

# AN ANALYSIS OF MICROFINANCE SCHEMES AVAILABLE PARTICULARLY FOR BPL WOMEN IN DELHI NCR

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## **Abstract:**

The paper dealt with opinion towards the various microfinance schemes available particularly for BPL women in Delhi NCR. The paper also shed lights on different schemes presented in Delhi NCR, which is actually not a part of the study. Schemes such as Swarn Javanti Gram Swarozgar Yojana (SGSY), NABARD-SHG Linkage, “Swarna Jayanti Shahari Rozgar Yojana” (SJSRY) have been discussed in detail and opinions from respondents have been registered here.

**Keywords:** Micro finance, BPL, Women, Indian Government etc.

## **INTRODUCTION:**

The Indian government uses the "**Below Poverty Line**" as a benchmark to determine which individuals and households are economically disadvantaged and in need of government help. Numerous variables that change between and between states are used in its calculation.

Going into a survey due for a decade, India's central government is undecided on criteria to identify families below poverty line. The influential function played by micro finance for speeding up the “economic growth” has been well acknowledged across the world. The Indian government has previously recognized the financial requirements of the rural sector and developed policies that contribute to the flow of institutional credit. Delhi NCR, region with around 25 million of population, is one among the India’s wealthiest states. It is one of those regions in India which are divided significantly by minimal levels of poverty, which is also “lower than the national average to a great extent” with the exception block wise in its western and northern regions. Growth, related to the national average, is majorly supported by services sector. While consumption inequality has increased in both rural and urban areas after 1994, it has fallen of late, in rural areas.

## **Background of the Study**

Provision of financial assistances to the poverty-stricken and deprived part of the society has always been the focal point of several programs that are mostly “run by the government” since independence. Regardless of having “an extensive network of rural bank divisions” in India that executed particular poverty alleviation programs, which looked for generation of self-employment opportunities with the assistance of bank credit, a huge number of poor masses, even now, continued to stay outside from the field of conventional banking system. Micro credit has emerged as an influential system to provide financial services specifically “credit to the community which has been eliminated from the services” of the conventional organizations. The role of microfinance cannot be overlooked in India, whereas 62% people inhabit in rural region and 80% populations get their income from agriculture (Sharma, et al 2012). It has been acknowledged and considered as “one of the new growth paradigms” for lessening poverty by means of social and financial empowerment of the people.

