

# **The Role Of Swarn Jyanti Gram Swarojgar Yozana In Development Of Shg-Model In Jhansi District Of Uttar Pradesh**

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## **Abstract**

Government are very active in poverty eradication through various schemes. one of them is Swarn Jyanti Gram Swarojgar Yozana. Under this Scheme many SHGs are formed and they are benefited by the subsidies also. Microfinance is a channel to develop the poor socially and economically. This scheme is very effectively working in promoting microfinance through SHGs in overall of India. This paper try to focus on the growth in No. of SHG under Swarnjyanti Gram Swarojgar Yozna. The objective of this paper is to analyze the role of SGSY in development of SHGs at different steps of formation. These papers also know about the working module of SHG under Swarn Jyanti Gram Swarojgar Yozna.

**Key Word:** SGSY, Microfinance, SHG, Development.

## **Introduction**

“To reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities resulting in appreciable improvement in their livelihoods on a sustainable basis, through building strong and sustainable grassroots institutions of the poor” is the mission of Swarn Jayanti Gram Swarojgar Yozana (SGSY). It was approved by the CCEA in its meeting held on 16th March, 1999 and was launched on 1st April, 1999. Now it is known as **Aajeevika - National Rural Livelihoods Mission (NRLM)** which was launched by the Ministry of Rural Development (MORD), Government of India in June 2011.

Microfinance provide through various models viz: SHG-Model and Microfinance Institution Model. In Microfinance sector Government play a essential role through developing Self Help Group under Various scheme. One of them is SGSY.

Microfinance is one of those small ideas that turn out to have enormous implications. Microfinance is considered to be a valuable tool for the alleviation of poverty around the globe. In order for microfinance to realize its full potential, however, it must be sustainable and capable of expansion beyond the limitations imposed by a reliance on development assistance. Both developing and developed nations are key actors in this regard (Drew Tulchin, 2006)"

### **Self Help Groups:**

It consists with 10-20 members from the same background; like area of living, income, caste, etc. These people are meet together for the income generation and improve their standard of living.

### **SHG under SGSY Scheme:**

Government takes many initiatives for the rural development. For this purpose various schemes are working. One of them Swarn Jayanti Gram Swarojgar Yozana. Under this scheme SHGs and individuals are take loan and Government provide subsidies.

### **Objective of the study:**

1. To study the role of SGSY in development of SHGs at different steps of formation.
2. To know about the working module of SHG under Swarn Jyanti Gram Swarojgar Yozna.
3. To give suggestions for the development in Jhansi District.

### **Hypothesis of the research**

H<sub>0</sub>: There is no significant stages wise development in No of SHG under SGSY in Jhansi.

H<sub>o</sub>: SGSY scheme is not play instrumentally role in the development of SHGs.

### **Methodology**

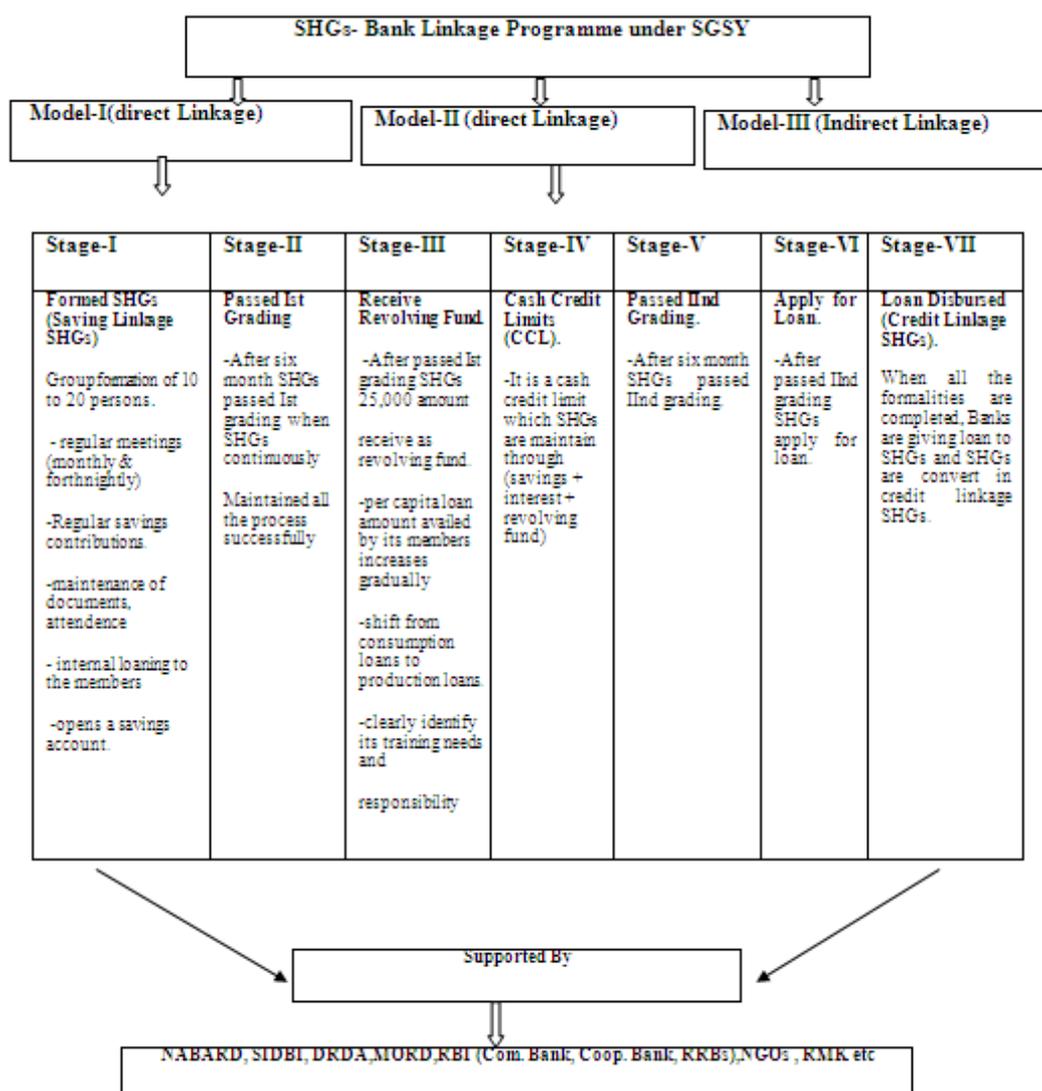
This paper based on secondary data for evaluate the role of SGSY in development of SHG-Model in Jhansi district. Data has been collected from secondary sources from District Rural Development Agencies of Development Office, Jhansi district. Only SHGs under SGSY which are enlisted with Directorate of SHGs under SGSY in Jhansi district. 2011-13 years are taken for the study. For the analyze the data elemental statistical tool like growth rate and percentage and for data presentation pie chart was used.

