



ISSN Print: 2394-7500
ISSN Online: 2394-5869
Impact Factor: 5.2
IJAR 2015; 1(10): 665-671
www.allresearchjournal.com
Received: 25-07-2015
Accepted: 26-08-2015

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Self-Employment Opportunities of Women through Self Help Groups (Shgs) Under Swarnajayanti Gram Swarojgar Yojana (Sgsy) In Assam

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Abstract

The review of existing literature pertaining to this present maneuver has revealed that no systematic major works have so far been done in depth and detail in the context of Assam. Using data gathered from in-depth survey of literature, this paper therefore is an endeavour to examine the self-employment opportunities of women through Self Help Groups (SHGs) under Swarnajayanti Gram Swarojgar Yojana (SGSY) in Assam. The findings suggest that the whole discourse of performances of SGSY has both the success and failure. It is shocking to note that the percentage of total SHGs taken up economic activities in the State was not satisfactory. Further, the scheme failed to provide Bank Credits to almost 50 per cent of the total SHGs. However, the most encouraging aspects were that the scheme was successful in providing Bank Credits to women SHGs. 70.34 per cent women SHGs had taken up economic activities in the State. The amount of Bank Credit provided to women SHGs under the scheme was more than 60 per cent. Besides, the amount of Bank Credit paid to SHGs was significant and encouraging. Thus, the results showed that the implementation of SGSY in Assam has a better sign towards its success.

Keywords: SGSY, SHGs, Self-Employment, SHG-Bank Linkage, Programmes.

1. Introduction

Women represent half of the global population and one-third of the total work force. They are considered to be more honest, sincere, excellent, meticulous and efficient than the men. However, women have been humiliated, suppressed and exploited globally in a male dominated society like that of ours. The biggest challenge to any civilised society is the devaluation of women. Devaluation of women commences at birth with the preference for male offspring and continues through a childhood of conditioning of them in the marital home. A woman is never viewed as a person in her own right but always as someone's daughter, wife or mother especially in rural areas^[9]. Observing the conditions of women, Abraham Lincoln, the former President of America, once said, "No nation can move forward if it is half-free and half-slave".

In view of the above situation, different interventionist programmes have been initiated by Government of India (GoI) in successive Five Year Plans for bringing rural women to the main stream of development. Despite the introduction of the women specific rural programmes, women sufferings in India remained perpetually high. Except a few exceptions, the performances of the programmes and projects have been disappointing and the results were not up to the mark. The saddest comment on the execution of Rural Development Programmes (RDPs) came from the former Prime Minister, Late Rajiv Gandhi. He admitted that less than 20 per cent of the funds earmarked under these schemes really percolate down to the people for whom, they are intended. S.R. Moheswari stated that according to a crude estimate, up to four-fifth of the total funds earmarked for rural development is absorbed by the instrument of development itself, namely, the rural bureaucrats^[10]. Most of the programmes have failed to deliver the expected results, certain innovative efforts hold out fresh hopes. One such effort is the formation of self-help groups for enabling the poor to participate in the process of development^[11]. SHGs are necessary to overcome exploitation, create confidence for the economic self-reliance of the rural poor, particularly among women

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who are mostly invisible in the social structure. These groups enable them to come together for a common objective and gain strength from each other to deal with exploitation, which they are facing, in several forms. A group becomes the basis for action and change ^[2].

2. Objectives of the Study

The study has been planned under the following objectives:

- To trace the self-employment opportunities of women through Self Help Groups (SHGs) under Swarnajayanti Gram Swarojgar Yojana (SGSY) in Assam.
- To examine the performances of SGSY in Assam.
- To provide an insight into the concept of SGSY.

3. Research Questions to be examined

Keeping in view the above mentioned objectives, following research questions were formulated for the study:

- How far the State was successful in implementing SGSY in Assam?
- Was the pace of growth of SHGs under SGSY in the State encouraging?
- Was the SGSY successful in providing Bank Credit to SHGs in Assam?

4. Methodology

The study is focused on the self-employment potentialities of women through SHGs under SGSY in Assam. In an effort to answer the research questions, the methodology devised in this paper was historical and analytical. The historical method was applied for historical records, information and documents *etc.* which were the basis of the study. The analytical method was employed to analyze the facts pertaining to the study.

Keeping in mind the focused objectives of the study, secondary sources of data collection have been followed by the investigator. The study has consulted the existing scholarly literatures available in the form of journal articles, books, online articles, websites, *etc.* in a right perspective written by the different researchers and academicians in depth and details for the collection of relevant data and information.

