents i.e. more 47 per cent and 40 per cent from individual and SHGs respectively face the problem of guarantors.
11. In study area, no respondent under individual beneficiaries was imparted training through DRDA, while as 90 percent members of SHGs received training through DRDA office. This contradicts with the standard guidelines of SGSY as it envisages that each beneficiaries must undergo training for more than a week.

12. Maximum respondents from individual category i.e. 82 per cent and all members of sample SHGs chose their activity themselves.
13. Individual beneficiaries as well as self help groups are not gainfully employed under the scheme. The individual beneficiaries under the activity of crewel, dairy, retail shop, and carpet earn on an average a net income of Rs 87, Rs 70, Rs 257 and Rs 116 per day respectively. While as members of SHGs earn on an average a net income of Rs 50, Rs 87 and Rs 74 per day under the activity of crewel, carpet and dairy respectively. This is less than the prevailing market wage rate of Rs300.
14. Majority of respondents i.e. more than 54 per cent under the individual category and 30 per cent SHGs claimed for high cost of raw material.
15. 90 per cent of SHGs and zero no individual beneficiaries have received marketing support provided by DRDA. In the entire study area, no professional market survey for Swarozgaries product was carried out. As such, the DRDA and other development agencies were not able to assess the size of the market. The Swarozgaries took decisions on the basis of their past experience.
16. 66 per cent and 40 percent from individual and SHGs category respectively face infrastructure constraint. This is against guidelines of SGSY as it envisages that 20 per cent of infrastructure fund must be spend on strengthen of infrastructure but in study area of block Kulgam no such step was taken.
17. 55 per cent in case of individual beneficiaries and 60 per cent in case of SHGs category incurred expenditure to please the officials for acquiring loan for different activities
18. More than 56 per cent respondents under individual category reported that B.D.O. office takes more than one month to sanction the finance for proposed activity, but in no case the financial assistance was sanctioned within 15 days. Here it is pertinent to mention that as per guidelines of the scheme, financial assistance under SGSY should be disposed off within a stipulated period of 15 days only.

19. Maximum respondents i.e. more than 27 per cent under individual category reported that time taken by the banks in sanctioning finance to be more than 5 months, but in no case the financial assistance was sanctioned within 15 days. It is pertinent to mention that as per guidelines of the scheme, all the loan granted is to be treated as advances under priority sector. Loan application should be disposed of within 15 days and not later than one month.
20. In maximum cases (55 per cent) it is took 3 to 4 months for B.D.O. office to sanction the requisite financial assistance under grade-1 of SHG after they demonstrated their successful existence for about six months. This is against guidelines of SGSY as it envisages that within no time Ist grade loan should be sanctioned to SHGs after they have demonstrated their successful existence for about six months.
21. Majority of SHGs i.e. 40 per cent reported that B.D.O. office took more than 1 year in sanctioning the 2<sup>nd</sup> grade loan after making success on the parameters such as size of SHGs, Saving capacity, Meeting and attendance, tendency of loan seeking and repayment, and record maintenance, which is required for sanctioning this grade. According to the standard guidelines it should not take more than 6 months to grant 2<sup>nd</sup> grade after making success on the parameters mentioned above.
22. Banks take more than 6 months to the maximum SHGs i.e. 30 per cent in sanctioning Ist grade. This is in consistent with the guidelines of the scheme that makes it mandatory for the banks to provide the loans on the priority basis within the period of 15 days and not later than 1 month.
23. More than 55 per cent SHGs reported that Banks took more than 4 months in sanctioning the grade 2<sup>nd</sup> grade. Here it is pertinent to mention that as per guidelines of the scheme, financial assistance under SGSY should be disposed off within a stipulated period of 15 days not later than 1 month.
24. Under individual category less than 25 per cent respondents were found to have tendency for repayment of installments at proper time, while in

case of SHGs category only 35 per cent were found to repay installment at proper time.

