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## **ECONOMIC IMPROVEMENT OF RURAL BPL HOUSEHOLDS THROUGH SHGS: A STUDY AT AURANGABAD DISTRICT OF MAHARASHTRA**

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### **Abstract**

This study was carried out among the members of self-help groups (SHGs) at Aurangabad District of Maharashtra in the Month of March 2019. Altogether, two SHGs located in two different areas along with the few members of SHGs were contacted to get an idea about the functioning of self-help group (SHG) in the district as well as earning (income) of members after joining in the SHG. The SHGs were part of earlier Swarnajayanthi Gram Swarojgar Yojana (SGSY), a self-employment scheme sponsored under Ministry of Rural Development, Government of India. In view of this few lines about SGSY and its progress are presented here for the benefit of readers. So, the study is based on both primary and secondary data.

**Keywords:** Aurangabad; Income; Self Help Groups (SHGS) And SGSY.

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### **1. Introduction**

To generate self-employment in the rural areas during 1980s and also in 90s different self-employment programmes were introduced in India. These were Integrated Rural Development Programme (IRDP), Development of Women and Children in Rural Areas (DWCRA), Training of Rural Youth for Self Employment (TRYSEM), Supply of Improved Toolkits for Rural Artisans (SITRA), Million Wells Scheme (MWS) and Ganga Kalyan Yojana (GKY). Later on in 1999, 1st April all these self-employment programmes were merged into one *i.e.* Swarnajayanthi Gram Swarojgar Yojana (SGSY) and again from June 2011 a new Programme namely National Rural Livelihoods Mission (NRLM, now known as DAY-NRLM, *Deendayal Antyodaya Yojana-NRLM*) was launched in all the rural areas after restructuring SGSY by the Ministry of Rural Development, Government of India. DAY-NRLM has set out with an agenda to cover 7 Crore BPL households, across 600 districts, 6000 blocks, 2.5 lakh Gram Panchayats and 6 lakh villages in the country through self-managed Self Help Groups (SHGs) and federated institutions and

support them for livelihoods collectives in a period of 8-10 years. In addition, the below poverty line (BPL) households would be facilitated to achieve increased access to their rights, entitlements and public services, diversified risk and better social indicators of empowerment. DAY-NRLM believes in harnessing the innate capabilities of the poor and complements them with capacities (information, knowledge, skills, tools, finance and collectivization) to participate in the growing economy of the country ([www.aajeevika.gov.in](http://www.aajeevika.gov.in)). For the benefit of researchers and readers progress of SGSY are presented for few years' particularly initial year and fag end of the *Yojana*. The data were collected from the Annual Report 2009-10 of the Ministry of Rural Development, Government of India so any researcher can use the data according to the requirement.

Table 1: Financial and Physical Progress under SGSY: 1999-2000 and 2005-06 to 2009-10  
(Rs. in Crore)

Sl. No.	Items	1999-2000	2005-06	2006-07	2007-08	2008-09	2009-10 (Dec. 09)
<b>A</b>	<b>Financial Progress</b>						
1.	Total Allocation	1472.33	1332.67	1466.00	2268.82	2643.44	2688.66
2.	Budget Allocation / Revised Allocation	950.00	1000.00	1200.00	1697.70	2350.00	2350.00
3.	Central Allocation	1105.00	1000.00	1100.00	1702.24	2020.00	2051.54
4.	State Allocation	367.34	332.67	366.00	566.58	623.44	637.12
5.	Central Releases	946.76	1029.56	1188.35	1697.70	2337.89	1632.18
	%age of Central Releases	99.66	102.96	99.03	100.00	99.48	69.45
6.	Central Releases (Subsidy to DRDA)	869.55	910.27	1040.16	1540.28	1989.60	1507.35
	% age of Central Releases (Subsidy to DRDAs)	78.69	91.03	94.56	90.49	98.49	73.47
7.	State Releases	261.47	315.67	338.91	475.69	542.57	354.00
	%age of State Releases	71.18	94.89	92.60	83.96	87.03	55.56
8.	Opening Balance as on 1st April	776.66	241.83	262.97	302.58	438.80	800.05
9.	Misc. Receipt	54.33	90.76	82.51	75.62	32.08	22.09
10.	Total Funds Available	1962.01	1558.53	1724.55	2394.17	3003.05	2683.49
11.	Total Funds Utilised	959.86	1338.78	1424.20	1965.97	2285.40	1548.11
	Utilization to Funds Available (%)	48.92	85.90	82.58	82.12	76.10	57.69
	Utilization to Allocation (%)	65.19	100.46	97.15	86.65	86.46	57.58
	Utilization of funds	36.79	64.59	68.18	65.57	76.23	70.88
	Utilization of Revolving fund	5.06	11.08	9.86	9.52	10.83	13.07
	Utilization of Infrastructure Dev. Fund	22.16	13.30	12.99	15.98	15.78	14.84
	Utilization of Training / Skill Dev. Fund	4.65	6.31	7.26	9.76	9.42	1577.99
	Utilization other fund	0.79	2.16	2.15	5.48	1.93	0.18
10.	Total Credit Target	3205.00	2515.65	2869.12	3743.55	3929.80	4443.91
11.	Total Credit Mobilized	1056.46	1823.16	2291.21	2760.31	3530.07	2427.37
	% age of Credit Mobilized	32.96	72.47	79.86	73.73	89.83	54.62