Besides, the secondary data related to cumulative progress of SHGs, SHGs-Bank Linkages, economic activities taken up by SHGs under SGSY *etc.* have been collected from the *Economic Survey, Assam* which is the main government publication, published by the Directorate of Economics and Statistics, Planning and Development Department, Government of Assam every year with a view to presenting the detail development perspective of the State for the reference year. Further, for the purpose of analysis, simple statistical tools like averages, percentages were also employed as the supplementary tools in the entire appraisals.

5. Rationale of the Study

The experience of SGSY especially in the context of providing women self-employment in Assam has remained an unresearched area and undocumented due to non-availability of systematic studies in depth and detail. In fact, there do not exist any independent accounts of investigations on this issue. Therefore, it would not be wrong to say that the present study could be a pioneering work in this regard and it will help to identify the existing research gaps in the field and will provide a base for further extensive research work in this regard. Further, the study will help to make a

comparative analysis of the performances of SGSY in Assam with the other parts of the country. For these reasons, the researcher decided to undertake the study and the study of the performances of SGSY assumes relevance in the above context.

6. Review of Related Literature

Before focusing on the main issue, it might be pertinent to address the related research studies in this line which mainly aims at outlining few methodological debates for giving an orientation to this study. Only a few quality assessment studies were made in the country in general and Assam in particular ^[3]. Mary *et al.* ^[1] highlights that SHGs have played a major role in uplifting women throughout the nation which could improve their standard of living.

Harish ^[2] focuses on empowerment of women through SHGs. It further highlighted that the organization of rural women with low income into SHGs is needed to promote women's empowerment and for the eradication of rural poverty.

Das ^[3] discusses that the SHGs under Indian micro finance programme have become a vehicle to pursue diverse developmental agendas and even for the profit motive. Further, it tries to access the grass root issues relating to quality assessment of SHGs and the normal course of functioning of SHGs.

Saravanakumar ^[4] analyses that SHGs have been playing a vital role in the empowerment of Scheduled Caste women. SHGs were formed mainly to initiate income generating activities and asset creation efforts.

Naik ^[5] says that the formation of SHGs under Development of Women and Children in Rural Areas (DWCRA) has changed the status of women. Ahamad *et al.* ^[6] highlights that women empowerment can be achieved through SHGs. SHGs have found an important place in new micro-financial management activities.

Das *et al.* ^[7] analyses that SHGs have emerged as an important strategy for empowering women and to alleviate poverty. Pratibha ^[8] investigates that the formation and development of SHGs received a greater focus in the empowerment of women in India.

7. SHGs: A Conceptual Framework

"Self realization and self initiative are the two most powerful weapons to wash poverty out from the world map" this dynamic quotation of world's greatest economist Chanakya is being translated to one word that is SHG ^[12]. In fact, SHG is a small body voluntarily formed by the people whose members usually have some common natural bonds such as caste, creed, sub-caste, community, language, place of birth *etc.* SHGs are formed for meeting the specific objective *i.e.* to develop credit or saving capability of the members the group out of their small earnings. Each SHG consists of 10-20 members, usually a homogeneous group of poor women. The members of SHGs meet once or twice a month. There is a president, a secretary and a treasurer in each SHG. The term of office bearers is on rotation basis, normally one year. All the groups maintain the records such as membership register, minute's book, cash book, savings ledger and the loan ledger. They prepare action plans after a detailed discussion of their proposed activities. Every member of the group gets an opportunity to put forth her views ^[8].

SHGs are informal groups where members have an impulse towards collective action for a common cause. The common

need here is meeting their emergent economic needs without being dependent on outside help. The members pool their savings and re-lend it among themselves on a rotational basis. The contribution by each member is not saving in true economic sense but it is their sacrifice from present consumption for meeting their future contingency^[13].

SHGs are voluntary associations of people who are homogeneous in terms of socio-economic background or traditional occupation and have come together for a common cause for the benefit of group members. Their common objectives are:

- To save amounts regularly;
- To mutually agree to contribute to a common fund;
- To meet their emergent consumption and production needs;
- To have collective decision-making;
- To solve conflicts through collective leadership and mutual discussion; and
- To provide collateral free loans with terms decided by the group at market driven rates^[14].

