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A Study on Women Headed Self Help Groups Under SGSY In Uttarakhand: A Case Study of U.S. Nagar District

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Abstract

The study was conducted on the working profile of women headed SHGs working under the scheme of Swarnajayanti Gram Swarojgar Yojna (SGSY) in Udham Singh Nagar district of Uttarakhand. On the basis of the collected data it is clear that how much the programme was effective to its beneficiaries i.e. *swarojgaris* and to the SHGs. Most of the SHGs were female headed and almost all the members of the SHG were female, priority was given to the SC category to empower them. SHGs undertook one income generating activity at a time, most of them have dairy as an economic activity, with maximum earning of Rs.8, 000 per month per head. Most of the SHGs follow group norms and follow cumulative saving pattern. SHGs got the loan at least for once and repaid it as soon as possible, all SHGs had the bank support while agencies were attached with only few of them. Trainings were provided to the maximum of the SHGs, but mostly on animal husbandry, financial status of the SHGs had also improved in last three years before closing of the programme, micro-enterprise at individual level were high, there were significant attitudinal changes in members. In short, SHG loans and activities helped the members to free themselves from the grip of the local money lenders, improved their management skills and also their social status in society.
Key words: Swarojgaris, Self Help Groups, beneficiaries, Female headed, economic

Introduction

One of many crucial problems that our country faces today is lack of attention towards essential needs of the people, especially the poor. One of the biggest failures has been the inadequate use of the public resources generated by economic growth to expand India's lagging physical and social infrastructure like inadequacy of social services such as schooling, medical care and immunization, and of physical services such as the provision of safe water, electricity, drainage and sanitation. Even though, India has overtaken other countries in its rate of growth, but because of these inadequacies it has also reached to the point of social and economic deprivations which ultimately leads to poverty, uncertainty of life and lack of humanity. There is deep imbalance between human beings in social and economic fronts especially poverty, removing quality assurance of human life **(http://www.lse.ac.uk).**

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Poverty has been the bane of society since its evolution. It was attended by charity and philanthropy in a mood of sympathy and feel good factor from its riches. Some people say 'Poverty is the darker side of humanity' because poor people got charity and dole but little focus is on the fundamental solution of poverty. Majority of people living under poverty belongs to lower caste, tribes, small and marginal farmers and agricultural labourers.

Approximately 1.3 billion people worldwide live under poverty and each day offer them only a struggle of life and despair **(http://www.un.org/english).**

Government of India reviewed and reconstructed the earlier poverty alleviation programmes after it realized the importance of upliftment of rural poor Programme for income generation, self-employment of the poor has been an important component of the anti-poverty programmes implemented by government in the rural areas of India and as a result various programmes and approaches have been adopted specifically for rural development. Government launched many programmes to eradicate poverty and employment generation.Special efforts in the direction include an array of programmes like Integrated Rural Development Programme (IRDP), Training of the Rural Youth for self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Toolkits to Rural Artisans (SITRA), Ganga Kalyan Yojna (GKY) *etc*.But these programmes have had some draw backs like:

- Inadequate development of infrastructure and insufficient forward and backward linkages and market facilities.
- An absence of linkages between the employment opportunities available and training provided.
- The linkages for supply of raw material and marketing of production are either deficient or not properly planned.
- Non-availability of eligible persons in the target group.

As a result, a holistic programme of self-employment was introduced by the Government of India in 1999, known as Swarnajayanti Gram Swarozgar Yojana (SGSY) and the present study was conducted withobjective to study the profile of the SHG's under the scheme SGSY.SGSY is formed by merging DWCRA, IRDP, SITRA, GKY and MWS.

Now the SGSY programme has been closed, but SHGs operational under this scheme are still functioning. Thus, there is a need to study that to what extant SGSY has been effective. Keeping a fact in mind, the present study was undertaken to study the profile characteristics of women SHGs, to assess the effectiveness of SHGs and the constraints faced by women SHGs under SGSY.

Materials and methods

The study was focused on accessing the effectiveness of SGSY on SHGs. The selection of the district was purposive while block, village and SHGs were chosen randomly. The study was conducted in four villages Shantipuri, Danpur, Bhagwanpur, Bagwala of Rudrapur and Gram Gori Kedaa, Sidha, Balkeda, Nakuliya of Sitarganj block of Udham Singh Nagar District of Uttarakhand. Total four SHGs namely Jagriti, Deepak, Ujaala, and

Roshini were selected from the respective villages of Rudrapur and Jannat, Pooja, Dari Udyog and Laxmi were from Sitarganj block. Descriptive research design was used to meet the set objectives for the study. Profile of SHGs was studied in terms of name, inception, no. of members, selection criteria, economic activity, earning , saving pattern, decision making, frequency of meeting, management skills, financial records, leader's election, loan, financial institution, financial status, training received, micro-enterprise, market facility, attitude change, drop outs, life insurance. To study the effectiveness credit and subsidy, increase in income, skill development training, market support, infrastructure facility, micro-enterprise development were used as indicators. The data was collected through interview guide and case study method.

