



## Rural Self-employment Programmes in India – A Review

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### Abstract

*Rural unemployment is still an unresolved social problem demanding remedy. Erstwhile self-employment and wage employment programmes were alleged to be underprovided in bringing down the unemployment rate as planned. Irrespective of the number of programmes, effective employment generation through different programmes is important. The paper reviews the self-employment programmes implemented in the country since the Sixth Five-year Plan period.*

**Keywords:** Unemployment, Self-employment, Self-employment programmes

### I. Introduction

“India lives in its villages”. This statement of Mahatma Gandhi, the Father of the Nation, is relevant even today from the political, social and economic perspectives of India. As per the Census 2011, India's total population is 121.02 crore, of which 68.84 per cent (83.31 crores) live in the rural areas and only 31.16 per cent (37.71 crores) are in the urban area (Registrar General & Census Commissioner, 2012). Rural life in India is characterised by poverty, unemployment, as well as poor and inadequate infrastructure, and these will have a cascading effect on urban centres by causing slums and economic and social tension.

Hence, the development of rural areas received more attention by way of the various schemes designed for the development of Indian economy. The unemployment scenario in the country over the years is quite a substantial evidence of rural backwardness and all sorts of developmental needs. The rise in unemployment has been a silent phenomenon in India. According to the National Sample Survey's 55<sup>th</sup> round, unemployment as a percentage of labour force rose from 5.99 per cent in 1993-'94 to 7.32 per cent in 1999-2000 (Government of India, 2012). Based on the National Sample Survey, the International Labour Organisation has reported



that the total employment grew by only 1.1 million, from 2004-05 to 2009-10. However, the total employment in India expanded by 13.9 million from 2009-10 to 2011-12. As per the report on the 'Third Annual Employment and Unemployment Survey, the unemployment rate is estimated to be 4.7 per cent at the all India level (Govt. of India, 2013). Despite relatively low labour force participation rate, the unemployment rate is significantly higher among females as compared to that among males. At the all India level, the female unemployment rate is 7.2 per cent whereas for males, the rate is 4.0 per cent. It should be noted that the unemployment rate is lower (4.4 per cent) in rural areas whereas, in urban areas, the same is 5.7 per cent (Govt. of India, 2013).

To a great extent, the size of employment in a country depends on the level of development. So, when a country makes progress and its production expands, the employment opportunities also grow. In India, during the past three decades,

production has increased in all sectors of the economy, which has led to an increase in the level of employment. As against the GDP growth at an average rate of 6.4 per cent between 1992-93 to 2000-'01, the employment growth declined from 2 per cent to 1 per cent (Sengupta, 2004). Thus, the country has been witnessing a jobless growth in the recent years. This was due to the fact that the rate of economic growth was lower than the targeted rate and so, adequate number of jobs was not created (Puri & Misra, 2008). It is also argued that economic growth in India in the early 2000s had not led to much employment generation (Chandrasekhar, 2004). The overall employment growth story of the country during the last two decades was not appreciable as it declined slightly over the two decades (Raveendran, 2007). This was particularly true for rural areas while urban areas maintained a better annual growth rate (Table 1). The percentage of unemployed to total labour force in the country is given in Table 2.

**Table 1: Employment Growth in India**

Year	Rural		Urban		Total	
	No. (Mln)	Growth % *	No. (Mln)	Growth % *	No. (Mln)	Growth % #
1972-73	168.65	-	36.10	-	204.75	-
1977-78	171.04	0.28	42.85	3.74	213.88	0.92
1982-83	187.90	1.97	51.59	4.08	239.49	2.08
1993-94	238.75	2.46	75.18	4.16	313.93	2.61
1999-00	251.22	0.87	86.97	2.61	338.19	1.25
2004-05	277.6	2.10	105.2	4.19	382.8	2.62
2009-10	285.4	0.56	115.4	1.94	400.8	0.92

\*Simple average of previous years

# Growth rate (%) per annum is given over the previous quinquennial round

Source: Planning Commission, Govt. of India.

**Table 2: Unemployment Rate**

Sl. No	Year	Unemployment (% to Labour Force)	Change (+/-)
1	1972-73	8.35	
2	1977-78	8.18	-0.17
3	1982-83	9.22	1.04
4	1993-94	6.06	-3.16
5	1999-00	7.31	1.25
6	2004-05	8.28	0.97
7	2009-10	6.53	-1.75

Source: Planning Commission, Govt. of India.