7.1 Historical Background of SHGs in India

The origin of SHGs movement in India could be traced back to the world's largest micro-finance programme started with the formation of 500 SHGs by National Bank for Agriculture and Rural Development (NABARD) in February, 1992 as a pilot project for linking SHGs. The programme was a SHGs-Bank linkage programme focused on providing financial credit to the micro-entrepreneurs and banking service to the uncovered rural areas. This effort of NABARD paved the way for meeting the financial supports of the poor women and also improved economic independence of rural women. The experiences gained from the implementation of SHGs-Bank linkage programme of NABARD, the GoI launched a new viable, bold and comprehensive self-employment generation scheme called SGSY on 1st April, 1999, to overcome rural poverty by generating self-employment opportunities through formation of SHGs. This paper delimits its study with self-employment potentialities of women through SHGs under SGSY.

8. Swarnajayanti Gram Swarajgar Yojana (SGSY)

The earlier multiple programmes launched for the eradication of rural poverty failed to focus on the core issue of poverty alleviation through creation of sustainable income generating opportunities. On the recommendation of the Hashim Committee, the Government of India restructured these programmes into single self-employment programme, namely, Swarnajayanti Gram Swarajgar Yojana (SGSY) from April, 1999. This is a holistic programme, which covers all aspects of self-employment like organization of the rural poor into Self-Help Groups (SHGs) and their capacity building planning of activity clusters, infrastructures build-up, technology, credit and marketing^[15].

The SGSY was a single window self-employment generation programme for rural poor launched after integrating six erstwhile RDPs such as Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Toolkits to Rural Artisans (SITRA), Gana Kalyan Yojana (GKY) and Million Wells Scheme (MWS). In fact, SGSY was considered as the mother of all poverty alleviation programmes. The need for the creation of such a self-

employment programme in rural areas became urgent due to the following factors:

- growing marginalization of rural population depending mostly upon agriculture, arising out of an extremely skewed distribution of assets;
- while there was a lot of disguised unemployment in the agricultural sector, its non-agricultural counterpart was neither developed nor so diversified as to absorb increasing rural labour force;
- the government's policies of rural industrialization did not create adequate impact as there was local paucity of the specific skills required; and
- the alternative strategy of providing wage employment through rural works programmes provided only temporary palliatives without being permanently curative by way of providing a permanent source of income to the poor as such programmes are location-specific. The government, therefore, rightly decided to create an environment so that rural people go in for self employment, without looking up to others to provide them employment^[16].

In fact, the SGSY was a SHGs-Bank linkage innovative programme. The basic objective of the scheme was to bring the assisted poor families (Swarozgaris) above the poverty line by organizing them into SHGs through the process of social mobilization, training and capacity building and provision of income generating assets through a mixed of bank credit and government subsidy. The Swarozgaris take up the activities for self-employment either individually or in groups (SHGs)^[17]. The most significant aspect of this programme was that instead of individual oriented beneficiary approach, the scheme emphasized on group approach *i.e.* SHGs to cross the poverty line. Besides, the SGSY was more participatory in nature that intends to eradicate rural poverty through the peoples' active participation, contribution and initiation. It is conceived as a holistic programme of micro enterprises covering different aspects of self-employment of the rural poor such as capacity building, infrastructure build-up, technology, credit and marketing support^[17]. The scheme was restructured as National Rural Livelihood Mission (NRLM) effective from 1st April, 2013 by the Ministry of Rural Development (MoRD), Government of India. A careful examination of available literature reveals that the programme exhibits following features:

- Establishing a large number of micro-enterprises in rural areas, building upon the potential of the rural poor;
- Assisted families may be individuals or groups but the emphasis is on the self-help groups;
- Cluster approach for establishing micro-enterprises, identification of 4 to 5 activities in each block, based on resources, occupational skills of the people and availability of market;
- Project approach for each key activity;
- SGSY is a credit-cum-subsidy programme;
- Emphasizes skill development through well designed training programme;
- Provides for promotion of marketing of goods produced by Swarozgaris;
- Special focus on vulnerable groups - SC/ST at least 50 per cent, women 40 per cent and disable 3 per cent; and
- Fund of SGSY is shared between the Central and State Governments in the proportion of 75:25^[18].

9. Results and Discussion

After analyzing the statistical data, it has been observed that over the years the number of women SHGs formed under SGSY in Assam stood at 85682 against the State total of 139027 (Table – 9.1). The percentage of women SHGs accounted 61.63 per cent of the State total (Figure – 9.1). Thus, the study reveals that the pace of growth of SHGs under SGSY in Assam was encouraging which was well above the limit of 40 per cent as per the gender norms of the scheme.

