

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

STARRED QUESTION NO:309
ANSWERED ON:16.03.2000
SWARNJAYANTI GRAM SWAROZGAR YOJANA
A.F. GOLAM OSMANI

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether any guidelines and norms have been laid down in implementing the Swarnjayanti Gram Swarozgar Yojana;
- (b) if so, the details thereof;
- (c) the nature of development activities proposed to be taken up under the yojana; and
- (d) the schemes taken up under SGSY in Assam alongwith the amount involved therein since its inception?

Answer

MINISTER OF RURAL DEVELOPMENT

(SHRI SUNDAR LAL PATWA)

(a) & (b): Yes, Sir. The salient features of the Swarnjayanti Gram Swarozgar Yojana (SGSY) are enclosed at Annexure.

(c): The SGSY lays stress on Activity clusters, for which purpose 4-5 key activities are to be identified for each Block, based on the resources, occupational skills of the people and the availability of markets. A minimum of 75%, both by number and funding, is for key activities identified in the Block and a maximum of 25% for those activities, as may be chosen by beneficiaries.

(d): The schemes taken up under the SGSY in Assam include Mushroom cultivation, Piggery, Milch Animals, Farm mechanisation, Sericulture and Weaving. During 1999-2000, an amount of Rs.1776.55 lakhs has been released to the Govt. of Assam, as Central share, under the SGSY.

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF LOK SABHA STARRED QUESTION NO. 309

1. Swarnjayanti Gram Swarozgar Yojana aims at establishing a large number of micro-enterprises in the rural areas, building upon the potential of the rural poor. It is rooted in the belief that rural poor in India have competencies and, given the right support can be successful producers of valuable goods/ services.
2. The assisted families (known as Swarozgaris) may be individuals or groups (Self-Help Groups). Emphasis is on the group approach.
3. The objective under SGSY is to bring every assisted family above the poverty line in three years.
4. Towards this end, Swarnjayanti Gram Swarozgar Yojana (SGSY) is conceived as a holistic programme of micro-enterprises covering all aspects of self-employment, viz., organization of the rural poor into Self-help groups and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing.
5. In establishing the micro-enterprises, the emphasis under SGSY is on the cluster approach. For this, 4-5 key activities are to be identified in each block based on the resources, occupational skills of the people and availability of markets. The key activities are to be selected with the approval of the Panchayat Samitis at the block level and the DRDA/ZP at the District level. The major share of SGSY assistance will be in activity clusters.
6. SGSY adopts a project approach for each key activity. Project reports will be prepared in respect of identified key activities. The banks and other financial institutions are closely associated and involved in preparing these project reports, so as to avoid delays in sanctioning of loans and to ensure adequacy of financing.
7. The existing infrastructure for the cluster of activities is reviewed and gaps identified. Critical gaps in investments are made under SGSY subject to a ceiling of 20% (25% in the case of North Eastern States) of the total programmes allocation for each district. This amount is maintained by the DRDAs as `SGSY - Infrastructure Fund` and which can also be utilised to generate additional funding from other sources.
8. The effort under SGSY is to cover 30% of the poor in each Block in next five years through an efficient programme. In planning of the key activities, care is taken to ensure that the maximum numbers of Panchayats are covered without jeopardizing the quality of the

programme.

9.. SGSY also focuses on Group approach.This involves organization of the poor into Self-Help Groups (SHGs) and their capacity building. Efforts are made to involve women members in each SHG.Besides, exclusive women groups continue to be formed. At the level of the Block, at least half of the groups are exclusively women groups. Group activity is given preference and progressively, majority of the funding will be for Self-Help Groups.

10. The Gram Sabha authenticates the list of families below the poverty line identified in the BPL census.Identification of individual families suitable for each key activity is made through a participatory process.

11. SGSY is a credit-cum-subsidy programme. However, Credit is the critical component in SGSY, subsidy being only a minor and enabling element. Accordingly, SGSY envisages a greater involvement of the banks.They are involved closely in the planning and preparation of projects, identification of activity clusters, infrastructure planning as well as capacity building and choice of activity of the SHGs, selection of individual Swarozgaris, pre-credit activities and post-credit monitoring including loan recovery.

12. SGSY seeks to promote multiple credit rather than a one-time credit `injection`.The credit requirement of the Swarozgaris is carefully assessed. They are allowed and, in fact, encouraged for increasing their credit intake over the years.

13. SGSY seeks to lay emphasis on skill development through well-designed training courses. Those who have been sanctioned loans are assessed and given necessary training. The design, duration of training and the training curriculum is tailored to meet the needs of the identified activities. DRDAs are allowed to set apart upto 10% of the SGSY allocation on training.This is maintained as `SGSY - Training Fund`.

14. SGSY ensures upgradation of the technology in the identified activity clusters. The technology intervention seeks to add value to the local resources, including processing of the locally available material from natural and other resources for local and non-local market.

15. SGSY provides for promotion of marketing of the goods produced by the SGSY Swarozgaris.This involves providing of market intelligence, development of markets, consultancy services, as well as institutional arrangements for marketing of the goods including exports.

16. Subsidy under SGSY is uniform at 30% of the project cost, subject to a maximum of Rs. 7500. In respect of SC/STs, however, these are 50% and Rs. 10000 respectively. For Groups of Swarozgaris (SHGs), the subsidy is at 50 % of the cost of the scheme, subject to a ceiling of Rs. 1.25 lakh. There is no monetary limit on subsidy for irrigation projects. Subsidy will be back-ended.

17. SGSY has a special focus on the vulnerable groups among the rural poor. Accordingly, the SC/STs would account for at least 50% of the Swarozgaris, women for 40% and the disabled for 3%.

18. SGSY is implemented by the DRDAs through the Panchayat Samithis. The process of planning, implementation and monitoring integrates the banks and other financial institutions, the PRIs, NGOs, as well as technical institutions in the district. DRDAs are being suitably revamped and strengthened.

19. 15% of the funds under SGSY is set apart at the national level for projects having a far reaching significance and which can also act as indicators of possible alternative strategies to be taken up in conjunction with other departments or semi-government or international organizations. This includes initiatives to be taken in the individual districts or across the districts.

20. Funds under the SGSY are shared by Central and State Governments in the ratio of 75:25.

21. The central allocation earmarked for the States is distributed in relation to the incidence of poverty in the States.However, additional parameters like absorption capacity and special requirement will also be taken into consideration during the course of the year.