The Planning Commission of India for the 11<sup>th</sup> Five Year Plan (2007-12) reported that, at the end of 2004-'05, the rural labour force stood at 303.2 million as against the rural employed work force of 278.1 million, leaving 25 million people unemployed. The Government initiatives during the 10<sup>th</sup> Five Year plan were successful in generating an additional 26.9 million job opportunities. However, there was an addition of 32.6 million to the work force during the Plan period. Thus, in spite of significant initiatives for employment generation, the rate of increase in labour force had been faster than the rate of increase in employment, leading to a rise in unemployment. The unemployment rate among rural agricultural households increased from 12.3 per cent during the 10<sup>th</sup> Five year Plan to 15.3 per cent during the 11<sup>th</sup> Five Year Plan.

In the rural sector, agriculture and allied activities account for most of the employment. A

sector-wise analysis of employment data makes it clear that there was a decline in employment in agriculture from 65.42 per cent in 1983 to 52.06 per cent in 2004-05 (Government of India, 2013). The diversification of employment away from agriculture during the 1980s resulted in an overall growth of rural employment and thereby a decline in the incidence of rural poverty. The main source of employment generation in the rural sector during the period was the Central and State Governments-sponsored employment generation programmes offering increased subsidies. Moreover, as a result of the conscious policy of rural development, about 80 per cent of all new Government jobs created occurred in rural areas (Puri & Misra, 2008). Nowadays, the strategy of rural development focuses mainly on poverty alleviation, better livelihood opportunities and provision of basic infrastructural facilities through innovative programs of wage and self-employment.



## **II. Employment Programmes in India**

“Growth with Social Justice” has been the basic objective of the development planning in India since independence (Planning Commission, 2001). The prevalence of unemployment and poverty was viewed as the most serious concern for development. But the Government did not frame any specific long-term policy for solving the unemployment problem because, for quite some time, it was thought that economic growth would result in increased employment opportunities and that accelerated rate of economic growth would be able to meet substantially the employment requirements of the growing labour force. This, however, did not happen, as the number of unemployed increased from 22 million in 1969 to 42 million in 2004 (Sengupta, 2004). The Government, therefore, laid increased emphasis on taking up schemes for providing additional employment opportunities and various special schemes of employment generation – both self-employment and wage-employment programmes.

## **III. Self-employment Programmes**

As per the 55<sup>th</sup> round of the National Sample Survey (NSS) on Employment and Unemployment in India 1999-2000, 55 per cent of the employed males and 57 per cent of the employed females in the rural areas were self-employed persons. At the same time, only 9 per cent of the employed males and 3 per cent of employed females were regular employees (Government of India, 2012). The Planning Commission for the 10<sup>th</sup> Five year Plan had pointed out that about 36 to 40 per cent of the rural population still required casual/wage employment. Obviously, programmes for self-employment of the poor have been an important component of the anti-poverty programmes implemented through government initiatives in

rural India. A review of the various self-employment programmes implemented in the country is done below.

## **III (A). Integrated Rural Development Programme (IRDP)**

IRDP was a centrally sponsored self-employment scheme, which had been in operation in all the Blocks of the country since 1980 during the Sixth Five Year Plan. The scheme was financed on 50:50 basis by the Centre and the States. The Central funds were allocated to the States on the basis of the proportion of rural poor in a State to the total rural poor in the country. The programme aimed at providing self-employment in a variety of activities like sericulture, animal husbandry and land-based activities in the primary sector; weaving, handicrafts, etc. in the secondary sector, service and business activities in the tertiary sector. The acquisition of productive assets or appropriate skills would help the rural poor to generate additional income on a sustainable basis which will enable them to cross the poverty line. The target group consisted largely of small and marginal farmers, agricultural labourers and rural artisans living below the poverty line, Scheduled Castes/Scheduled Tribes families and physically handicapped persons. Within the target group, there was an assured coverage of 50 per cent for Scheduled Castes/Scheduled Tribes, 40 per cent for women and 3 per cent for the physically handicapped. Based on the feedback received from the State governments, suitable changes were made in the guidelines for the IRDP, from time to time.

