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The Role of Government Schemes in its Endeavor to Toil the SHGs to Combat Poverty in India.

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Abstract

The government (a governing body of an especially sovereign and secular state) of a country is responsible for making, enacting, and enforcing the laws which mold and shape the progress of any country. The government's intent and plans of action in the form of special programme proposals orchestrate in a very significant manner to stimulate the inactive parts or regions in the country to yield better results. The SHG members and the people living their lives in the destitution must make the maximum gain of the equal opportunities offered by the government, to grow and rise from the position of stagnation to the position of burgeoning, to grandeur their financial discipline and self-patience, reflected in the timely repayment of loans or credit by them. The contribution of the government programmes like the SGSY or the NRLM, SJSRY or the NULM and the DWCRA are some instances of the standard models to reinvent and reframe the structural blueprints of the traditional and conservative projects or assignments to make growth as per the projections made by the experts or specialists of the government regulated bodies.

This paper is an attempt to unleash and uncover the potential of the government's competence to manage the goals of sufficiency of resources and opportunities for the people in dire need. So, the Self-Help Group-Bank Linkage Programmes (SHG-BLP) are a gateway to empower the collective falling under its strata.

Keywords: SHGs, NRLM, NULM, DWCRA and Poverty.

Introduction

Since independence, India has undergone several changes. Each year, each quinquennial, each decade, each vicennial, even each hour of today is experiencing growth by the virtue of experimentation to boost the growth of deficit sectors and making it healthier by immunizing it by the interplay of the government forces and strategies to level up the performance of the priority sectors in India. This paper focusses on the importance of the government programmes like the SGSY/NRLM and the SJSRY/NULM to combat or end the poverty in India with the aid of the SHG-BLP model of micro-finance.

The **Swarnajayanti Gram Swarozgar Yojana (SGSY)**, is a scheme of Ministry of Rural Development (MoRD), Government of India. It was launched on the **1st of April,1999**. It is a rural development scheme which is basically an amalgamation of various sub-schemes of the **Integrated Rural Development Programme (IRDP)** which itself was launched in the year **1978-79**. The IRDP, itself was formed by combining various previous programmes of the government.

The **list of programs** falling **under the category of SGSY** are as follows-

- ***Training of Rural Youth for Self-Employment*** **(TRYSEM)** was launched in ***1979***. This aimed to give a technical and managerial expertise or training to the rural people.
- ***Development of Women and Children in Rural Areas*** **(DWCRA)** was launched in ***1982-83***. It is for the development of the women and children in the rural areas.
- ***Supply of Improved Toolkits to Rural Artisans*** **(SITARA)** was launched in July ***1992.*** SITARA was formed to encourage and support the rural artisans with the better tools and techniques to effectively execute their work and help them procure good opportunities of job.
- ***Ganga Kalyan Yojana*** **(GKY)** was launched on February 1, ***1997***. The purpose was for the irrigation of farms through the arrangement of groundwater
- ***Million Wells Scheme*** **(MWS)** was launched in ***1988-89.*** It provides irrigation facilities or irrigation wells to the SC/ST farmers for using it in the farms and other purposes.

All these are the sub-programs of the IRDP, Government of India programme, now clubbed under the SGSY schedule. These aim at seeking the gainful self-employment for making the two ends meet.

SGSY is a holistic approach, formed with the purpose of raising avenues for people seeking jobs (BPL families), clustering them into the SHGs to inculcate the habits of banking like savings, credit, insurance, pension, micro-leasing and also for generating the awareness related to the government schemes to uplift their standards. These SHGs also provide training for vocational works, handicrafts, handloom, helping them with the backward and the forward linkages of market system, enabling them to have an edge in marketing their products, to build entrepreneurial abilities and also counselling them for the purpose of repayment of loans. Currently, it is funded by the central and the state governments in the ratio- 75:25. The MoRD monitors and supervises the work and the agencies like the commercial banks, RRBS, cooperative banks and DRDAs (District Rural Development Agencies) are assisting them in their pursuit of employment generation and the poverty reduction. Later on, in June, 2011, this SGSY was transformed into an NRLM

(National Rural Livelihoods Mission) program to trigger the poverty reduction process by adapting to the demand approach and the state governments were authorized to develop and strengthen the programs through their efforts. In **November 2015**, it was renamed as ***Deen Dayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM).*** The purpose was to connect the members of the rural society to the welfare schemes of the government for their highest good.