25. More than 59 per cent in case of individual beneficiaries were found defaulters, while as in case of SHGs defaulters constituted 60 per cent. This is because of the fact that the borrowers belong to extremely poor section of the society and not getting good return from their income generating activities sufficient to liquidate the interest along with principle amount. It is observed in study area, that the net rate of returns from their business is, in some cases, less than the rate of interest. While in some cases, it was noted that the beneficiaries tend to spend more on personal consumption than repay the installments because of which they are poor.
26. 76 per cent and 75 per cent respondents from individual and SHGs category respectively showed their displeasure with the interest rate charged by banks, in accordance with the provisions of the scheme.
27. Majority of respondents i.e more than 33 per cent suggest that no interest rate should be charged on the loan amount, while as in case of SHGs category, more than 39 per cent suggested 2 per cent interest rate should be charged on the loan amount.
28. Majority of respondents i.e. more than 70 per cent and 55 per cent from both individual and SHGs category respectively projected their demand for additional assistance.
29. Each member under the individual category on an average lost 29 man days amounting to a loss of Rs 3799 wage income and 23 man days amounting to a loss of Rs 3013, in case of SHGs on the account of visiting to block and banks for sanctioning the assistance. This income loss has been calculated on the basis of opportunity cost of wages offered at MGNREGA, which is Rs131 per day.
30. 30 per cent and 40 per cent respondents individual and SHG category respectively were found located more than 18 Kms away from B.D.O and D.R.D.A. offices. It shows better coverage of the scheme.

31. 75 per cent of SHGs conduct monthly meeting and remaining 25 per cent conduct weekly meetings.
32. Majority of members of SHGs participate in meetings.
33. All groups have rules and they also enforced these rules.
34. All SHGs have partial homogeneity.
35. Majority of groups i.e. 75 per cent have 2 to 1 registers for maintenance of records with continuous updating.
36. All the members of SHGs have access to the records.
37. Majority of SHGs are not audited by the external agencies.
38. Maximum members of sample SHGs i.e. 60 per cent have taken more than 3 times loan from their internal fund and repayment loan was made as per schedule.
39. All members save regularly.
40. Majority of SHGs i.e. 60 per cent have less than 50 per cent of corpus fund in circulation.
41. All the SHGs are not involved in credit plus activities.
42. Majority of members of sample SHGs have not any membership/ official in Panchyat Raj Institutions.
43. All sample SHGs have not federation.
44. More than 50 per cent members of sample SHGs attended training programme.

## **RECOMMEDATIONS**

1. There is need for making SGSY scheme more inclusive with the increasing participation of female beneficiaries who are yet to take advantage of that scheme because of their ignorance. The concerned department should conduct seminars and workshops in rural areas especially in backward regions for making women folk aware about the scheme meant for their upliftment.



2. The findings of the study reveal that there is provision of training in SGSY scheme, but none of the respondent under individual category was trained so far. There is urgent need of training of beneficiaries for enhancing capacity, skill and management capabilities. The department should conduct seminars and workshops in which the beneficiaries will receive training regarding their trade. So that they can manage their units skillfully and efficiently.
3. There is provision of market facility in SGSY scheme, but none of the respondents from the individual category has availed the opportunity of market facility. The departments should cooperate with the beneficiaries in this regard. The goods produced by these units should be sold in different festivals, exhibitions, and trade fairs, conducted by departments in different regions.
4. The government should take notice of delay in disbursement of funds in different offices especially DRDA, where the employees practice their supremacy. So this attitude and activity of employees kills the incentive of being the beneficiaries of this vary scheme.
5. The delay in disbursement of funds by one or two years has been experienced by most of the sample SHGs. That has adverse affect on the income generating capacity of beneficiaries. The beneficiaries due to fatigue effect give up the idea of availing the facility in number of cases, as it has been made a cumbersome and time consuming activity by officials. The department should make the system of delivery so prompt that the beneficiaries should be able to get assistance within shortest possible time.
6. The huge expenditure incurred by respondents for getting loan sanctioned and disbursed has limited the scope of this scheme in eradication of poverty, as most of the B.P.L. families face it difficult to spend the amount for sanctioning of funds, which keeps them away from reaping benefits of this scheme as it is meant for their upliftment. The strong measures should be taken to minimize the expenditure by

curtailing corruption and mal-practices in different offices practiced by employees.