The total investment under IRDP during the Sixth Five Year Plan was Rs. 4762.78 crore as against the target of Rs. 4500 crore. The number of families benefited during the period was 165.62 lakh, of which 64.64 lakh belonged



to Scheduled Caste/Scheduled Tribe (Planning Commission, 1985). During the Seventh Plan period, the total investment was increased to Rs.8080.56crore and about 181.77 lakh households were benefited. The sectoral composition indicates that, of all the schemes selected, 44 per cent were in the primary sector, 18.5 per cent in the secondary sector, and 37.5 per cent in the tertiary sector(Planning Commission, 1992). During the Eighth Five Year Plan, the total investment amounted to Rs.11541.06 crore and 10.83 million families were covered against the initial target of 12.6 million families. Of the families covered, 50.06 per cent were from Scheduled Castes/Scheduled Tribes. The coverage of women was only 33.59 per cent which was lower than the target of 40 per cent(Planning Commission, 1998).

In 1993, the RBI appointed a High Power Committee under the Chairmanship of Dr. D.R. Mehta, to make an in-depth study of IRDP and recommend suitable measures for its improvement. Based on the recommendations of the Committee, new initiatives were taken by the Government under IRDP in the Eighth Plan. It was decided to bring the literate unemployed youth (below the poverty line) for IRDP activities by giving them subsidy for projects. Group activities involving at least 5 members were promoted by enhancing the ceiling on subsidy to Rs.1.25 lakh or 50 per cent of the project cost, whichever was less. Even the cut-off line was abolished to enable all families below the poverty line to be assisted under the programme. There had been considerable diversification of IRDP activities since the inception of the programme. Initially, a

majority of the beneficiaries under the programme subscribed to primary sector activities. In 1980-81, IRDP activities were heavily skewed towards the primary sector which accounted for 93.56 per cent, while the shares of the secondary and tertiary sectors were 2.32 per cent and 4.12 per cent respectively. Over the years, the share of the primary sector came down to around 55 per cent, while the shares of the secondary and tertiary sectors increased proportionately to 15 per cent and 30 per cent respectively (Planning Commission, 1998).

In the 10<sup>th</sup> Plan document, the Planning Commission had stated that 54 million families had been benefited under the IRDP till March 1999, since the inception of the programme. The total investment including subsidy was Rs.33,953 crore. The results of the last Concurrent Evaluation revealed that 14.8 per cent of the beneficiaries assisted under the IRDP could cross the revised poverty line of Rs.11 000/annum (1991-92 prices). Though the programme was successful in reducing poverty in India to a certain extent, many criticisms were raised against the efficiency in the implementation of the programme, particularly about the recovery performance which was only 41 per cent as on March 1996 (Planning Commission, 2002). It was also criticised that the programme badly affected the health of the lending financial institutions due to increasing proportion of non-performing assets and resulting defaults in loan payments. With effect from 1<sup>st</sup> April 1999, the scheme was merged into Swarnajayanti Gram SwarozgarYojana (SGSY). The number of families assisted, total investment made, and the sector-wise coverage are given in Table 3.

**Table 3: Financial Assistance and Beneficiaries under IRDP**

Plans	No. of Families Assisted (in lakh)	Total Investment (Rs in Lakh)			Sector-wise Coverage (%)		
		Subsidy Disbursed	Credit Disbursed	Total	Primary	secondary	Tertiary
Sixth Plan	165.62	166117	310161	476278	71.73	10.53	17.74
Assistance/Family (Rs.)		1003	1872.73	2875.73			
Seventh Plan	181.77	270803	537253	808056	43.68	18.66	37.66
Assistance/Family (Rs.)		1489.81	2955.67	4445.49			
Annual Plan 1990-91	28.98	66815	119003	185818	47.76	18.91	33.33
Assistance/Family (Rs.)		2305.56	4106.38	6411.94			
Annual Plan 1991-92	25.37	65773	114734	180507	49.97	18.67	31.36
Assistance/Family (Rs.)		2592.55	4522.43	7114.98			
Eighth Plan	108.36	397494	756631	1154125	52.87	17	30.13
Assistance/Family (Rs.)		3668.27	6982.57	10650.8			
Ninth Plan 1997-99	33.84	174474	417070	591544	53.63	15.65	30.72
Assistance/Family (Rs.)		5155.85	12324.8	17480.6			
Grand Total	543.94	1141476	2254852	3396328	-	-	-
Average/Family (Rs.) (Under the Scheme)		2098.53	4145.41	6243.94	51.06	17.56	31.38