Another government program to uplift or elevate the poor of the urban and the semi-urban areas, is a responsibility of the ***Swarna Jayanti Shahri Rozgar Yojana (SJSRY)***, launched by the Ministry of Housing and Urban Poverty Alleviation, on ***December 1,1997***. In ***September, 2013, NULM (National Urban Livelihoods Mission) replaced the SJSRY***. It actually provides job opportunities to the urban youth and the urban poor who are either unemployed or underemployed. The target groups, here are the families who are categorized as the BPL families. The urban women under this category shouldn't be less than 30%, for SCs/STs- the proportion should be equivalent to at least their own population in that area. People with the disability are also given some special relaxation.

This paper is all about reducing the poverty in the country under the broad categories of SGSY turned NRLM and the SJSRY turned NULM programmes through their involvement into the SHG-BLPs.

Research Questions

- Is there any relation between the government programs and the poverty reduction?
- How do the government programs impact the SHGs?
- Has there been any changes witnessed in the mission of poverty reduction through the involvement in the SHGs, using the government programs?

Research Gap

This paper provides an important piece of information by throwing light on the connections between the government schemes and the poverty reduction in the country, and this association is fostered with the help of SHGs. So, the role of SHGs is important here, in facilitating the people in getting rid off poverty by participating into the government programs. There might have been a lot of study on this topic but the research questions and the objectives here pave a path towards a definite and an accurate answer. The data is analyzed for the different time periods using the quantitative techniques. This is authentic research using the genuine facts and details, based and built on the comprehensive and an exhaustive study.

Review of Literature

- ***Roy P.B (2011), "Self-Help Groups and Poverty Eradication in India: A Case Study"***: The research shows that the SHGs have been successful in bringing a qualitative as well as quantitative shift in the employment and the income structure of the participants of the SHGs. It enabled their saving capacity and financial independence. Their access to the basic needs is getting fulfilled. But there are some challenges confronting them and these are- gender bias, illiteracy, lack of education, lack of understanding (logic), disparity in the distribution of SHGs in the country, presence of economic and social inequalities and the absence or insufficient SHGs in the urban areas. There is a need for door-to-door service like the counselling sessions should be held for the husbands and their families to convince them to let their wives go and join the SHGs and the microfinancing institutions to better their lives. It was also stated that the identification of the BPL families in the area is another biggest challenge.
- ***Jain P.K, Atri Gaurav (2019), "Role of Self-Help Groups (SHGs) in Poverty Eradication in India"***- This paper states the importance of the SHGs in elevating the poor, by their participation in the informal sectors and learning new skills for their livelihood. This work is based upon the participation of the SHG members towards the informal sector (objective of the study). He suggested for the state support for the poor, in the form of development of socio-economic structures. A major credit is given to the SHGs for poverty reduction than the government programmes.
- ***Thakur S, Patel B.S. (2014), "Self-Help Groups (SHG); A Tool for Empowerment of Women"***-This work mentions the contribution of the Grameen Bank model of Bangladesh by Muhammad Yunus, and in India by NABARD in 1986-87. It highlights the contribution of the government in addressing the problems of poverty, unemployment, illiteracy, lack of skills, lack of knowledge, domestic violence, gender bias, through the SHG-BLPs. The study uses the percentage, mean, standard deviation and chi-square test in its tool to perform the analysis work. It considers SHGs as the best platform to promote women empowerment and poverty reduction.
- ***Jagdish P. (2012), "Poverty Reduction Through Rural Women SHGs- A Case Study of Anantpur District of Andhra Pradesh"*** – SHGs are advocated as a tool or device to emancipate the poor and the economically weaker sections from the clutches of poverty, and to provide them with a better standard of life. It also quotes the statement, on the significance of microfinance by Mrs. Hillary Clinton, "It is called micro, but its impact on the people is macro." It emphasizes on seeking the gainful self-employment and helping them engage in the income generating activities to end poverty. The study has taken place in Anantpur district of Andhra Pradesh, one of the most backward places of Andhra Pradesh. The paper involves a multi-stage and purposive sampling. Simple averages and percentage methods were used to analyze results for the data collected.
- ***Sihag Rijul (2018), "Self-Help Groups: A Tool for Poverty Eradication"***- It describes the importance of the SHGs in the poverty alleviation process. In the state of Haryana, after 1997-98, the growth of the SHGs have increased. In the state of Haryana itself, the SHGs are working under the flagship of the different agencies namely the forest departments, ICDS (Integrated Child Development Services),

NABARD, DRDAs (District Rural Development Agencies) and NRLM (National Rural Livelihoods Mission).