On the other hand, the number of total SHGs taken up economic activities in the State during 2005-06 to 2012-13 was 74649 (Table – 9.1) which stood at 53.69 per cent (Figure – 9.2). In terms of women SHGs, the analysis of data reveal that there were total 52509 women SHGs taken up economic activities in Assam (Table – 9.1) which accounted 70.34 per cent (Figure – 9.1). The study brings into limelight that more than two-thirds of the total women SHGs have taken up economic activities.

Table 9.1: Total SHGs formed and taken up Economic Activities during 2005-06 to 2012-13.

Year	No. of SHGs Formed		No. of SHGs Taken up Economic Activities	
	Total	Women	Total	Women
2005-06	21066	10914	5572	3380
2006-07	8282	4937	Nil	2718
2007-08	14333	9740	11334	6048
2008-09	21869	15754	12304	8073
2009-10	22327	13993	13673	9028
2010-11	25197	13934	14498	9592
2011-12	24218	15394	15747	12564
2012-13	1735	1016	1521	1106
Total	139027	85682	74649	52509

Source: Source: Compiled from Economic Survey, Assam, 2011-12 to 2012-13.

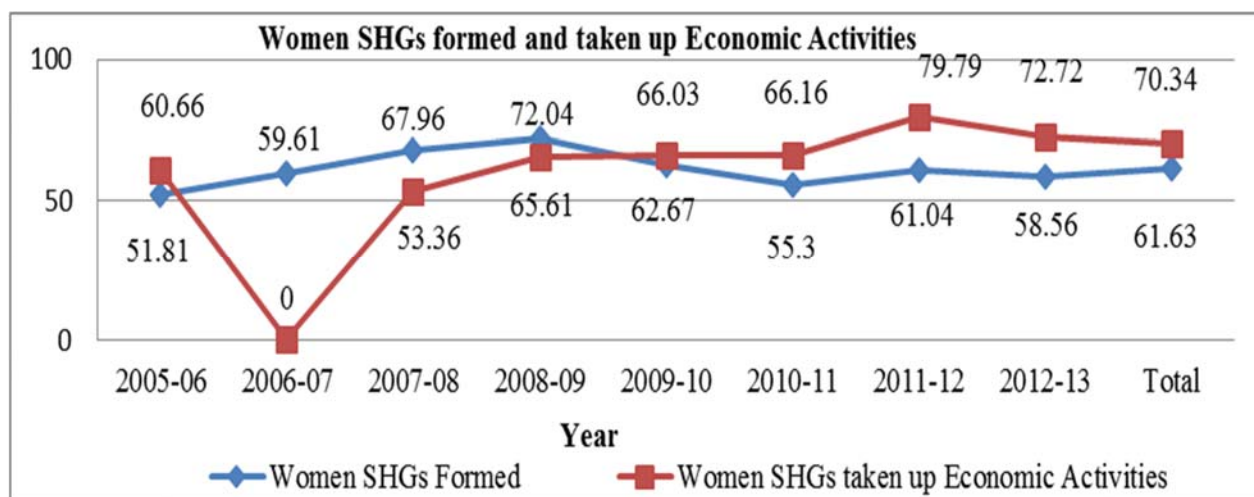


Fig 9.1: Percentage of total Women SHGs formed and taken up Economic Activities.

