

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:256
ANSWERED ON:09.08.2012
GRADUATION OF SELF HELP GROUP MEMBERS
Shetkar Shri Suresh Kumar

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether the Government is taking any steps for graduation of Self Help Group (SHG) members to entrepreneurs which requires intensive training and handholding on various aspects like understanding of markets, potential mapping and entrepreneurship management;
- (b) if so, the details thereof; and
- (c) the views of the SHG members and experts in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI PRADEEP JAIN 'ADITYA')

(a) to (c): Under the Swarnjayanti Gram Swarozgar Yojana (S.G.S.Y.), there is provision for providing credit linked subsidy, to the tune of maximum of up to Rs. 1.25 lakhs per SHG.

The maximum amount of subsidy has now been enhanced to Rs. 2.50 lakhs under the National Rural Livelihoods Mission (N.R.L.M.). This is to support the SHGs in taking up some micro enterprises for income enhancement. S.G.S.Y. and N.R.L.M. also provide for skill enhancement training for the SHG members in the micro enterprise activity taken up by them. Up to 20% (up to 25% in case of North East states) of the allocation under S.G.S.Y. /N.R.L.M. can be utilized for providing marketing and infrastructure support to the SHGs. Some illustrative purposes for which this fund may be used are :-

- i. Productive infrastructure for processing, storage and value addition (one time);
- ii. Marketing support services like packaging, branding, market research etc. (one time);
- iii. Consulting services for productivity enhancement and cost/risk reduction (one time);
- iv. Organizing fairs and exhibitions and participation of SHGs in fairs and exhibitions etc.

The Ministry has also initiated a scheme for setting up Rural Self Employment Training Institutes (RSETIs), one in each district of the country, in collaboration with the Public Sector Banks. Rural poor youth are provided both technical and entrepreneurial skills for setting up micro-enterprises.

Based on the feedback from SHGs and opinion of experts, a value chain based approach has been adopted under NRLM. Value chain development would be - around the existing predominant activities in the area like food grains, dairy, fresh vegetables, etc., and/or around a significant market opportunity for the collectives.