

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:5011
ANSWERED ON:25.04.2013
SHORTCOMINGS IN SGSY
Ganpatrao Shri Jadhav Prataprao;Sinh Dr. Sanjay

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether Prof. Radhakrishna Committee has pointed out the shortcomings prevalent in Swarnajayanti Gram Swarozgar Yojana (SGSY);
- (b) if so, the details thereof along with the reaction of the Government thereto; and
- (c) the extent to which these shortcomings have been done away with?

Answer

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

(a): Yes, Sir.

(b): Some of the major shortcomings pointed out in the Prof. Radhakrishna Committee on Credit Related Issues related to Swarnajayanti Gram Swarozgar Yojana (SGSY) report are:-

(i) 22 per cent of the SHGs were able to access bank credit for income generating activities including micro enterprises. The bank assistance was abysmally low leading to low level of investment activity. This shortcoming was attributed to failure of public intervention to enhance the credit absorption capacity of Self Help Groups (SHGs) as well as to the failures of credit delivery systems to reach the poor.

(ii) Since most of the SHGs were engaged in low technology and less productive traditional activities, the income gains to SHGs were very meagre. Hence, SGSY had not been able to make substantial impact on the living standards of the Swarozgaris.

(iii) Uneven mobilization of SHG across the States, insufficient capacity building of beneficiaries, low credit mobilization and lack of dedicated professionals to implement the programme.

(c): Based largely on the recommendations of the Prof. Radhakrishna Committee, SGSY has been restructured as National Rural Livelihoods Mission (NRLM) - now re-named as `Aajeevika`. The programme is implemented in a mission mode across the country in a phased manner for targeted and time bound delivery of results. It aims at reducing poverty by enabling poor households to access gainful self-employment and skilled wage employment opportunities. NRLM is a demand driven programme and provide quality technical assistance to States to formulate into their own livelihoods based poverty reduction action plan. NRLM has focused on establishing institutional architecture, setting up systems and processes at national and State levels and rolling out mission activities in States. NRLM focuses on social mobilization of rural poor, continuous capacity building of the women SHGs, imparting requisite skills and creating linkages with livelihoods opportunities for the poor, including those emerging in the organized sector, and monitoring against targets of poverty outcomes. The programme is implemented through a dedicated support structure at national, State, district and block level. NRLM is working proactively on improving financial inclusion and SHG Bank linkages, both on the demand and supply side. On the demand side, NRLM is building strong institutions of the poor, focusing on their financial literacy and developing a strong repayments culture among the SHG members. On the supply side, the Mission is working closely with Banks on bringing in a suitable policy environment and developing right kind of financial products for the poor.