### **Review Literature**

Ray, (2002) analyzed that the SGSY has not contributed significantly in the change in the level of income of the beneficiaries. A critical threshold of income, consumption, or more generally, access to goods and services below which the individuals are

declared to be poor. Mosley and Hulme, (1998) shown that SGSY has the positive impact on non income indicators too. (Cleary & Angel 1984). the researcher traced that formation of group and provision of collateral or personal guarantee was the main problem faced by the poor people in getting the access to micro finance. Anand Singh Kabalana et al (2011) revealed that Self Help Group plays a significant role in poverty alternation. It is believed that, Microfinance, unlike other developmental efforts, gives quick and tangible results (Srinivasan et al. , 2006). Anitha and Revenkar (2007) made an attempt to study rural development through micro credit, the study concluded that the success of SHGs not only improves the economic status of women, but also brought lot of changes in their social status.

**Table-1 Working module of Self-Help Group under Swarn Jayanti Gram Swarojgar Yozana**



### Analysis and Findings:

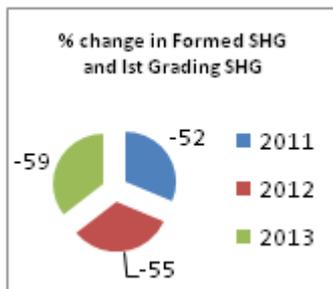
One of the key purposes of this paper has been to represent observed evidence that whether SGSY is playing instrumental role in development of Self Help Group. This Scheme is very actively performed on its objectives in most of the part of India but in the Central Region It is fail to achieve their goal. As its aim to reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment however the SHGs are also passed all steps successfully so that they received loan and engage in income generating activities for self employment.

**Table-2 Different steps of SHG under SGSY Scheme**

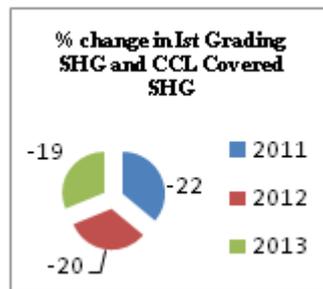
Year	Formed SHGs (Saving Linkage SHGs)	Passed Ist Grading	Receive Revolving Fund	Cash Credit Limits (CCL)	Passed IInd Grading	Apply for Loan	Loan Disbursed (Credit Linkage SHGs)
2011	3049	1461	1461	1128	918	885	872
2012	3585	1587	1587	1257	1106	1075	1054
2013	4124	1687	1687	1356	1286	1259	1239
Growth 2011-12	17.66	8.62	8.62	11.43	20.47	21.46	20.87
Growth 2012-13	15.11	6.30	6.30	7.87	16.27	17.11	17.53

(Source: Annual report of DRDA, Development Office, Jhansi district)