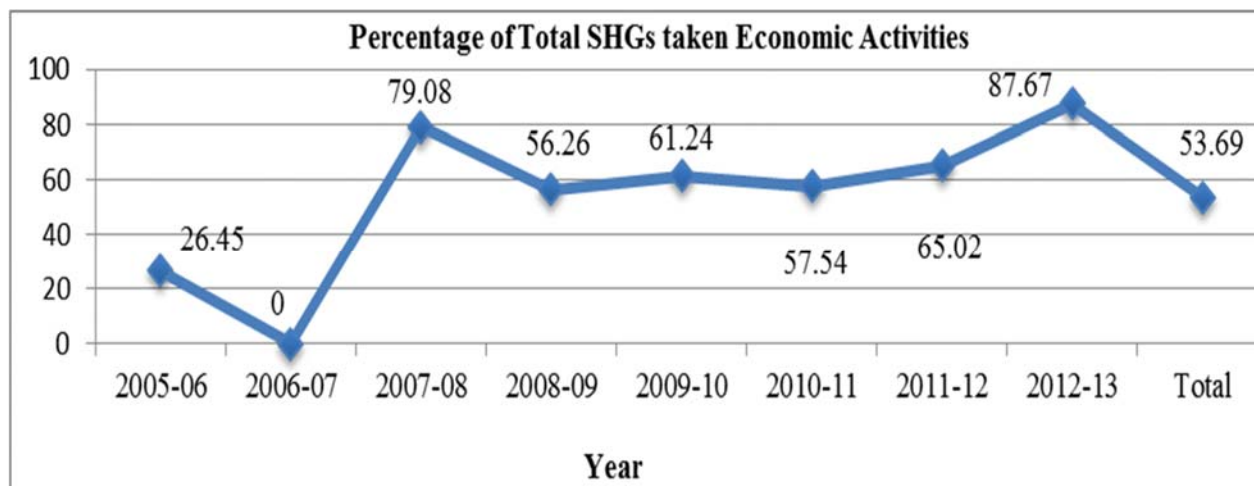


Fig 9.2: Percentage of total SHGs taken up Economic Activities.

SHGs and Bank Linkage

The SHG movement in India started with the launch of SHG-Bank Linkage Programme by National Bank for Agriculture and Rural Development (NABARD) in February 1992. With this for the first time SHGs were directly financed by the commercial banks. Since then the informal credit groups of

poor were recognized as bankable clients. Later Reserve Bank of India (RBI) advised the commercial banks to consider lending SHGs as a part of their rural credit operations through SHG Linkage programme. With the linking of the SHGs with the financial sector both the banks and the SHGs were benefited [8].

The analysis on the cumulative progress of bank linkage of SHGs under SGSY in Assam shows a tremendous growth in number of SHGs financed and the amount of bank loans sanctioned to them during the reference period. The data reveal that the credit linked SHGs under the scheme have maintained a continuous increasing trend from 48235 in 2005-06 to 134107 in 2012-13. Similarly in total credit linked SHGs also, there have been steadily increasing from 94352 in 2005-06 to 259549 in 2012-13 (Table – 9.2). The percentage of number of SHGs provided Bank Loan was more than 50 per cent (Figure – 9.3) over the years except the financial years 2007-08 (47.35 per - cent) and 2008-09 (49.96 per - cent).

The results showed that out of the total Rs. 38392.36 lakh Bank Loan sanctioned to all SHGs during 2005 - 06, Rs. 25024.66 lakh provided to SHGs under SGSY. Except the financial year 2007 - 08 (Rs.31006.57 lakh), the Bank Credit provided to SHGs under the scheme showed a continuous increasing trend (Table – 9.2). The growth line of amount of Bank Credit provided to SHGs is showing the ups and down

during 2005-06 to 2012-13. However, the amount of Bank Credit provided to SHGs was more than 60 per cent (Figure – 9.4) over the years.

Table 9.2: Cumulative progress of SHGs –Bank Linkage under SGSY in Assam (Rs. in lakh)

Year	Total Credit Linked SHGs		Credit Linked SHGs under SGSY	
	Number	Amount	Number	Amount
2005-06	94352	38392.36	48235	25024.66
2006-07	109428	52778.91	54735	36549.70
2007-08	115716	51372.98	54790	31006.57
2008-09	138392	69879.98	69144	45898.88
2009-10	163855	83601.33	84678	55161.36
2010-11	193922	106855.88	102166	74784.79
2011-12	226361	128813.00	123473	94423.50
2012-13	259549	151909.96	134107	106687.46

Source: Source: Compiled from Economic Survey, Assam, 2011-12 to 2012-13.