7. There is a urgent need for increasing sanctioning amount under SGSY scheme for different trades, as keeping in view the increasing prices and costs of input factors. The enhancement of funds will increase profit of such units by taking advantage from economies of scale as this will also help in raising standard of living of such families.
8. The interest rate should be slashed from existing 12 per cent to 5 per cent, as it is the major hurdle in successful execution of the SGSY scheme. The BPL families don't like to take loan on high interest rate for carrying economic activity.
9. The beneficiaries are not paying installments to the banks at proper time due to lack of management regarding their activities, and also because high consumption and low returns from their activities. It is urgent need that government should take the steps through which their net return increases, so that they can pay installment at the proper time to banks.
10. There is need to support SHGs by professional agencies.
11. Government should set up external agency which audit SHGs.
12. It was found during field survey that maximum respondents felt the cost of raw material was high due to which their profit margins were squeezed. Government must provide raw material to the beneficiaries at reasonable rates, so that their profit rise.
13. A frequent interaction of various groups operating in the locality will ensure efficiency of the group members in solving day-to-day problems.
14. The provision of more time in training and discussion on book keeping, financial, managerial and entrepreneurial activities, especially by private consultancy firms, along with live discussion of success stories of the SHG movement will help promote healthy entrepreneurial engagements.
15. An intensive awareness camp, workshop and entrepreneurship development programme on potential income generating activities in the locality will open new venues of income which in turn, smooth

promptness as well as punctuality in saving and lending practices of the members.

16. Knowledge about the scheme and its various aspects is limited. Hence, there is a need to create awareness about the scheme. This can be done by giving wide publicity to the scheme, its components and procedure to avail the benefits from them through electronic and print media.

Policy makers in India would like to promote an image of the country as being both fast developing and humane. The one major stumbling block in their project is the vast and persistent problem of poverty, especially rural poverty. After having tried many different projects for its alleviation, the Union government launched the Swarnajayanti Gram Swarozgar Yojana; the SGSY was not just to give some dole or some one-time grants or loans to the poor; it aimed to nurture their economic activities for as long as three years so as to ensure that the poor do rise above the poverty line, but in actual position people living above the poverty line reap the fruit of the scheme. In the entire study area, no professional market survey for Swarozgaries products were carried out. As such, the DRDA/ other development agencies were not able to assess the size of the market. The Swarozgaries took decisions on the basis of their past experience. It also becomes the important reason for the low net returns to Swarozgaries from their respective activities. Swarozgaries both individual and SHGs face different kinds of problems in promoting their activities like Marketing constraint, Infrastructural constraint, Delay in disbursement of funds, ultimately became the main reasons for SGSY, not making success in Kashmir valley, especially in the study area viz block Kulgam. However to some extent SHGs have been able to maintain professional character of their business activities amidst weak economic achievements.

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**QUESTIONNAIRE**

**(SHGs)**

**IDENTIFICATION**

1-Name \_\_\_\_\_ of  
Secretary\_\_\_\_\_

2-Village \_\_\_\_\_ 3-Block\_\_\_\_\_ 4-  
District\_\_\_\_\_ 5-Name of group\_\_\_\_\_

6-Formation of group (Month) \_\_\_\_\_ Year  
\_\_\_\_\_

7-Type of group\_\_\_\_\_ 8-Number of  
members\_\_\_\_\_

9-Type of activity\_\_\_\_\_ Category a) SC\_\_\_\_\_  
b)ST\_\_\_\_\_

c) Physically challenged\_\_\_\_\_ d)  
others\_\_\_\_\_

10- Economic Status of members  
a) APL\_\_\_\_\_ b) BPL\_\_\_\_\_ C)  
AAY\_\_\_\_\_

11-Educational qualification of member  
Graduate \_\_\_\_\_ Under-graduate \_\_\_\_\_ Under-matric  
\_\_\_\_\_