Research design

A research design is the arrangement of condition for collection and analysis of data in a manner that aims to combine relevance purpose with economy in procedure. In present investigation exploratory research design was used to meet the objectives set forth for the study.

Results

Profile of the SHG's under the scheme SGSY

Case 1 JANNAT

Formation: In Gram Gori Kedaa village of Sitarganj block of district Udham Singh Nagar a Self-help Group named ***Jannat***(an Urdu word meaning "Heaven") was formed consisting of ten female members belonging to scheduled tribes for their empowerment. The SHG was initiated in the year 2011-2012 under the guidance and support of block office and is currently headed by a jubilant leader Mrs. Firdos. The members of the SHG were selected on the basis of need and social categorization. Thus, the group purely consisted of members from the weaker sections of the society.

Activity undertaken: Dairying has been the economic activity undertaken by the members of *Jannat* and it is being carried out at individual level. None of the SHG members expanded their economic activity and no other micro enterprise activity was taken up by this SHG since its inception.

Awareness and Attitude: Group members adhere to the group norms. The issues of finance, activity and accounts are thoroughly discussed within the group for the decision making process. All the members actively participate and contribute significantly in the decision making process. SHG did not organize any inter group meetings and had no contact with the District Rural Development Agency (DRDA) and other supporting agencies. The SHG was confined to block office for support and guidance. There were significant attitudinal changes in members after being organized into SHG and taking up economic activity under the scheme. Meetings are held once in a month and the records of these meetings are well documented in the registers. No fix election takes place for selection of group leader. It was also seen that there were no drop outs as well as new additions in the SHG since its inception. The SHG has been successful in maintaining its integrity and efficiency.

Credit and Linkages: Banks has been the main source of cooperation for the SHG members and no other agency was found to provide support for growth of SHG. Since its inception, three loans have been acquired of Rs 25,000 once and 2 lakh twice from the State Bank of

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Patiala. A major fraction of this money was used for buying milch animals and for other requisites of the activity. The remaining money is retained in the cash box (under lock and key kept with the treasurer) for emergency purpose. Good credibility has been exhibited by the *Jannat* members by timely loan repayment to the respective bank. The milch animals were given insurance under the scheme but there was no group life insurance scheme provided to *swarozgaris*. All the members were well aware about their saving contribution and loans that has been provided by the bank. In fact all the members who needed the loan were able to receive the loan money at least once. But the members were found to show a low profile when asked whether or not they update their information related to bank loans. The bank officials themselves do not provide the SHG with the updated information regarding bank loans under the scheme. Thus, a little ignorance on part of both the SHG and bank officials has been observed. The SHG loans have played a vital role in freeing its members from the grip of money lenders and helped them in becoming self-reliant and self-sufficient.

Skill development: Five of the members were provided with the vocational training which is higher than the minimum norms fixed by the government under the scheme. The remaining five are still in need of vocational training. Limited market facilities with forward and backward linkages have been availed by SHG but the SHG was able to desire sufficient profit from the economic activity. The members themselves confirmed that the yield from the activities undertaken was higher than expected. The members became more oriented towards the concept of saving, gained more insight about market channels and learned managerial skills. Formation of SHG has certainly increased participation of members in social activities. Even though the SGSY programme has been closed, *Jannat* survived and is still active, indicating that members had done pre-planning in order to sustain their SHG activity.

Income and savings: The SGSY scheme has succeeded in increasing the economic status of the SHG members and contributed to their overall economic growth. The members were able to earn monthly income ranging between Rs. 2000-4000 from dairying. On yearly basis they managed to earn Rs. 24,000-48,000 which clearly indicates good financial conditions of the members. There was up gradation in the management skills of the group in context of saving, record keeping and financial transactions. The financial records were being properly maintained in registers. Each member has been active and visited bank at least once in a month for the financial transection. The habit of making consistent deposits of Rs. 100 per head per month has also been inculcated by the SHG.

EFFECTIVENESS

Credit and subsidy availability

None of the SHG members were aware about the overall project cost. No knowledge about the subsidy available to the individual *swarozgaris* and group was found in SHG members. Special provision of subsidy in respect of SC/STs has been a key feature of the programme but the beneficiaries had no knowledge about this provision also. Lack of interaction with the block office and other supporting agencies has been the prime cause of their ignorance.

