



A STUDY ON SOCIO ECONOMIC IMPACT OF SHGS BENEFITED UNDER SGSY (SWARNAJAYANTHI GRAM SWARAZGAR YOJANA) IN COIMBATORE DISTRICT

Dr. M. Dhanabhakym*

V. Latha**

Abstract: *SGSY covering all aspect of poverty alleviation including: organizing of poor women as self help groups, training, micro credit, creating Infrastructure at village Panchayats and for Panchayat Level Federations of SHGs, accessing technology for micro enterprises and marketing support through localized connectivity such as village 'shandies' and district market society. The objective of the scheme is: 'to bring families assisted by the scheme to come out of poverty during the project period by providing them income generating assets through a mix of bank credit and government subsidy'. To study the socio economic impact of SHGs benefited under SGSY (Swarnajayanthi Gram Swarazgar Yojna) during the five year period 2007-2012 is the objective of the study. During the past 5 years, the political participation of the members in local governance and administrative structure of Panchayats have increased. The SGSY scheme has been successful in its five components connecting and contributing the components of NRLM (National Rural livelihood Mission) towards the vision of prosperity building for quality of life for every citizen of India.*

Keywords: *Government Subsidy, Panchayat Level Federations, Poverty, Self Help Groups, Swarnajayanthi Gram Swarazgar Yojna.*

*Asst. Professor, Dept. of Commerce, Bharathiar University, Coimbatore

**Ph. d Scholar (P.T), Dept. of Commerce, Bharathiar University, Coimbatore



INTRODUCTION

SGSY (Swarnajayanthi Gram Swarazgar Yojana) is a scheme of the Ministry of Rural Development, Government of India, launched in April 1999. SGSY covering all aspect of poverty alleviation including: organizing of poor women as self help groups, training, micro credit, creating Infrastructure at village Panchayats and for Panchayat Level Federations of SHGs, accessing technology for micro enterprises and marketing support through localized connectivity such as village 'shandies' and district market society. The primary stake holders of SGSY are the SHGs and their federations.

This fund allotment comes 75 percent from central and 25 percent from state government. At the time of commencement in 1999, the funds of the scheme were channelized through DRDA (District Rural Development Agency). Subsequent to formation of project implementation unit (PIU) in 2006, funds channelizing continues to be through DRDA but implementation through PIU. The scheme is funded by the financial institutions such as Banks. Government subsidy to the scheme is routed through DRDA. NGO's and Technical resource institution in the District are involved in the process of planning, implementation and monitoring of the scheme.

The objective of the scheme is: *'to bring families assisted by the scheme to come out of poverty during the project period by providing them income generating assets through a mix of bank credit and government subsidy'*. Rural poor such as those with minimal and unproductive lands, landless labor, educated and uneducated unemployed, and persons with disabilities are covered under this scheme. SGSY scheme has focused on vulnerable sections of the rural poor. This includes: SC/ST coverage to the extent of at least 50 percent, women 40 percent and persons with disabilities to the minimum of 3 percent in the total of those assisted for skill up gradation towards poverty alleviation.

OBJECTIVES OF THE STUDY

To study the socio economic impact of SHGs benefited under SGSY (Swarnajayanthi Gram Swarazgar Yojna during the five year period 2007-2012. In Coimbatore District as a documented reference in micro credit and self help.



METHODOLOGY OF THE STUDY

The secondary data for the study was taken from the office of Mahalir Thittam Project Implementation Unit (PIU), in Coimbatore. The secondary data was validated through cross sectional case studies on impact from the primary stakeholders, the members of the SHGs. For the impact part of the study, primary data was taken from Panchayat Level Federations (PLFs)

Table 1: Year wise fund utilization for Coimbatore District: 2007-2012

(Rs. In Lakhs)

Year	Total Fund allotted under SGSY	Revolving Fund		Economic Assistance		Training		Details of Exhibitions conducted		Infrastructure created Details	
		SHG	Amt.	SHG	Amt.	Total Members trained	Amt.	Nos	Amt.	Build ings	Amt.
2007-2008	517.3	729	72.9	227	396.8	3178	5.8	5	18.8	-	23.0
2008-2009	559.1	2547	254.7	197	222.9	2758	52.5	5	1.2	-	27.8
2009-2010	516.4	2107	210.7	128	153.1	1792	62.0	3	62.0	26	28.6
2010-2011	470.4	1570	157.0	212	247.4	2968	22.4	5	20.9	9	22.7
2011-2012	403.3	678	101.7	227	283.7	3178	11.2	0	-	-	6.7
	2466.5	7631	797 .0	991	1303.9	13874	153.9	18	102.9	35	108.8

The total find allotted over the total of 5 years period under study is Rs. 2466.5 lakhs. The annual average per year is Rs. 493.3 lakhs.

THE FIVE COMPONENTS OF THE SCHEME

The scheme has five inter-related components with specific purpose for each. The five components are: revolving fund, economic assistance, training, marketing (exhibitions cum sale) and infrastructure development in the villages. The purpose of revolving fund is to strengthen the group and build credit capacity and credit worthiness into them so that they will have the eligibility for leverage of funds from Banks and other financial institutions. Subsequent to accessing of credit for capital from Banks and other financial institutions, the members are to take up micro enterprises in different areas of productivity, services or retailing. Training in hardware and software skills enables the members to identify the viable activity, initiate and run it successfully. The infrastructural creation in villages is in the



form of buildings where the production activities can take place. Exhibitions and village *shandies* are the forums for sale of the products made by the members in the local market. The scheme has given specific emphasis for inclusion of persons with disabilities, transgender and persons affected with HIV & AIDS, particularly, women.