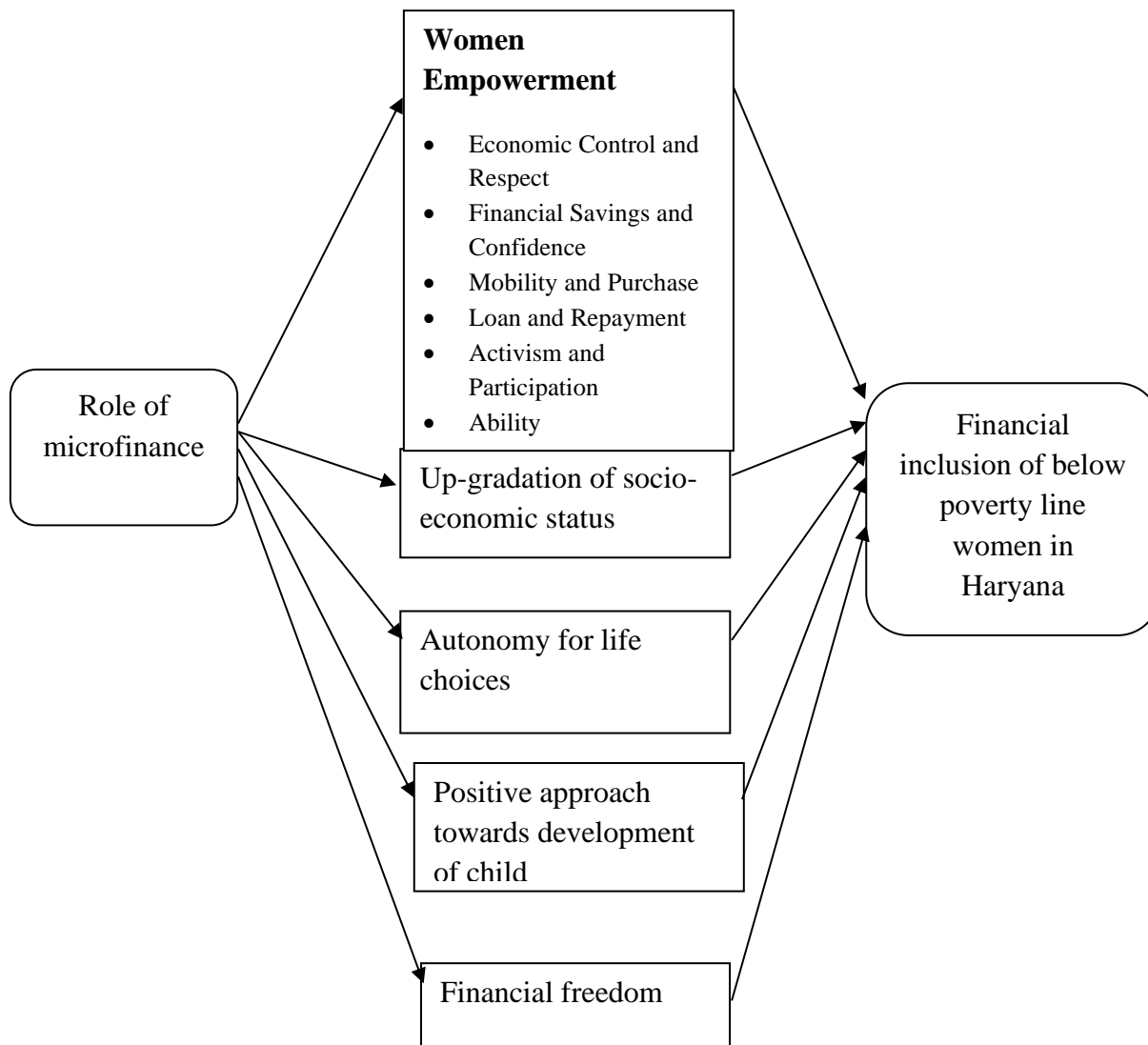
Microfinance in India is continuously expanding towards the most important goal of financial inclusion that grow excess to an increasing share of poor people and nearly 80 % of the inhabitants till now receive directly from banks. Moreover, it was noted that microfinance is considered as new fashion in financial system of India. It is continuously growing and getting more attraction from government, non-governmental institutions and financial institutions as a tool for the financial inclusion which could change the poor people lives. Emerged and energetic microfinance field could influence development of economy and wealth distribution. Presently international donors, non-government organizations, development practitioners and government have initiated programs of microfinance to achieve “financial services for below poverty line” particularly rural women. From the findings of the analysis, it was evident that microfinance was identified internationally as a great strategy to promote the empowerment of women. Apart from these, it was noted that microfinance organization dominantly focuses on owners of business as women commonly have high rates in repayment when compared with men. It is clear from the study that role of Micro-Finance would help to reduce poverty, improve empowerment of women and also act as a catalyst for financial inclusion. Microfinance is a main source for combating the poverty and enhancing the wellbeing of poor, small and micro businesses.

It is clear from the analysis that microfinance is the provision of credit, saving, financial products, economic services in a very smaller quantity to poor in urban, semi urban and rural areas to enable them for raising their level of income and enhance their living standard. Apart from these, it is noted that rural women’s empowerment is all about extending women capabilities and assets to influence, participate, negotiate and control the organizations which influence their lives. Additionally, microfinance acts as a powerful tool to empower women in terms of economic security, decision making in family, finance, legal and mobility awareness. Furthermore, it is also found that microfinance gives chances to women to keep participating in trade and economic activities by their own business that empower women to a great extent. Main barriers found in their financial inclusion are lack of awareness, minimal financial literacy and transaction costs. It is obvious from the analysis that microfinance plays an important part in financial inclusion.