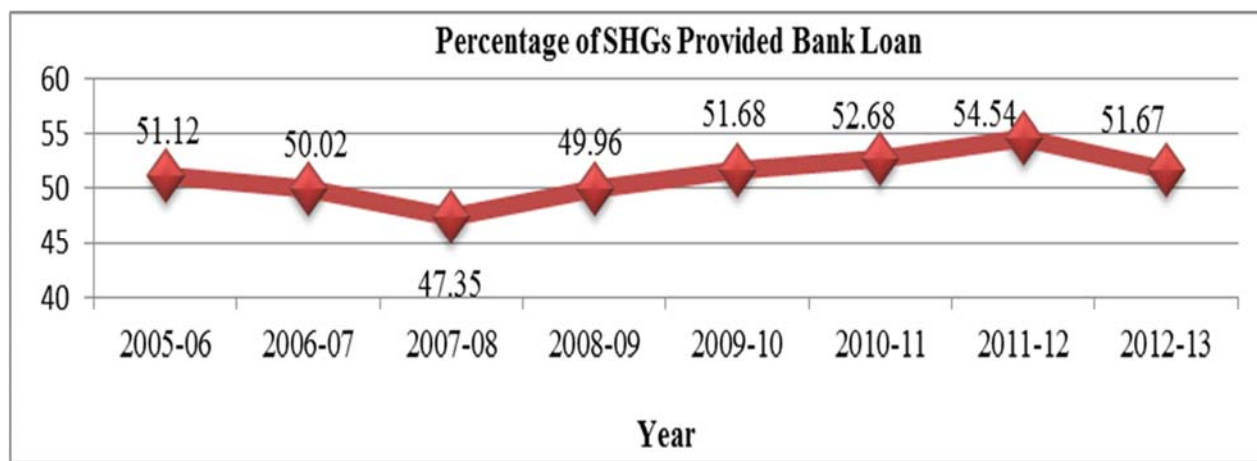


Fig 9.3: Percentage of number of SHGs provided Bank Loan under SGSY during 2005-06 to 2012-13.

The analysis of figure (Figure – 9.5) shows that the total amount of Bank Credit paid to each SHG under SGSY during the reference period was more than Rs. 50,000/ per year. The results showed that the highest (Rs. 79,553) and the lowest (Rs. 51,880) amount of Bank Credit were recorded in 2012-13 and 2005-06 respectively. Significantly, the study reveals that the amount of Bank Credit paid to each

SHG increased continuously from Rs. 65,124 in 2009-10 to Rs. 73,199 in 2010-11, Rs. 76,472 in 2011-12 and Rs. 79,553 in 2012-13. Therefore, it can rightly be concluded that the amount of Bank Credit paid to each SHG under SGSY was encouraging which has widened the scope of self-employment opportunities of women.

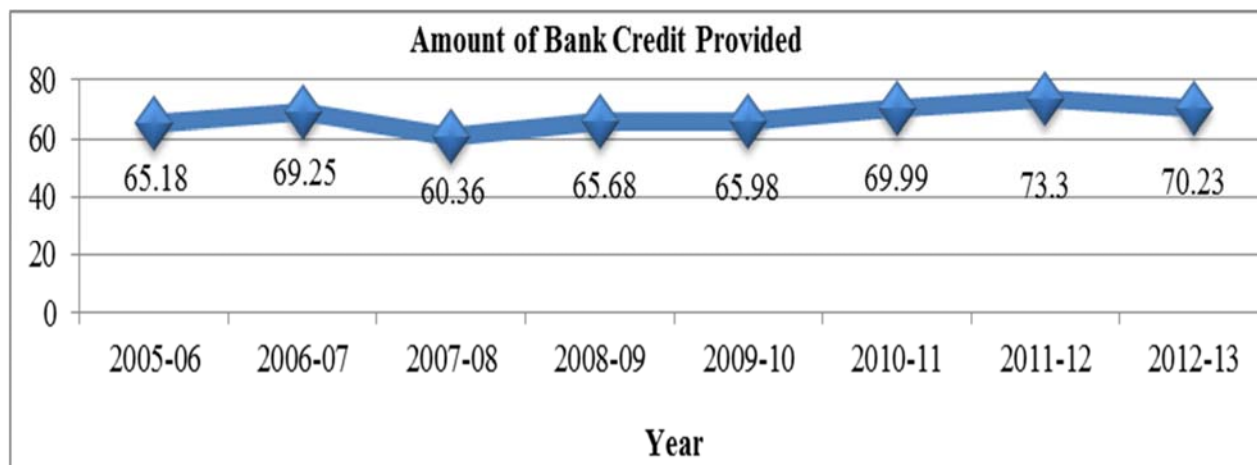


Fig 9.4: Percentage of Amount paid to SHGs under SGSY as Bank Credit provided during 2005-06 to 2012-13.