The total funds of Rs. 2466.5 lakhs allotted under SGSY over the 5 year period of 2007-2012 has been utilized for the following areas in following proportions.

Table 2

	Revolving funds	Economic assistance	Training	Exhibition	Infra	Total
Amt. (Rs in lakhs)	797.0	1303.9	153.9	102.9	108.8	2466.5
Percentage	32.4	52.9	6.2	4.1	4.4	100.0

LEVERAGE OF FUNDS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

The scheme over the period of 5 years has covered a total number of 7631 groups. At the average group membership of 14, the total members covered under the scheme for the total period of 5 years is 106834. The 13874 members from 991 groups have been covered for training and economic assistance. The funds provided for the members under the scheme is in the form of '*leverage funds*' ie, with the fund made available for economic assistance, the members are to access funds from Banks and other financial institutions at the rate of 5-10 times of the leverage funds. The average fund availability to the members through the scheme is Rs. 2000/- through which the individual members have been able to mobilize capital for their economic enterprises at the level of Rs. 10000/- to Rs.20000/- .Economic Assistance subsidy for the SHGs on criteria of 1/3rd of the project cost or a maximum of Rs.125000/-, whichever is less. Banks consider loans for SHGs maximum of Rs.500000.

BENEFIT OF MICRO ENTERPRISES

The funds benefit the members in two broad areas of productivity, namely '*on farm*' and '*off farm*'. On farm activities are related to land, agriculture and livestock related productivity. Off farm are production of commodities and utilities which are in demand in the local markets. Coimbatore District has the uniqueness of both the categories of activities being in equal proportions. Some successful micro enterprises in on farm' include: agriculture



(coconut, banana), floriculture (jasmine, marigold, cockscomb, cut flowers) and horticulture (vegetables, grape, curry leaf, mint). Herbal farm promotion and organic farming are projects of special value addition. Under 'off farm', some milestone success projects include: weaving (*Nehamam* & Coimbatore cotton sarees), garments & hosiery, cosmetic jewelry (5 metal & fancy jewelry), jute products, 'waste to wealth' projects (door & foot mats), coir products, soft toys making, handicrafts (arcanut & paper plates). Sanitary napkins have specific implication on health and hygiene of women, adolescent girls in particular. Plastic recycling and hollow blocks are specific intervention on climate change management. Services include: garment making, body shop, eatery / tea shops / canteens / 'briyani stalls', public toilet maintenance, convergence with *Aavin* for outsourcing of can cleaning, running of PDS outlets, tie up with '*Uzhavar Sandhai*' for sale of vegetables, fruits and coconuts, franchising of '*Suguna Chicken*' and products of Lakshmi Seva Sangham, Gandhigram.

IMPACT OF THE SCHEME

Socially, the key impact on the members is prevention of domestic violence on them. *'I used to believe that physical violence is part on me as women, before. Now I realize that not only no violence on me, but I am a member of my family with equal rights, dignity and respect': Shanthi ,Age 32 Pournami SHG from ErippattiPLF.* PLFs confirm that instances of default on loan return due to domestic violence have been reduced to almost nil. Qualitatively, the spillover effect of increased status for women has contributed to other factors such as: continuing education for the girl child, prevention of child / early marriage and more definite socio economic self reliance for the women.

Culturally, according to the leaders and members of PLFs, the most significant change that they realize is the increase in their abilities to 'communicate and negotiate' with cross section of people with whom they interact, both personal and in work. This cross section begins with members of the family (husband, children, and relatives) and structures in work (direct interfacing with the departments of the Government, Banks and other civil society organizations in their neighborhood).

CONCLUSION

The scheme is based on the strategy of building the means of production (capital, technology and skills) for the women below poverty line as means for their poverty alleviation and continued development towards quality of life. The scheme has successfully



built credit capacity and credit worthiness among the 120708 members who have regular credit access in mainstream financial institutions such as Banks and others. In terms of measurable with reference to poverty line of Rs. 24000/- annual family income, the data provided by the PLFs through interaction done as part of this study, about 70 percent of the members have contributed to their families crossing the poverty line. These are the members who have developed their entrepreneur skills and have successfully promoted micro enterprises with potential for growth built into them. According to indicative data provided by the PLFs, the members who have undertaken micro enterprises supplement the income of their families through a minimal income earning of Rs. 250/- per day for 25 days of the month, for the minimum of 9 months of the year totalling to Rs. 56250/- annual.

During the past 5 years, the political participation of the members in local governance and administrative structure of Panchayats have increased. The formation of Panchayat level federations has been a phenomenal contribution to this. This impact has been direct on the members as well as other women in the community. As on date, there are 855 ward members and 81 Panchayat Presidents involved in the total number of 228 Panchayats. The above numbers indicate that 36 percent of the total numbers of 228 Panchayats are under women Presidents. A qualitative contribution over the past five years is the independent functioning of the women elected representatives in Panchayats, reducing the proxy functioning by husbands, to almost, nil.

The SGSY scheme has been successful in its five components connecting and contributing the components of NRLM towards the vision of prosperity building for quality of life for every citizen of India.

REFERENCES

1. www.rural.nic.in (government of India: Ministry of Rural Development)
2. www.tamilnaduwomen.org (Tamil Nadu Corporation of Development for women)
3. Coimbatore District annual credit plan: 2007-2012 issued by lead District Bank (Canara Bank, Coimbatore)
4. Secondary data taken from NGO /PLF offices in Coimbatore
5. District Rural Development Agency (DRDA), Mahalir Thittam (Project Implementation Unit)
6. Office of the Additional Director, District Panchayat office, Coimbatore.