Increase in income

Poor and inefficient follow up process hindered the progress of the programme. No monitoring was done by the block SGSY Committee to assess the progress of different *swarozgaris*' income. The SHG itself was not aware that there has to be a block SGSY Committee to conduct review of incomes being earned by *swarozgaris* and to draw up of the monthly report of the same. However, one time review was undertaken by the respective bank to monitor the progress of the SHG. The SHG knew that to reach above poverty line, the beneficiaries must earn monthly income of at least Rs. 2000 per month. It was successful in attaining the minimum set standards for income and members were able to cross the poverty line by the activity undertaken. The increment was observed in the income of SHG and members as they were able to earn about Rs. 2000-4000 per head per month during the period of 2009-2012.

Skill development trainings

Training of SHG members is an essential and compulsory component of the programme as it ensures that the *swarozgaris* possess the minimum skill requirement needed to undertake the activity. No vocational training provided to the SHG for their skill development. The members were well aware that Block Office is responsible for conducting trainings but due to ignorance of the SHG and block officials, they were not able to avail the benefit of trainings. Thus, funds allocated for the trainings were not being utilized for the designated purpose leaving ample opportunities for corruption to creep into the programme implementation.

Marketing support

The SHG chose to sell the products like milk and other milk products personally through own channels and asked other people around them about the available places for marketing. The SHG activity was undertaken on the basis of how expensive the product is so that maximum profit can be procured from selling of such costly products. The SHG could not develop efficient marketing skills and thus the product sale was limited to the areas in proximity to the SHG. The activity undertaken was not a total failure but the yields from the activity could have been much higher in case proper support was provided.

Infrastructure facility

Proper infrastructure is essential for the success of micro enterprises but no facility of infrastructure facility was provided to the SHG. The members had no knowledge about the funds available for setting up and renovation of infrastructure facilities. Then the funds allocated for this purpose could not be utilized.

Micro enterprise development

The activity was carried out individually by the SHG members. Thus, the main concept of formation of SHG seemed to have been partially achieved because SHG are intended to work in groups with harmony and coordination. The members preferred to work as individuals to avoid the hassle of profit distribution among the group.

Case 2 **Jagriti**

Formation: A self help group named *Jagriti* bloomed in Shantipuri village of Rudrapur block, of Udham Singh Nagar in the year 2009. *Jagriti* consists of ten female members, all belonging to general category. The present SHG head Mrs. Godavari Sharma has been the leader of the group since its inception and the group was established as a result of persuasion from the block office for the purpose of their overall empowerment. The criterion for selection of members was need based and also based on the interest of people.

Activity undertaken: Activity undertaken by the group was completely based on the credit they got and the need of the members. Dairying has been undertaken as the economic activity by the group which is carried out individually by the members. None of the members started their own enterprise or expanded their economic generating activity.

Awareness and attitude: SHG had no contact with the DRDA and other SHG's. For consultation and support, the SHG relied on block office only. Decisions regarding finance, activities and accounts were taken by mutual consultation and discussions and meeting that takes place once in a month. Proper records of meetings have been kept in registers.. The group members did not show strict adherence to the group norms. Periodic group leader elections were not being held. The formation of SHG brought out some positive behavioural changes in the members such as habit of saving, improved management skills, greater social participation and habit of record keeping. There were no dropouts as well as additions in the SHG during the period 2009-2012.

Credit and linkages: The bank was the sole source of cooperation for the SHG and no other agency was involved for the betterment of SHG. Total of Rs. 1, 20, 000 as loan was availed from Punjab National Bank but this amount was utilized by only five of the members for buying milch animals like cow and buffalo and other arrangements required for the activity. The remaining five members did not participated in any economic activity. Death of milch animals in few cases led to discontinuance of dairying by these members. The provision of animals' life insurance was provided to the group members which helped members to compensate for the losses. There was no group life insurance scheme for the *swarozgaris.* All the members had knowledge about their saving, contributions and loan given to the SHG. The SHG members visited the bank at least once a month for financial transactions. The loan was successfully repaid to the bank on time and members were updated with new information related to the loans under the scheme.

Skill development: No prior vocational trainings were given to the SHG members that further added to the failure of the activity undertaken. The monthly income of the members after undertaking the activity ranged from Rs.1500-2, 000 per *swarojgari* which was quiet lower than expected in spite of the provisions of proper backward and forward market linkages. It was same as the standard fixed by the government under the scheme. Concept of market channels, loss and profit earned and managerial skills of SHG members has developed a lot. Participation in social activities has also increased and helped to build their confidence level. The SHG had no plans to sustain their group after the closure of SGSY scheme and thus as soon as the bank accounts ceased, the SHG became inactive.