Source: Planning Commission, Government of India





### III(B). The Scheme for Training of Rural Youth for Self-Employment (TRYSEM)

The scheme, Training of Rural Youth for Self-Employment (TRYSEM), was started in August 1979, as an allied programme to strengthen the IRDP. It aimed at training about 2 lakh rural youths every year to enable them to be self-employed. Under this scheme, 40 youths were selected from each Block and, to be eligible for selection, the person should belong to rural families having an income less than Rs. 3500 p.a. It was also prescribed that at least of 1/3 of the rural youths trained were to be women. Against the target of 10.01 lakh youths to be trained during the Sixth Plan, 10.14 lakh youths were actually trained, out of which 4.783 lakh youths were self-employed. Members of SC and ST accounted for 32.9 per cent of the persons trained, while women accounted for 33.8 per cent (Planning Commission, 1985). While reviewing the rural development and

poverty alleviation programmes, the Planning Commission for the 8<sup>th</sup> Plan reported that during the Seventh Plan, 9.97 lakh youth were trained under TRYSEM, of which 46.5 per cent took up self-employment and 13.13 per cent got wage employment (Planning Commission, 1992). During the Eighth Plan, 15.28 lakh youth were trained under TRYSEM, of whom 34.16 per cent took up self-employment and 15.05 per cent, wage-employment; the remaining 50.79 per cent remained unemployed (Planning Commission, 1998). The report of the Working Group on Rural Poverty Alleviation Programmes for the 10<sup>th</sup> Five Year Plan states that 45.56 lakh youths had been trained under the TRYSEM from 1980-81 to 1998-99 (Planning Commission, 2001). The TRYSEM was merged into Swarnjayanti Gram Swarozgar Yojana (SGSY) in 1999. The details of the financial assistance and employment generated under TRYSEM are presented Table 4.

**Table 4: Financial Assistance and Beneficiaries under TRYSEM**

Plans	Total Fund Allotted (Rs. in Lakhs)	Fund Released (Rs. in Lakhs)	No. of Youth Trained (Lakhs)	No. of Youth Employed (Lakhs)	% of Trained Youth Employed
Sixth Plan	387.90	NA	1.146	5.804	57.2
Seventh Plan	12884.71	NA	9.979	5.951	59.6
Annual Plan 1990-91	3260.93	NA	2.361	1.652	70.0
Annual Plan 1991-92	4879.31	NA	3.070	1.674	54.5
Eighth Plan	35563.70	37007.43	15.274	7.522	49.3
Ninth Plan 1997-98 & 1998-99	13284.83	15503.4	4.738	2.18	46.01
Grand Total	70261.379	52560.83	45.568	24.783	54.4
Average/Youth (Rs) (Under the Scheme)	1541.90	1153.46	-	-	-

Source: Planning Commission, Government of India

**III(C). Development of Women and Children in Rural Areas (DWCRA)**

Another programme, Development of Women and Children in Rural Areas (DWCRA), was introduced in September 1982, in 50 districts on a pilot basis on account of the lesser provision and benefit for women under IRDP during the first three years of the 6<sup>th</sup> Five Year Plan. The basic objective was to provide necessary support services to enable the women to take up income-generating activities. The scheme aimed at improving the living conditions of women and children by providing opportunities for self-employment and access to basic social services. The main strategy adopted under this programme was to facilitate poor women in the rural areas with employment, skill upgradation, training, credit and other support services so that the DWCRA women can take up income-generating activities for supplementing their incomes. Assistance was to be given either to individual women or to organized groups of women to take up economically viable activities. Under the scheme, women were granted assistance to take up viable economic activities with Rs. 15,000 as a one-time grant to be used as a revolving fund.