12.	Credit Disbursed to SHGs	187.30	1275.41	1803.34	2090.70	2513.38	1893.31
13	Credit Disbursed to Individual Swarojgaris	869.16	547.75	487.87	669.60	1016.69	534.06
14.	Total Subsidy Disbursed	541.69	904.83	971.05	1289.10	1742.27	1097.47
15.	Subsidy Disbursed to SHGs	124.58	671.22	771.46	990.97	1150.94	806.43
16.	Subsidy Disbursed to Individual Swarojgaris	417.11	233.61	199.59	298.14	591.33	291.04
	Ratio of Investment on SHGs vs. Individuals	0.24	2.49	3.75	3.18	2.28	3.27
17.	Total Investment	1598.15	2727.99	3262.27	4049.41	5272.34	3524.85
18.	Per Capita Investment (In Rupees)	17113	23699	19281	28765	29932	32008
19.	Credit Subsidy Ratio	1.95	2.01	2.36	2.14	2.03	2.21
B.	Physical Progress (No.)						
1.	Self-Help Groups (SHGs) formed	292426	276414	246309	306688	563530	278488
2.	Women SHGs formed	176263	213213	176712	231670	404972	214975
3.	% age of Women SHGs	60.28	77.14	71.74	75.54	71.86	77.19
4.	No. of SHGs passed Grade-I	125402	210639	222029	251163	322322	273268
5.	No. of SHGs passed Grade-II	74234	91920	156353	116878	138641	99513
6.	SHGs taken up Economic Activities-Target		52876	77018	106036	138169	155288
7.	SHGs taken up Economic Activities-Achievement	29017	80130	137931	181386	114452	82063
8.	% age of SHGs Taken up Eco. Activity to Grade-II	39.09	87.17	88.22	155.19	82.55	82.46
9.	SHGs Swarojgaris Assisted-Target		528757	770175	1060365	1381689	1552884
10.	Achievement	347912	873485	1472066	1154269	1470032	957769
11.	Individual Swarojgaris Assisted-Target		330473	320906	292380	380981	269598
12.	Achievement	585956	277631	219860	253503	291392	143485
13.	Total Swarojgaris Assisted-Target		859230	1091081	1352745	1762670	1822482
14.	Achievement	933868	1151116	1691926	1699295	1861875	1164898
15.	% age of SHGs Swarojgaris Assisted	37.25	75.88	87.01	67.93	78.95	82.22
16.	SC Swarojgaris Assisted	278938	383124	600364	561052	601299	409974
17.	ST Swarojgaris Assisted	134944	165407	241291	251783	274530	177981
18.	Total SC/ST Swarojgaris Assisted	413882	548531	841655	812835	875829	587955
19.	Minorities (Swarojgaris) Assisted		--	60494	142399	275121	129714
20.	Women Swarojgaris Assisted	416690	662764	1247132	1083905	1206513	784725