Objectives

- To study the association of government schemes with the poverty reduction in the country.
- To study and evaluate the impact of the government programmes on the performances of the SHGs.
- To study the role of the SHGs in implementing the government schemes for the purpose of poverty eradication in the country.

Methodology

This is a study thriving on a number of government programs and its impact is assessed on the basis of poverty alleviation through the SHG-BLPs. So, for the poverty reduction, the data is extracted from the SGSY turned NRLM based SHGs, and the SJSRY turned NULM based SHGs for the credit advancement, savings linked bank accounts of the SHG members, and their outstanding loans. These remain the parameters for depicting the growth of the poverty-stricken SHG-members in the country for the above-mentioned parameters. Data of different years is collected and assimilated with the aid and support of NABARD, RBI, GOI, and the respective state governments to complement the study. The secondary data forms the base of the study. The quantitative methods are applied here and descriptive method is preferred to explain the concepts.

Results and Discussion

Here are some tables given below to justify the research objectives and research questions to fulfill or build a strong link between the government programmes and the poverty reduction, these are as follows:

Table No. I: Savings account of the SHG members linked with the banks, highlighting the number of SHGs under various categories during 2014-15 to 2021-22.

(Number in lakhs)

Particulars	2014-15	2021-22	CAGR in % From 2014-15 to 2021-22 i.e. for 8 years.
Total no. of SHGs	76.97	118.93	**5.58**
All Women-SHGs	66.51	104.00	**5.74**
SGSY/NRLM	30.52	71.84	**11.29**
SJSRY/NULM	4.33	5.81	**3.74**

Source: *Status of Microfinance in India* ***(2014-15)****, pp 11; Status of Microfinance in India* ***(2021-22)****, pp 8. CAGR is calculated by* ***Ms. Shweta Singh****.*

The table number I shows that the Swarnajayanti Gram Swarozgar Yojana (SGSY) is working in the direction of the savings linked bank accounts of the SHG-BLP, holds the third position among the total number of SHGs, Women-SHGs and NULM based SHGs for the separate, 2014-15 and the 2021-22 years. As far as the CAGR (Compound Annual Growth Rate) is concerned, SGSY has the highest per year average increase in the rate of growth of SHGs for a period from 2014-15 to 2021-22.

Table No. II: Savings account of the SHG members linked with the banks (in terms of amount of savings) during 2014-15 and 2021-22 i.e. for 8 years.

(Amount in crores)

Particulars	2014-15	2021-22	CAGR in % From 2014-15 to 2021-22 i.e. for 8 years
Total No. of SHGs	11059.84	47240.48	**19.90**
All Women-SHGs	9264.33	42104.77	**20.83**
SGSY/NRLM	4424.03	27576.94	**25.70**
SJSRY/NULM	1071.81	2600.19	**11.71**

Source: *Status of Microfinance in India* ***(2014-15)****, pp 11; Status of Microfinance in India* ***(2021-22)****, pp 8. CAGR is calculated by* ***Ms. Shweta Singh****.*

As far as the amount of savings is concerned, for 2014-15 and 2021-22, in both the years, the amount of savings under the category of SGSY is in the third position but collectively for the CAGR, the rate for the SGSY led SHGs is highest with the 25.70% for a period between 2014-15 to 2021-22 (for eight years). The CAGR for the other categories is lower than the SGSY and the NULM has the lowest CAGR.

Table No. III: Credit disbursement to the SHG-BLPs, in terms of the number of SHGs during 2014-15 and 2021-22.

(No. in lakhs)

Particulars	2014-15	2021-22	CAGR in % From 2014-15 to 2021-22 i.e. for 8 years.
Total No. of SHGs	16.26	33.98	**9.65**
All Women-SHGs	14.48	31.50	**10.20**
SGSY/NRLM	6.43	22.91	**17.21**
SJSRY/NULM	1.05	1.84	**7.26**

Source: *Status of Microfinance in India* ***(2014-15)****, pp 11; Status of Microfinance in India (****2021-22****), pp 8. CAGR is calculated by* ***Ms. Shweta Singh.***

The table number III shows that, with regard to the number of SHGs in the list of credit disbursements for the SHG-BLPs, during 2014-15 to 2021-22, reflects that for the individual years 2014-15 and 2021-22, the performances of the SGSY program is at the third rank but for the CAGR, the SGSY's average rate of increase per year is 17.21%. SGSY led SHGs, like the usual are increasing at the fastest rate. NULM stands at the bottom position (7.26%).

Table No. IV: The Amount of money disbursed as credit to the SHG-BLPs during 2014-15 and 2021-22.