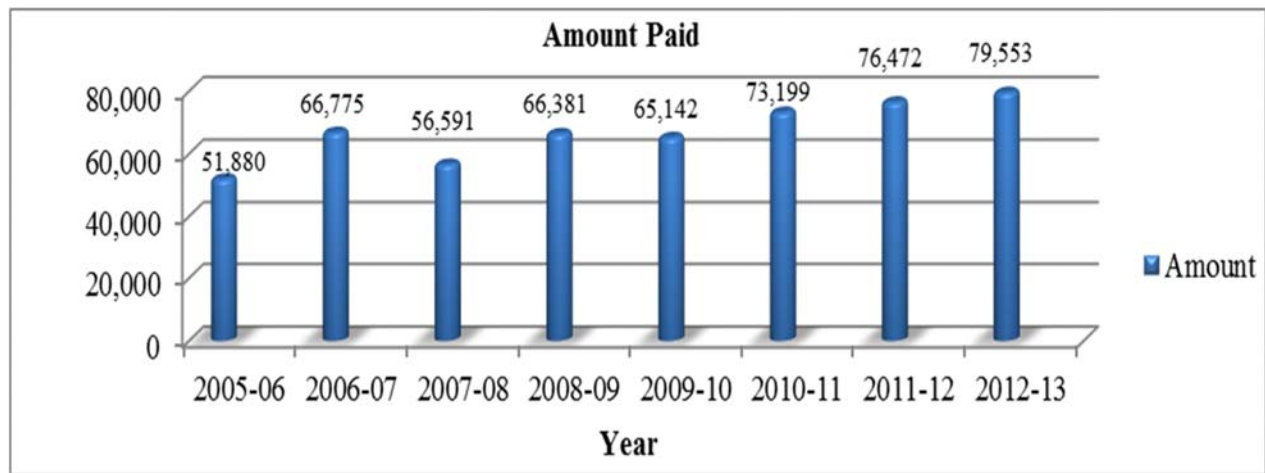


Fig 9.5: Total Amount of Loan Paid to each SHG under SGSY during 2005-06 to 2012-13.

10. Key Observations

The study draws the following major observations:

- The findings point to the fact that the pace of growth of women SHGs in the State was encouraging. Out of the total 139027 SHGs in the State, the percentage of women SHGs accounted 61.63 per cent.
- The results bring into limelight that out of the total 74649 numbers of SHGs taken up economic activities in the State, 52509 which accounted 70.34 per cent belonged to women. Thus, it is crystal clear that more than two-thirds of the total women SHGs have taken up economic activities.
- From the statistical data, it has been ascertained that the credit linked SHGs under SGSY was increasing continuously over the years.
- Regarding the number of SHGs provided Bank Loan, it is clear that the number of SHGs provided Bank Loan under SGSY was not very impressive and satisfactory. The paper found that the scheme failed to provide Bank Loan to almost 50 per cent SHGs.
- The Bank Credit provided to SHGs under SGSY showed a continuous increasing trend except the financial year 2007 - 08 (Rs.31006.57 lakh).
- The findings of the study showed that the growth line of amount of Bank Credit provided to SHGs under the scheme was satisfactory *i.e.* more than 60 per cent.
- The study divulges a continuous increasing trend of credit linked SHGs under SGSY. It was 48235 in 2005-06 which continuously increased till 2012-13. Thus, it can rightly be concluded that the scheme was successful in cumulative progress of credit linked SHGs in Assam.
- It is also observed from the study that the amount of Bank Credit paid to each SHG was significant and adequate. The gradual continuous increase of Bank Credit paves the way for getting financial benefits and subsidies.

11. Conclusion

In India, SHGs have emerged as powerful new instrument designed for the socio-economic upliftment of poor women. With the help of Bank Linkage, SHGs have paved the way for economic independence of rural women. The SHGs movement has gained a paramount importance to meet the financial needs of the poor, leading to their economic empowerment.

The foregoing discussions have examined the performances of SGSY as self-employment opportunities for women in Assam. The results showed that the implementation of SGSY in the State was encouraging. The amount of Bank Credit provided to SHGs was satisfactory which has created an employment opportunity for women. Further, the extensive participation of women in economic activities through Bank Credits has widened the scope of economic independence of the women in particular and women empowerment in general.

However, the study brings to light some discouraging pictures *i.e.* the number of SHGs provided Bank Credit under SGSY was not very impressive. The scheme could not provide Bank Loan to almost 50 per cent of the SHGs under SGSY. In the conclusions, after careful analysis for the current scenario of SHGs-Bank Linkage, the paper argues that more attention is be given by the government in providing Bank Credit to SHGs for creation of an opportunity of self-employment potentialities for women in the State.

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