21.	Disabled Swarojgaris Assisted	8529	14793	31864	36113	42315	23013
22.	% age of SC/STs Assisted	44.32	47.65	49.75	47.83	47.04	50.47
23.	% age of Minorities assisted			3.58	8.38	14.78	11.14
24.	% age of Women Assisted	44.62	57.58	73.71	63.79	64.80	67.36
25.	% age of Disabled Assisted	0.91	1.29	1.88	2.13	2.27	1.98

**Source: GOI, Ministry of Rural Development, Annual Report 2009-10.**

- 1) Although table is self-explanatory but few important points as observed from the above are:
- 2) Over a period of time, allocation of fund both by the Central and the State Governments increased.
- 3) Although allocation of fund was increased but utilization to available funds/ allocation was low as it never touched even 100 percent in any year.
- 4) The data reveal that per capita investment, which is an important indicator of incremental capital output ratio, increased over a period of time.
- 5) Credit -subsidy ratio was hovered around 2 over the years indicating more credit was given than subsidy.
- 6) With the increase number of SHGs and 77 percent women SHGs (of the total SHGs) indicates more and more women members joined in the income generation activities.
- 7) As per norm, the percentage of SC/ST assisted should be 50 but only in 2009-10 the same was achieved and in other years it less than the target.
- 8) As per guidelines of SGSY, the percentage of women assisted should be 40 but it always crossed the target which is praiseworthy.
- 9) The assistance given to minorities and disabled was always short of the target.

## 2. Study Area and Methodology

The study is based on field visit and PRA methodology (earlier used to call Participatory Rural Appraisal, now PRA is used) was used. Again under PRA, Group Discussion tool was exercised where along with SHG members, local villagers, local officials were present so scope of suppressing information was ruled out. The two SHGs are *Rohidas Maharaj SHG* of *Dhawalapuri* village, Aurangabad block and *Sri Sai SHG* of *Fardapur* village, block *Soyegaon* of Aurangabad district and study was conducted in the month of March 2019.

The SHGs were part of earlier *Swarnajayanthi Gram Swarojgar Yojana* (SGSY), a self-employment scheme sponsored under Ministry of Rural Development, Government of India. In view of this, few lines about SGSY have been already mentioned here for the benefit of readers. So, the study is based on both primary and secondary data.

Before presenting the cases, few lines about PRA collected from the book of “Whose Reality Counts? Putting the first last” by Robert Chambers are presented PRA as a methodology helps interacting with local communities, understanding them and learning from them.

### 3. Importance of PRA

PRA helps in generating different kind of data, identifying & mobilizing intended groups for decision making, project design, implementation, monitoring and evaluation. The basics of PRA are:

- Rapport building
- Role reversal
- Unlearn
- Listen & Learn
- Trust / faith
- Avoid Biases
- Inter Disciplinary
- Times Saving / rapid / but progressive Learning
- Cross checking by people
- Diversity and reality
- Critical self awareness hand over the stick
- Participation

**Case 1: Rohidas Maharaj SHG:** The SHG was set up in 2007 at *Dhawalapuri* village of Aurangabad block of Aurangabad district with 10 SC women. One noteworthy point is that when study was carried out in March 2019, the SHG was 12 years old so it is a sustainable case and set up when *Swarnajayanthi Gram Swarojgar Yojana* (SGSY) was in operation. Regarding education of the members, the study reveals all the members did not have school education except one who studied up to 7<sup>th</sup> standard. Of course, other nine members can sign. The SHG was provided cash credit limit (CCL) of Rs.15,000.00 and Rs.10,000.00 under SGSY. It is pertinent to mention that every SHG which was in existence at least for a period of six months and which demonstrated the potential of viable group was provided a revolving fund (one time assistance given by the Government through District Rural Development Agency, DRDA) and cash credit limit (CCL) from the bank which was a sort of loan. Later on, the SHG was extended an amount of Rs.1.90 lakh as loan and Rs.60,000.00 subsidy as per SGSY.

During the course of study, the members informed that they repaid bank loan. The SHG members were involved with making girls/ ladies cloth-wears known as ‘top’ similar to ‘*salwar*’ where embroidery is done for gorgeous looking. The activities were carried out near Aurangabad city in a rented building as it facilitates for marketing as well as raw materials which come from New Delhi can be stored easily. The members come from their village located nearby and after the work goes back.