(Amount in crores)

Particulars	2014-15	2021-22	CAGR in % From 2014-15 to 2021-22 i.e. for 8 years.
Total No. of SHGs	27582.31	99729.22	**17.42**
All Women SHGs	24419.75	93817.21	**18.32**
SGSY/NRLM	9487.69	63100.77	**26.72**
SJSRY/NULM	1871.55	5816.10	**15.22**

Source: *Status of Microfinance in India* ***(2014-15)****, pp 11; Status of Microfinance in India (****2021-22****), pp 8. CAGR is calculated by* ***Ms. Shweta Singh.***

In reference to the amount of money disbursed as credits to the SHG-BLPs, depicts that for the years, 2014-15 and 2021-22, the growth rate of SGSY is in the third position. But for the CAGR analysis, the growth rate or the per year increase in the SGSY led SHGs is the highest with 26.72%, leaving behind the women SHGs , total SHGs and the NULM led SHGs.

Table No. V: The amount of outstanding loans with the banks of the SHG-BLPs during 2014-15 and 2021-22.

(Amount in crores)

Particulars	2014-15	2021-22	CAGR in %. From 2014-15 to 2021-22 i.e. 8 years.
Total No. of SHGs	51545.46	151051.30	**14.38**
All Women-SHGs	45901.95	142288.61	**15.19**
SGSY/NRLM	19752.74	94231.52	**21.56**
SJSRY/NULM	3462.62	7608.57	**10.34**

Source: *Status of Microfinance in India* ***(2014-15)****, pp 11; Status of Microfinance in India* ***(2021-22)****, pp 8. CAGR is calculated by* ***Ms. Shweta Singh.***

This is the update of the loans outstanding of the different agencies in India for the years 2014-15 and 2021-22, shows that again the SGSY holds the third rank. But for the CAGR percentage, SGSY has the highest share (21.56%) in the SHG community, as the per year average increase in the growth of it is the largest among all the categories.

Conclusion

The three research questions mentioned above, are answered as follows-

The first question enquiring about the relation between the government programmes and poverty reduction shows the positive sign that these do have an impact on the poverty reduction. It helped them in generating enough money income to save as a part of their income in the savings account of the banks, and also possess more than one bank account.

The second research question, investigating the impact of the government programmes like the SGSY and the SJSRY, holds an important position in the development process. These are the government sponsored programmes, where the SHGs are nurtured and nourished under the flagships of the SGSY and the SJSRY. By the virtue of being a government programme, it is the responsibility of these SHGs to propagate and spread the awareness among the people and the participants about the new and established government schemes in their favour, for the better outcomes.

The third one, the members after joining the SHGs or the SHG-BLPs, their income, consumption, savings, and all the major aspects affecting their lives have changed. They are not only saving the money in the savings account of the banks but also taking credit from the banks and showing signs of repayment through the outstanding loans, that maybe the rate of repayments maybe slower but it is definite and assured. The coordinated efforts of the RBI, banking system and the Government of India have been able to bring down the NPA rates significantly, by opening the several avenues of income and helping them repay the loans. This indulgence in the entrepreneurial business or microenterprises shows signs of poverty reduction.

Similarly, for the objectives, there exist a strong association of the government schemes and poverty reduction, as the government through its effective plans and programmes like TRYSEM, SITARA, DWCRA, MGNREGA, Million Wells Scheme (MWS), Ganga Kalyan Yojana (GKY), PMJDY (Pradhan Mantri Jan Dhan Yojana, DDU-GKY- Deen Dayal Upadhyay Grameen Kaushalya Yojana, IAY - Indira Awas Yojana, PMAY-G; Pradhan Mantri Awas Yojana- all these are aimed at providing self-employment , employment , raising income, consumption, investments and reducing poverty.

The government programmes have impacted the SHGs positively. Without the government effort and its assistance, in the form of loan relaxations, concessions and subsidies, the SHGs would have collapsed as seen in all the five tables, right from the number of SHGs, its expansion, savings account in the banks, credit disbursement through the banks, outstanding loans shows that their involvement through these, is helping them engage in the economic activities, hence poverty is getting reduced.

SHGs are indeed, the best platforms to outreach the poor, to implement and execute these for them and to overcome these problems of rural poverty. Without these platforms, the central and the state governments would have literally failed in meeting their growth targets and would have been incapable of reaching this far and in such huge numbers.

Hence, both the government programmes and the poverty eradication targets are complementary in nature and go hand in hand, and is impossible to work in the absence of the other, and SHGs does the work of a facilitator, in facilitating the groups with the opportunities of the government schemes, yojanas, jobs, and many more.

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