Others \_\_\_\_\_ Illiterate \_\_\_\_\_

12-What formalities were fulfilled by your group members to become  
beneficiary \_\_\_\_\_ under \_\_\_\_\_ the  
scheme?\_\_\_\_\_

(A).Loan Form, (B).NOC, (C).BPL Card, (D).Guarantor, (E).All  
these,

(F). Any other specify\_\_\_\_\_

13-Did your group receive any sort of guidance regarding formalities  
(Yes/No),If \_\_\_\_\_ Yes, \_\_\_\_\_ from \_\_\_\_\_ which

\_\_\_\_\_

(A). VLW, (B). NGOs, and (C).Any other specify

\_\_\_\_\_

14-Does your group members face problems in completing formalities (Yes/No), If yes, what kind of problem?\_\_\_\_\_

(A).Complexity of documents, (B).High documentation charges, (C).Guarantor problem, (D).All above, (E).If any other specify\_\_\_\_\_

15-Have your group members incurred any expenditure to become the beneficiary (Yes/No), if Yes amount Rs\_\_\_\_\_ to whom\_\_\_\_\_

(A). Block- officials, (B).Bank officials, (C).DRDA officials, (D). if, any other specify \_\_\_\_\_

16- Did the department carry verification regarding your land holding and other assets (Yes/No),if Yes, What was the method

\_\_\_\_\_

(A). Physical verification by DRDA and Bank officials

(B). Check up of land records by DRDA and Bank officials

(C). If any other specify\_\_\_\_\_

17-Has your group passed Grade-I (Yes/No) If Yes when\_\_\_\_\_

18- Has your group received revolving fund (Yes/No) if Yes

\_\_\_\_\_

a) Loan amount Rs\_\_\_\_\_ Date\_\_\_\_\_

b) Subsidy amount Rs\_\_\_\_\_ Date\_\_\_\_\_

Total (a+b)\_\_\_\_\_

19- Have your group passed Grade-II (Yes/No), if Yes when\_\_\_\_\_, if No, What are reasons\_\_\_\_\_

(A).Complex documentation, (B).Non cooperation from DRDA officials,

(C).Non cooperation among members, (D).If any other

specify\_\_\_\_\_

20- Does your group receive the grade II financial assistance from DRDA (Yes/No), if Yes, how much amount

\_\_\_\_\_

a) Loan\_\_\_\_\_ Date\_\_\_\_\_

b) Subsidy\_\_\_\_\_ Date\_\_\_\_\_

Outstanding as on\_\_\_\_2012 Rs\_\_\_\_\_

If No, What are reasons\_\_\_\_\_

(A).Mislplace of documents at bank, (B).Guarantor problem

(C).Non cooperation from bank officials, (D).Non-cooperation among members (E). If any other specify\_\_\_\_\_

21- Name the bank where from your group drawing the sanctioned amount\_\_\_\_\_

—

22- Did your group members posses pass book of their account (Yes/No)

What is the interest rate charged by the bank\_\_\_\_\_

23- Is your group members satisfied with the interest rate charged by bank?

(Yes/ No), If No what is the reason\_\_\_\_\_

(A). High rate of interest, (B).If any other specify\_\_\_\_\_

If high rate of interest, What should be the interest rate chargeable\_\_\_\_\_

(A).3-5 percent, (B). 5-7 percent, (C).7-9 percent, (D).9-12 percent

24- Is received financial assistance adequate to purchase an asset (Yes/No),

If No, up to what limit it should be extended\_\_\_\_\_

How did your group manage the short fall

amount\_\_\_\_\_

(A). Borrowing from family members, (B).Borrowing from relatives

(C).Borrowing from friends, (D).Borrowing from money lenders, (E). If any other specify\_\_\_\_\_

25- Did your group members pay any interest (Yes/No), If Yes, how much amount Rs\_\_\_\_\_ Rate of interest\_\_\_\_\_

**26-Production Income, Expenditure and Sales**

Quantity produced annually\_\_\_\_\_

Your year wise sales from the current activity:

2000\_\_\_\_\_ 2001\_\_\_\_\_

2002\_\_\_\_\_

2003 \_\_\_\_\_, 2004\_\_\_\_\_,

2005\_\_\_\_\_,

2006 \_\_\_\_\_, 2007\_\_\_\_\_,

2008\_\_\_\_\_,

2009\_\_\_\_\_, 2010\_\_\_\_\_ 2011\_\_\_\_\_

Expenditure made on raw material during:

2000\_\_\_\_\_ 2001\_\_\_\_\_

2002\_\_\_\_\_

2003 \_\_\_\_\_, 2004\_\_\_\_\_,

2005\_\_\_\_\_,

2006 \_\_\_\_\_, 2007\_\_\_\_\_,

2008\_\_\_\_\_,

2009\_\_\_\_\_,

2010\_\_\_\_\_

Are there any saving in your SHG (Yes/No), if yes, how much your group does save on monthly/Quarterly/Yearly, Amount Rs\_\_\_\_\_

2000\_\_\_\_\_ 2001\_\_\_\_\_

2002\_\_\_\_\_

2003 \_\_\_\_\_, 2004\_\_\_\_\_,

2005\_\_\_\_\_,

2006 \_\_\_\_\_, 2007\_\_\_\_\_,

2008\_\_\_\_\_,

2009\_\_\_\_\_,

2010\_\_\_\_\_

2011\_\_\_\_\_

Have your group any other form of saving? (Yes/No), if yes, in what form\_\_\_\_\_

(A). Insurance policy, (B).Post office Saving,

(C).If any other specify\_\_\_\_\_

Amount Rs\_\_\_\_\_ Monthly/ Quarterly / yearly

2000\_\_\_\_\_ 2001\_\_\_\_\_

2002\_\_\_\_\_

2003 \_\_\_\_\_, 2004\_\_\_\_\_,

2005\_\_\_\_\_,

2006 \_\_\_\_\_, 2007\_\_\_\_\_, 2008\_\_\_\_\_,

2009\_\_\_\_\_, 2010\_\_\_\_\_ 2011\_\_\_\_\_

Total Saving Rs\_\_\_\_\_Actual present saving amount

\_\_\_\_\_

Year wise income generation from the current activity:

2000\_\_\_\_\_ 2001\_\_\_\_\_

2002\_\_\_\_\_

2003 \_\_\_\_\_, 2004\_\_\_\_\_,

2005\_\_\_\_\_,

2006 \_\_\_\_\_, 2007\_\_\_\_\_, 2008\_\_\_\_\_,

2009\_\_\_\_\_, 2010\_\_\_\_\_ 2011\_\_\_\_\_

Year wise consumption:

2000\_\_\_\_\_ 2001\_\_\_\_\_

2002\_\_\_\_\_

2003 \_\_\_\_\_, 2004\_\_\_\_\_,

2005\_\_\_\_\_,

2006 \_\_\_\_\_, 2007\_\_\_\_\_, 2008\_\_\_\_\_,

2009\_\_\_\_\_, 2010\_\_\_\_\_ 2011\_\_\_\_\_

Year wise disposal income:

2000\_\_\_\_\_ 2001\_\_\_\_\_

2002 \_\_\_\_\_  
2003 \_\_\_\_\_, 2004 \_\_\_\_\_,  
2005 \_\_\_\_\_,  
2006 \_\_\_\_\_, 2007 \_\_\_\_\_, 2008 \_\_\_\_\_,  
2009 \_\_\_\_\_, 2010 \_\_\_\_\_  
2011 \_\_\_\_\_

**27- Employment**

Before receiving assistance, in which Activity they were employed,

- a) Agriculture \_\_\_\_\_ b) daily works \_\_\_\_\_
- c) Orchards \_\_\_\_\_ other \_\_\_\_\_

Number of days your group remain employed under current activity in month \_\_\_\_\_ year \_\_\_\_\_ (working hours- 6hrs/8hrs/12hrs).