With the funds received as loan and subsidy, the SHG purchased five embroidery machines, two tailoring machines, one cutting machine and one over-locking machine which are required for making the cloth wears. Further the SHG employed one master craftsman at the wage of Rs.15,000.00 and one helper Rs.7000.00 per month basis. The other women members based on their work are paid- stitching, embroidery etc. When contacted Mrs. *Sunita Rohidas Chandra* (30 years / 7<sup>th</sup> pass), Mrs. *Hirabai Harichandra* (50/ illiterate) and Mrs. *Tarabai Chhotturam Bhogure* (50 years/illiterate) informed that monthly income of each was hovering around Rs. 10,000.00

which was in addition to husband's income so each of them could manage the family satisfactorily. According to them, other SHG members were also earning almost the same amount.

**Case 2: Sri Sai SHG** was established at *Fardapur, block Soyegaon* in the year 2010 with 10 persons – 6 women and 4 men as that time under *Swarnajayanti Gram Swarajgar Yojana (SGSY)* SHGs could be formed with male and female persons even with only male persons SHG could be formed under SGSY but now under DAY-NRLM only women SHGs can be formed. However, the *Sri Sai SHG* was extended a sum of Rs.10,000.00 as revolving fund and no other money was extended to the SHG. The another source of raising fund was saving of each member and each was saving @ Rs.100 per month and thus the SHG had substantial corpus fund. While carrying out Group Discussion under PRA, it was observed that each member borrowed loan 2-3 times from SHG's corpus fund (saving plus revolving fund) ranging from Rs.5,000 to Rs.20,000.

The members were involved in different activities like one was making statue etc, by carving stones. The products are sold at shops in Ajanta and other places and during tourists' season he could do brisk business. While interacted with *Sri Ankush Yadhav* (38 years/ 10<sup>th</sup> pass) informed that his earning per month on average was Rs.20,000.00. He borrowed loan from SHG's corpus fund four times @ Rs.10,000.00 each time. The other members whom the author interacted were involved in agriculture and allied activities. Mrs. *Indubai* (widow/ 50 years/ 2<sup>nd</sup> pass) with four acres of agricultural land and one buffalo was managing families with great economic hardship once upon a time as she had four children- two daughters and two sons. Later on, all married and she got relief. She with bliss also informed that sons were staying with her so she never felt loneliness and one son was earning by carving stone items.

She borrowed from SHG's corpus fund two times Rs.20,000.00 and Rs.10,000.00. The third member interviewed was Mrs. *Sangethabai Balunde* (35 years/10<sup>th</sup> pass/2 children). With four acres of agricultural land managing the families without much hassle as husband was working in a private sector. For her agricultural development, she borrowed five times – Rs. 6,000.00 (2 times), Rs. 5,000.00 (2 times) and Rs.10,000.00 (1 time). The fourth member whom the author interacted was *Mr. Krishna* (43 years/3<sup>rd</sup> pass/4 children). He informed that he borrowed four times from corpus fund of SHG totaling to the tune of Rs. 50,000.00. In addition to agricultural development (having 3 acres of land), he purchased one buffalo, one cow and two plough bullocks.

It is pertinent to mention here that except *Sri Ankush Yadhav* all the members were earning through agriculture and allied activities so it is not easy to calculate earning of the member, even then an attempt was made to get an idea about the same. And rough calculation reveals that income of each (out of three members) was in the range of Rs. 15,000.00 to Rs20,000.00 per month.

#### 4. Conclusion

This field-based study glaringly portrays that by forming SHG, members have been greatly benefitted as whenever required they borrowed from the SHG's corpus fund and both SHGs were functioning for a long time *i.e.* sustainable one. Even one SHG was functioning with male and female members for last nine years without any hassle. It was also observed that no one was fallen in 'Debt Trap' as members meticulously managing the SHG's corpus fund for many years.



Therefore, it is suggested that for economic development of the rural families SHG approach is one of the best strategies.

## References

- [1] [https://aajeevika.gov.in/content/welcome-deendayal-antyodaya-yojana-nrlm/1st April 2019](https://aajeevika.gov.in/content/welcome-deendayal-antyodaya-yojana-nrlm/1st%20April%202019)
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