Delhi is considered as one of the wealthiest state in India. It has a history of restraining women empowerment in terms of their financial status. Micro-credit, as a large number of studies suggest, has developed as a financial key to get to the rural poor and particularly BPL population. However, whether micro-credit programs routed through SHGs have proven to be a huge success in Delhi NCR, as stated anywhere else, is a matter worth inquiring. Regardless of the “attention given to Financial Inclusion and microfinance schemes to enhance access to finance”, there is a lack of research in this area. The obstruction of insufficient information is linked by “the fact that access to finance does not” constantly result in usage of finance.

### Conceptual Framework:

**Figure.1** The conceptual framework for role on micro finance in financial inclusion of below poverty line (BPL) women in Haryana



### OBJECTIVES:

- To find out the current position of BPL women in Delhi NCR.
- To study about the existing microfinance schemes available particularly for BPL women in Delhi NCR.
- To evaluate the demographic factors affecting the financial inclusion of BPL women in Delhi NCR.
- To investigate the role of “microfinance in financial inclusion and raising the status of BPL women” in NCR.

### VARIOUS SCHEMES AVAILABLE IN DELHI NCR

The scheme “Indira Gandhi Priya Darshini Viwah Shagun” is particularly developed for women belonging to Delhi NCR. The focus of the scheme is to give financial support on the event of marriage to the daughters of Scheduled Caste/ Tribes and other society people falling under the category of below poverty line.

Kashmiri Migrant Families is the scheme for the Kashmiri people which have shifted from Jammu & Kashmir to Delhi NCR and are residing in different parts Haryana are being given financial support (Banal, et al 2010). The total time of financial support for immigration would be five years.

Sampoorna Grameen Rozgar Yojana (SGRY) was formulated when the demand for various programme in rural area was considered together like wage-employment food safety, extra wage-employment and rural community infrastructure simultaneously (Dattatraya, 2010). With this righteous concept, a new Wage-Employment Program SGRY has been taken place. The SGRY will be executed in two different streams. First Stream is executed at the District and Intermediary Panchayat levels and the other stream is executed at the Village Panchayat Level. Objective of the former is to give extra Wage-Employment whilst the latter would primarily intend at development of demand based rural infrastructure.

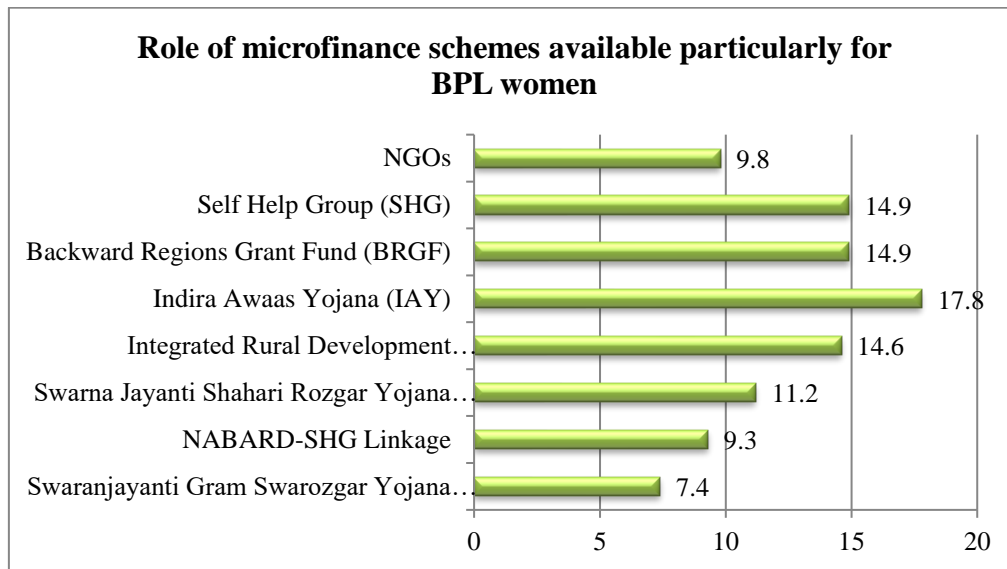
A large “number of schemes have been developed for the promotion and growth” of the handloom business and giving financial support to the handloom weavers in various ways. “Deen Dayal Hathkargha Protsahan Yojana” (DDHPY) has been particularly introduced to give assistance to the handloom employees in an incorporated and inclusive manner in. Before the launching of DDHPY, the majority of the schemes have been formulated to promote the weavers in the cooperative fold only (Sayanti, 2015).