**28- Marketing, Services**

Does DRDA/Administration provide any marketing support to your group (Yes/No),if Yes what kind of support is provided by the DRDA \_\_\_\_\_

(A). Act as a facilitator and tie-up groups with local and outside market,

(B).Organized Sale out let, institutional selling,

(C).If any other specify \_\_\_\_\_

Customers \_\_\_\_\_

(A) Local , (B)Outsiders (C) Both

**29- Location Factor**

Distance from nearest market \_\_\_\_\_ Distance from DRDA office to your village \_\_\_\_\_

**30- PROBLEMS**

How much time taken by BDO office in sanctioning or disbursement of finance

**1<sup>st</sup> installment**

- a) Days \_\_\_\_\_ b) Months \_\_\_\_\_ c)

Years\_\_\_\_\_

**2<sup>nd</sup> Installement**

a) Days \_\_\_\_\_ b) Months\_\_\_\_\_ c)

Years\_\_\_\_\_

**1<sup>st</sup> installement**

How much time was taken by Bank in sanctioning or disbursement of finance

Days\_\_\_\_\_ b) Months\_\_\_\_\_ c) Years\_\_\_\_\_

**2<sup>nd</sup> Installement**

a) Days \_\_\_\_\_ b) Months\_\_\_\_\_ c)

Years\_\_\_\_\_

Number of visits paid to BDO\_\_\_\_\_

Number of Visits paid to Bank\_\_\_\_\_

Lack mutual trust and confidence among members (Yes/No)

High cost of raw material (Yes/No)

Lack of infrastructure (Yes/No)

Inadequate availability of raw material at the right time (Yes/No)

Lack of transportation facility (Yes/No)

Competition from established brands (Yes/No)

Any other specify\_\_\_\_\_

**MATURITY INDEX**

**31.Frequency of meetings**\_\_\_\_\_

**Total marks allotted = 05**

**Marks awarded**\_\_\_\_\_

(A) Weekly meeting Marks allotted = 05

(B) Fortnightly meeting Marks allotted = 03

(C) Monthly meeting Marks allotted = 02

**32. Regularity of Meetings**\_\_\_\_\_ **Total marks allotted = 15**

**Marks**

**awarded** \_\_\_\_\_

Total meetings as per schedule annually \_\_\_\_\_

Total meetings held at scheduled time \_\_\_\_\_

(percentage of scheduled meeting held)

(A) below 24%

Marks allotted = 0

(B) 25% to 75%

Marks allotted = 10

(C) Above 75%

Marks allotted = 15

**33- Democratic character**

**Marks allotted= 6**

**Marks awarded** \_\_\_\_\_

a) Democratic election of the leader (Yes/No), if no, Specify reason \_\_\_\_\_  
Marks allotted=2

b) Periodic change of leadership (Yes/No) If no, Specify reasons \_\_\_\_\_

Marks allotted=2

c) Free and fair participation of members in the meetings (Yes/No),

If no, specify reasons \_\_\_\_\_

Marks allotted=2

**34- Sanction against deviant behavior** \_\_\_\_\_

**Total marks**

**allotted= 2**

**Marks awarded**

(A). Groups having rules and also enforced

Marks

allotted=2

(B). No such measures=2

Marks allotted=0

**35- Homogeneity** \_\_\_\_\_

**Total marks allotted=2**

**Marks awarded** \_\_\_\_\_

Does your group members belonging to same occupation, (Yes/No)

Same caste (Yes/No),

Same economic status (Yes/No)

Group homogeneity:



(A). Homogenous group                      Marks allotted= 2

(B).Partially Homogeneous                Marks allotted= 1

(C). Not Homogeneous                      Marks allotted= 0

If partially homogeneous or Not homogeneous, did it lead to group disintegration (Yes/No).