Income and savings: The SHG did not experience any change in their financial status during the last three years under the SGSY scheme. Increase in income of SHG and its members were not up to the mark, as decided under the scheme. There was no remarkable increase in income on yearly basis even after having an individual activity. The members managed to save Rs. 100 consistently on monthly basis. There was up gradation in the management skills of the group in context of saving, record keeping of financial transactions. The SHG did not have any plans to utilize its surplus funds. Records related to finance were also maintained properly in ledgers. Some of the SHG members were still practicing the habit of borrowing money from the local money lenders.

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EFFECTIVENESS

Credit and subsidy availability

The SHG knew about their overall project cost. It was Rs. 1, 20, 000 in their case. Also, the SHG members were aware about the subsidies available for the individual *swarozgaris*. But little ignorance was seen among the SHG members as they did not have information about the group subsidies and special subsidy for SC/STs which were more than individual subsidies. Lack of participation in SHG's meetings, interaction with the block office and other agencies was negligible, which was the prime cause of their ignorance.

Increase in income

The SHG had no information about the monitoring done by the block SGSY Committee. Block SGSY Committee monitoring was also not done which restricted the progress of the programme. Although the group was successful in attaining the minimum stipulated standards of monthly income of at least Rs. 2000 per month to cross the poverty line, it had no knowledge about what were the stipulated guidelines of the government under the programme. Not even the review of monthly income was done by the respective bank and block SGSY Committee. The SHG was successful in attaining the minimum standards set for income to some extent, but they did not try to do something more to increase the income, because the participation of SHG members was nil.

Skill development trainings

No training was conducted for the skill development of the SHG members. SHG's leader was also unaware about the allocated fund for training, conducting training and also the benefits of training. The members did not know who was accountable for conducting these trainings. High level of ignorance was observed among the SHG in this regard. Missing links in flow of information between SHG members and group leader as well as SHG and government officials may be considered as one of the reason for this ignorance.

Marketing support

The SHG members sell their product, that is, milk only to the dairy centre situated in their locality. Dairying is an activity that does not require high skill set, do not have high initial setting up costs and can give optimum yields with less input. Thus, this activity was chosen for the SHG through mutual consultation and consent. This was the only point where members consulted to each other. No consideration was given to the current market demands and trends. No help from external sources like NGO and other supporting agency was availed by the SHG, because they were satisfied after getting loan.

Infrastructure facility

No infrastructure facility was provided to the SHG. The members had no knowledge about the funds available for setting up of infrastructure facilities. Not even the funds were utilized by the government officials. For monthly meetings they go to the *Panchayat Ghar* or sometimes to the *Aganwadi*.

Micro enterprise development

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SHGs are preferred to work in group and carry out activities at group level, but *Jagriti* members worked at individual level. Thus, individual income and profit was earned by the members and kept to themselves. Lack of proper guidance and lack of properorientation regarding the concept of SHG have been the cause. The SHG had restricted their activities only to the extent of acquiring loans and release of revolving fund and thus abandoned their activity after the closure of the programme.

- **Conclusion:**The objective of the SGSY was to bring the assisted poor families (Swarozgaries) above the Poverty Line by ensuring appreciable sustained level of income over a period of time. This objective is to be achieved by inter alia organising the rural poor into Self Help Groups (SHGs) through the process of social mobilization, their training and capacity building and provision of income generating assets. SHG has to be a group of rural poor who volunteer to organize themselves in a group.Majority of the SHGs (62.5 per cent) were established to empower weaker section of the society. It was revealed that sll the SHGs were female headed. Most of the SHGs (75 per cent) had 10-12 beneficiaries in each group.Half of the SHGs have the members belonging to the SC category and all were female.All the beneficiaries were selected on the basis of need and then category basis.Majority of the SHGs (62.5 per cent) undertook dairy as an economic activity and remaining (37.5 percent) of them had handicraft as an activity.None of the SHGs were going through with more than one activity.A vast majority of the SHGs have the monthly earning up to Rs. 8000/- per individual while yearly income of them reached up to Rs. 96,000 per individual.More than half of the SHG consistently deposit Rs. 100/- per month per head. No change was found in cumulative saving pattern of the SHGs.Majority of the SHGs (87.5 per cent) were keeping surplus fund safe, to give it as a loan to its members when required.Majority of the SHGs were earning through activity up to Rs. 2,00000.Almost all of the beneficiaries were participating in the decision making pattern of SHG regarding finance, activity and accounts.

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