Analysing the rural development and poverty alleviation programmes, the Planning Commission for the 7<sup>th</sup> Plan reported that the outlay for the scheme during the Sixth Plan was Rs. 15.60 crore, which was to be shared equally by the Centre and the States. It was also felt that Government efforts were to be supplemented by voluntary agencies also. Thus, assistance from UNICEF was also made available to the extent

of Rs. 5.40 crore. During the 6<sup>th</sup> Plan alone, 3308 Groups covering 52170 women beneficiaries were actually organized under the Programme (Planning Commission, 1985). During the Seventh Plan, the scheme was extended to 161 districts and about 28,000 groups were formed during this period against the target of 35,000 with a membership of 4.6 lakh women (Planning Commission, 1992). During the Eighth Plan, the programme was extended to all the districts of the country and the Union Government took several initiatives to strengthen the programme. The revolving fund was increased from Rs.15,000 to Rs.25,000, and the formation of smaller DWCRA groups was permitted in remote areas. The Child Care Activities scheme was introduced in the DWCRA programme in 1995-96 with the objective of providing child care services for the children of DWCRA women. Similarly, the Information, Education and Communication (IEC) component was introduced to generate awareness among rural women about the development programmes implemented for their uplift and welfare. Altogether, 141386 DWCRA groups covering 2268327 women were formed during the 8<sup>th</sup> Plan, spending 190.74crore (Planning Commission, 1998). The Working group on rural poverty alleviation programmes for the 10<sup>th</sup> Five Year Plan reported that 2.73 lakh groups were formed with 41.45 lakh members under the DWCRA during 1982-83 to 1998-99 (Planning Commission, 2001). The DWCRA was merged into Swarnjayanti Gram SwarozgarYojana (SGSY) in 1999. The Central assistance released, the expenditure incurred and the number of women benefited under the programmes are depicted in Table 5.



**Table 5: Financial Assistance and Beneficiaries under DWCRA**

Plans	Central Assistance Released(Rs in Lakhs)	Expenditure (Rs in Lakhs)	% of Expenditure to Fund Allocated	No. of Women Benefited
Sixth Plan	298.53	-	-	52170
Seventh Plan	3663.53	3099.01	84.59	469707
Annual Plan 1990-91	898.00	500.66	55.75	109557
Annual Plan 1991-92	962.72	784.18	81.45	208012
Eighth Plan	19074.17	22453.77	117.72	2268327
Ninth Plan (1997-98 & 1998-99)	14093.22	15411.24	109.35	1036932
Grand Total	38990.17	42248.85	108.36	4144705
Average/ Women (Rs)(Under the Scheme)	940.72	1019.35	-	-

Source: Planning Commission, Government of India.

### III(D). Supply of Improved Toolkits to Rural Artisans (SITRA)

Under this programme, improved toolkits were provided to rural artisans (except weavers, tailors, needle workers and beedi workers) all over India at 90 per cent subsidy, to ensure increased income to the beneficiaries, besides achieving improved quality of life, enhanced production and reduction in migration to urban areas. The scheme was launched in July 1992, as a subsidiary scheme of IRDP in selected districts and was then extended to all the districts of the country. The scheme aims at supply of a kit of improved hand tools within a financial ceiling of Rs.2000, for

which the artisans need pay only 10 per cent, while the remaining 90 per cent is the subsidy from the Government of India. The supply of power-driven tool costing Rs.4500 is also permitted under this scheme. Besides this, the artisans were trained under TRYSEM and any additional finance required by the artisans was to be provided through loans under IRDP. Since the inception of this scheme in 1992-93, up to 1998-99, 10.61 lakh toolkits were been distributed to rural artisans at an expenditure of Rs.209.92 crore (Table 6). The scheme was merged into Swarnjayanti Gram Swarozgar Yojana (SGSY) in 1999.

**Table 6: Financial Assistance and Beneficiaries under SITRA**

Plan	Year	Fund Available (Rs. in crores)	Expenditure (Rs. in crores)	% of Expenditure to Available Fund	Beneficiaries(No. In lakhs)
Eighth Five Year Plan	1992-93	16.85	13.86	82.26	0.83
	1993-94	23.22	18.60	80.10	1.09
	1994-95	29.00	22.91	79.0	1.25
	1995-96	40.00	28.69	71.73	1.54
	1996-97	40.00	36.02	90.05	1.81
Annual Plans	1997-98	30.82	34.27	111.19	1.62
	1998-99	59.50	55.57	93.39	2.47
	Total	239.39	209.92	87.68	10.61
CAGR (%)		16.69	20.86	-	15.84
R <sup>2</sup>		0.7725	0.956	-	0.9205

Source: Planning Commission, Government of India.