**36- Book Keeping**

**Total Marks allotted=4**

**Marks**

**awarded-**

Number of registers in your group for keeping records:\_\_\_\_\_

(A).Greater than 6 registers                      Marks allotted=4

(B).5-3 Registers                                      Marks allotted=3

(C).2-1 Registers                                      Marks allotted=2

(D).No register                                        Marks allotted=0

**37- Maintenance of Register**

**Total Marks allotted=6**

**Marks awarded-**

Number of registers updated\_\_\_\_\_

(A) More than 6 registers                      Marks allotted=6

(B) 5-3registers                                      Marks allotted= 4

(C) 2-1 registers                                      Marks allotted=2

(D)No register is updated                      Marks allotted=0

**38- Members Saving**\_\_\_\_\_

**Total marks**

**allotted=4**

**Marks**

**awarded**\_\_\_\_\_

(A) All members save regularly                Marks allotted=4

(B) Some members save regularly              Marks allotted=2

(C) All do not save Regularly                      Marks allotted=0

**39- Access to Records**\_\_\_\_\_

**Total**

**Marks**

**Allotted=2**

**Marks**

**awarded** \_\_\_\_\_

(A) Members have access

Marks allotted=2

(B) No access

Marks allotted=0

**40- Participation of member in meeting** \_\_\_\_\_ **Marks allotted=4**

**Marks**

**awarded** \_\_\_\_\_

(A) Majority members participate

Marks allotted=4

(B) Few participate

Marks allotted=2

(C) No participation

Marks allotted=0

**41- Internal lending** \_\_\_\_\_ **Total marks allotted = 10**

**Marks**

**awarded** \_\_\_\_\_

(A) Three times and above

Marks allotted= 10

(B) Two time lending

Marks allotted= 8

(C) One time lending

Marks allotted= 4

(D) No internal lending

Marks allotted= 0

**42- Loan Repayment** \_\_\_\_\_ **Total Marks allotted=8**

**Marks**

**awarded** \_\_\_\_\_

(A) As per Installment

Marks allotted=8

(B) irregular repayment

Marks allotted=2

(C) No repayment

Marks allotted=0

**43- Loan Size** \_\_\_\_\_ **Total marks allotted=4**

**Marks**

**awarded** \_\_\_\_\_

(A) Loan size increased

Marks allotted=4

(B) Loan size not increased

Marks allotted=0



(A) Member of federation Marks allotted=4

(B) Not member of federation Marks allotted=0

**48- SHG Audit by external agencies\_\_\_\_\_**

**Total marks**

**allotted=2**

**Marks**

**awarded\_\_\_\_\_**

(A) SHG audited Marks allotted=2

(B) SHG not audited Marks allotted=0

**49 Members Training\_\_\_\_\_**

**Total marks**

**allotted=4**

**Marks**

**awarded\_\_\_\_\_**

Did your group receive training from the department regarding trade or activity carried by your group (Yes/No), if Yes, Number of members attended training \_\_\_\_\_

(Percentage of members attending training)

(A) More than 50 percent attending training Marks allotted=4

(B) Less than 50 percent attending training Marks allotted=0

**50- Corpus Fund\_\_\_\_\_**

**Total marks**

**allotted=8**

**Marks**

**awarded\_\_\_\_\_**

Does your group have corpus fund (Yes/No), If yes, Total amount

Rs \_\_\_\_\_, Total corpus fund in circulation \_\_\_\_\_.

(Percentage of corpus fund in circulation)

(A) Less than 50 percent of corpus fund in circulation    Marks  
allotted=0

(B) 50 to 75 percent corpus fund in circulation                    Marks  
allotted=4

(C) Greater than 75 percent corpus fund in circulation    Marks  
allotted=8

**51- Credit plus Activities \_\_\_\_\_                    Total marks allotted= 2**

**Marks awarded \_\_\_\_\_**

(A) Involved in credit plus activities                    Marks allotted =2

(B) Not involved in credit plus activities                    Marks allotted =0

**MAXIMUM MARKS=100**

**Total marks awarded \_\_\_\_\_**

**Suggestions**

What is your perception about the programme \_\_\_\_\_ -

(A) Excellent (B) Very good (C) Satisfactory (D) Bad (E) Can't Say

Your suggestions for making programme/Scheme successful

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_