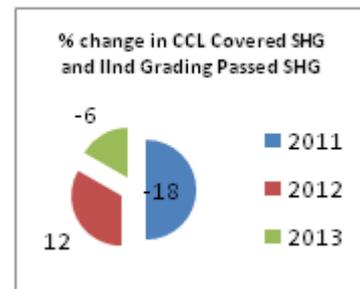
**Table-3**



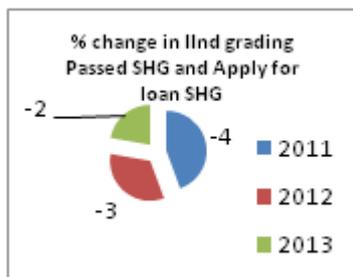
**Table-4**



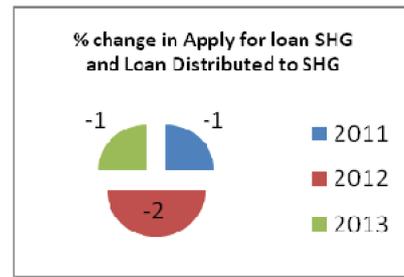
**Table-5**



**Table-6**



**Table-7**



All the remains tables are represent the conversion changes from formed SHG to Loan distributed SHGs. On the basis of the above tables are shown the decline pattern in SHGs steps under SGSY scheme in Jhansi district. Table-1 Represent the all the steps which have to qualified SHGs for sanction the loan. Table-2 represents the decline growth in number of SHGs. Loan sanctioned to only 20.87% SHGs in 2011-12. It is also not acceptable out of total SHG. Only 20% are receiving loan but it is also decrease in 2012-13 with absolute value 17.53%. Table-3 revealed that 50%-60% SHG are decrease after the formation and only 50% are qualified Ist Grading and-Table-4 represent 19%-22% are able to achieve Cash Credit Limit and in Table-5 made known that 6%-18% change in CCL to IInd Grading SHG. Table-6 and Table -7 revealed that 1%-4% changes are come in converting IInd grading to distributed loan SHG. However step by step the growths in number of SHGs are decline. Out of the formed SHGs only 25% SHGs are passed all steps for loan sanctioned. This picture is not satisfactory because if SHGs member are not take the loan so how they are capable for their self employment. Hence On the basis of analysis both the null hypothesis are accepted.

#### **Findings of the Study:**

- SGSY scheme is not succeed to attempt its objective adequately in Jhansi District.
- At the first steps the Scheme is successfully achieve the target. The poor are open their saving account and linked with bank.
- After the second phase 50% SHGs are decline. SHGs are not able to qualified Ist Grading.
- Out of formed SHGs only 20%- 25% are benefited from loan and subsidy.
- SHGs are continuously step by step number is declined.
- The Growth in No. of SHG to those loan sanctioned, decline by 17.53% in 2012-13 as compared to 20.87% in the year 2011-12.

#### **Constrains faced by SHGs:**

There are many constraints which are come in the development of SHGs under SGSY scheme.

- In adequate Knowledge about the basic financial literacy is lead to decline the number of SHGs.
- Members are not aware about the responsibility of all posts like chairmen, co chairmen and treasurer etc.
- No future plan for income generating SHG so that they are not able to earn income.
- Lack of decision making, managerial, entrepreneurship, financial skill in SHGs member.

- Coordination among SHGs members are missing. Most of the times they do not coordinate with each other in saving related activities and avoid attending meetings and awareness programme etc.
- Support of Bank staff and Government offices is also not up to the mark.
- Corruption is also one of the major constraints in the growth of SHGs.
- Irregularity of saving and repayment loan is also a major issue in Microfinance

### **Recommendation**

- Government should asses time to time of SHGs performance.
- Group should maintain the trust and mutual understanding.
- Members learn to maintain basic financial discipline.
- Members have to aware about their responsibility.
- Members should have to plan for income generating activities
- Savings and credit should be a continuing process and not a one – time.
- Banks have to increase their outreach to rural area of all block level.
- Banks grade the SHGs for credit support based on parameter of group dynamic regularity in saving, internal lending and participation level.
- Baking with disciplined clients and not beneficiaries.
- Government promotes them for meeting multiple developmental objectives.
- Intensive training and awareness building efforts precede the group formation / linkage.
- Facilitating / arranging training for all partners including SHGs.
- Banks consider only consisting SHGs not increase the SHGs in numbers only.

### **Conclusion**

In India SGSY scheme are successfully play an important role in development and growth of SHGs. But now it is time to change in central part of India where this scheme is also available but the questionable circumstances is that in this part of India why it is not working, Poverty is not decrease and backward symbol is not change?

Jhansi district is the part of Uttar Pradesh, here is also development required. In terms of socio-economic development SGSY scheme is not sustainable. Most of the SHGs are formed only on paper but the real essence of formation of SHGs is missing. Poor Management and lack of coordination among members is responsible for pathetic state of SHGs in the region. SHGs were formed under SGSY scheme so they could be made sustainable but scheme have also failed to support them. The block officers are more concerned about the targets rather than making the SHGs viable. Government can also involve in providing entrepreneurship training to members of funded SHGs. There is an urgent need of change in approach. As the southern region, They can collaborate with Government scheme like mid-day meal, ICDS, DWCRA, Aganwari centre, public distribution system, stitching school uniform and Govt. Staff (police uniform), canteen facilities in Govt. offices, Milk federation etc so that business should also be constant.

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