### III(E). Ganga KalyanYojana (GKY)

In order to focus on the irrigation requirements of small and marginal farmers, Ganga KalyanYojana (GKY) was introduced in 1996-97 as a sub-scheme of the IRDP. Though a provision of Rs. 19081.50 lakh was made by the Central Govt. in this direction during 1996-97, the fund was actually released during March 1997, and only Rs 1093.545 lakh was utilized during 1997-98. Altogether, 6142 individuals and 1536 groups were also benefited under the scheme with the provision of wells and tube wells (Planning Commission, 2002). Due to some operational problems in its implementation, the scheme was

discontinued from 1998-99 and the unutilised funds were pooled with the new scheme of Swarnjayanti Gram SwarozgarYojana (SGSY) with effect from 1.4.1999.

### III(F). Million Wells Scheme (MWS)

The Ministry of Rural Areas and Employment launched a Million Wells Scheme (MWS) in 1988-89. The objective of the scheme was to provide open wells, free of cost, to poor SC/ST farmers in the category of small and marginal farmers, and to free bonded labourers. Where such wells were not feasible, the amounts allotted were to be utilised for other schemes of



minor irrigation projects and activities like irrigation tanks, water harvesting structures and also for development of lands of SCs/STs and freed bonded labourers. The beneficiaries had to undertake the construction of wells through their own labour and local labour for which they were

to be paid. Thus, the scheme could help in the creation of employment and capital formation. Till 1998-99, a total of 1308433 wells were constructed under MWS with an expenditure of about Rs. 4976.63 crore (Table 7) (Planning Commission, 2002).

**Table 7: Funds Allocated and Wells Constructed under MWS**

Plan	Total Fund Allocated (Rs.in crores)	Expenditure (Rs.in crores)	% of Expenditure to Fund Allocated	No. of Wells Constructed
Seventh Plan	271.44	241.15	88.84	137979
Annual Plan 1990-91	524.63	279.74	55.32	56433
Annual Plan 1991-92	524.63	495.19	94.39	172328
Eighth Plan	3727.45	2990.59	80.23	743030
Ninth Plan 1997-99	1120.17	969.96	86.59	198663
Grand Total	6168.32	4976.63	80.68	1308433
Average/Well (Rs)(Under the Scheme)	47142.80	38035.04	-	-

Source: Planning Commission, Government of India.

### III (G). The Swarnjayanti Gram Swarozgar Yojana (SGSY)

The SGSY was the major self-employment scheme to bring the assisted rural poor families (swarozgaris) above the poverty line by providing them income-generating assets with the help of bank credit and government subsidy. The scheme was introduced on the assumption that the rural poor had competencies of producing valuable goods and services, if they were given the right support and assistance by the Government. The scheme was launched in April 1999, by restructuring the erstwhile rural development programmes like IRDP and its allied programmes,

namely, TRYSEM, DWCRA, SITRA and GKY besides MWS. The programme covered all aspects of self-employment such as selection of key activities, planning of activity clusters, organization of the poor into Self Help Groups (SHGs) having 10-15 members, and building their capacities through social mobilization, training and skill development, creation of infrastructure, provision of technology and marketing support, etc. The SGSY was implemented by the District Rural Development Agencies (DRDAs) with the active involvement of Panchayati Raj Institutions (PRIs), banks, State government and Non-Government Organizations (NGOs). Key activities selected were to be such as give the Swarozgaris



an income of Rs 2000 per month, net of bank loan repayment. The programme provided special safeguards for the weaker sections and women. It was provided that 50 per cent of the groups formed and 40 per cent of the Swarozgaris assisted should be women. Similarly, SC/STs should constitute 50 per cent, and the disabled should constitute 3 per cent of the Swarozgaris assisted. Further, 15 per cent of the funds under the SGSY was set apart at the national level for special projects, which had self-employment generation potential in rural areas. The fund under the programme was shared between the Centre and the State on 75:25 basis.

As per the guidelines, the SHGs had to open an account in a nearby bank to get the loan from that the bank and also to deposit the fund raised by them in the bank. The SHGs would receive a

revolving fund of Rs. 25,000 from banks as cash credit facility. Of this, Rs. 10,000 would be given to the bank by the DRDA and the banks were to charge interest only on the sum exceeding Rs. 10,000. The subsidy allowed under the programme was uniform at the rate 30 per cent of the project cost, subject to a maximum of Rs. 7500 per individual Swarozgari, 50 per cent of the project cost subject to a maximum of Rs. 10000 in the case of STs & SCs and disabled Swarozgaris, 50 per cent of the cost of the scheme subject to a ceiling of Rs. 1.25 lakh for group projects. The monetary ceiling on subsidy was not applicable to irrigation projects. The funds for the SGSY were shared on 75:25 basis between the Central and State Governments. The details of the programme are given in Table 8.

**Table 8: Financial Assistance and Beneficiaries under SGSY**

Plan	Year	Total Fund Available (in crores)	Total Fund Utilised (in crores)	% of Fund Utilised to Fund Available	SHGs Formed (in lakhs)	No. of Beneficiaries (in lakhs)
Ninth Plan (Last Three Years)	1999-00	1962.01	959.86	48.92	2.92	933868
	2000-01	1608.18	1117.94	69.52	2.23	1006152
	2001-02	1299.55	970.32	74.67	4.34	937468
Tenth Plan	2002-03	1178.22	921.11	78.18	3.99	826267
	2003-04	1214.88	1043.43	85.89	3.92	896895
	2004-05	1511.2	1290.83	85.42	2.66	1115928
	2005-06	1558.53	1338.78	85.90	2.76	1151116
	2006-07	1724.55	1424.20	82.58	2.46	1691926
Eleventh Plan (First Four Years)	2007-08	2394.17	1965.97	82.12	3.07	1699295
	2008-09	3003.05	2285.39	76.10	5.64	1861875
	2009-10	3495.65	2779.19	79.50	3.89	2085177
	2010-11	3752.21	2804.04	74.73	3.11	2109986
Total		24702.2	18901.0	76.52	37.07	16315953
CAGR (%)		8.6	10.75	-	7.09	11.41
R <sup>2</sup>		0.5882	0.8737	-	0.2897	0.8835

Source: Planning Commission, Government of India.



During the last three years of the 9<sup>th</sup> Plan (1999-2000 to 2001-'02), Rs 4480.85 crore was made available under the programme, of which Rs 2576.09 crore was actually utilized. A total of 742354 SHGs were formed during the period. Total Swarozgaris assisted during the period numbered 24, 44,292, out of whom individual Swarozgaris were 15,74,258 (Planning Commission, 2002). During the 10<sup>th</sup> Plan, 56,82,132 beneficiaries took advantage of the scheme with a fund utilisation of Rs. 6018.35 crore. Reference to the Draft Approach Paper to the Twelfth Five-year Plan reveals that though the 11<sup>th</sup> Plan recommended a total outlay of Rs 17803 crore for SGSY, the actual budgetary allocation was only Rs. 12334.3 crore (69.3 per cent). The draft Approach Paper further lays down that during 10 years of implementation of SGSY, 3.6 million SHGs were formed, out of which only 0.08 million SHGs took up economic activities. In spite of the huge investments made by the Government on SGSY, the physical output had not been so impressive. Target-driven SHGs formations, subsidy-driven corruption, obsession with asset formation without proper marketing mechanism, etc., were observed as the major problems by the Demands for Grants of the Ministry of Rural Development (2010-11). Poor administration and management of the scheme and inadequate banking staff, leading to non-repayment of loans, were noted as the major difficulties in the implementation of the scheme.

Since 2011, SGSY has been renamed as National Rural Livelihood Mission (NRLM) along with incorporation of new provisions. NRLM is designed as a demand-driven programme and the State Governments have to formulate their own poverty reduction action plans based on their past experience, resources and skills base. Similarly, NRLM will provide for a professional support structure for implementation at all levels from National to Sub-district level in different streams.

#### **IV. Review Remarks**

All of the above-mentioned schemes were instrumental in providing self-employment to the rural community. However, the more or less stagnant 'absolute unemployment' was badly hitting the nation on the economic and social front. The ever mounting population growth along with other economic causes, over years, made the various self-employment programmes underprovided. Though, individually, each programme could achieve its own results, want of programmes or poor coverage of the programmes were deepening the unemployment problems in the country.

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