Aithal, (2018) stated that in 2000, Kishori Shakti Yojana (KSY) has been introduced with an objective of enhancing nutrition, wellbeing status and empowerment of adolescent female children. Protecting and endorsing the wellbeing of the adolescent girls is particularly significant to lessen the health risks and inhibit wellbeing problems in adulthood and therefore enhancing the nations’ future health and capability to progress and prosper. It contributes to enhance the adolescents’ dietetic health and growth status, endorse awareness of health, cleanliness and family care, assist them to look for opportunities for gaining knowledge of life skills, assist them gain an improved knowledge of their social environment and take self-determining decisions to become high income generating members of the society.

**Table 2:** Role of microfinance schemes available particularly for BPL women in Delhi NCR

Name of Scheme		Frequency	Percent	Valid Percent	Cumulative Percent
	Swaranjayanti Gram Swarozgar Yojana (SGSY)	28	7.4	7.4	7.4
	NABARD-SHG Linkage	35	9.3	9.3	16.8
	Swarna Jayanti Shahari Rozgar Yojana (SJSRY)	42	11.2	11.2	27.9
	Integrated Rural Development Programme (IRDP)	55	14.6	14.6	42.6
	Indira Awaas Yojana (IAY)	67	17.8	17.8	60.4
	Backward Regions Grant Fund (BRGF)	56	14.9	14.9	75.3
	Self Help Group (SHG)	56	14.9	14.9	90.2
	NGOs	37	9.8	9.8	100.0
	Total	376	100.0	100.0	

Source: Economic survey

**Figure 3:** Role of microfinance schemes available particularly for BPL women

### SWARANJAVANTI GRAM SWAROZGAR YOJANA (SGSY)

The SGSY is considered unique from earlier programs with regards to policy and framework formulated for execution and has been considered as an effective program of self-employment. 7.4% of the “respondents agreed” that they are benefitted from SGSY scheme and the “underlying principle of this scheme”. It assisted self-employed individual above the poverty line by giving them support to obtain income generating resources. It is being executed in all the districts of the Haryana with the assistance of “Rural Development Department” on sharing (75:25) basis between Centre and local government correspondingly with an aim to financially support the poverty line people over a period of time. The program has been proven to be successful by the people over the years. It is likely that the scheme would contribute to strengthen the socio-economic condition of rural poor and enhance their communal bargaining control. However, there is a serious demand to build awareness about the system as there was poor knowledge of different components of the scheme amongst the needy people. This could be carried out by providing wide exposure to the scheme by means of electronic and print media.

### NABARD LINKAGE PROGRAM

In Haryana, the SHG- Bank linkage program had commenced in the end of 1997. To increase micro credit effort of the banks, NABARD gives 100% refinance assistance to them against their loan towards SHGs under SHG-Bank Linkage Program. The SHGs movement has increased and expanded across India owing to the success of NABARD pilot scheme in 1992. In the current study, NABARD has shown decent amount of growth (9.8) in the number of SHGs established and loan distributed. The work of NABARD is to give the financial assistance for poor and deprived people of society and enhancing the financial growth of country and eliminate the poverty condition of people. It's offered the financial support also for deprived people to start the business. Kumari, (2017) emphasized that NABARD linkages programs contribute positively to poor women and their development in Haryana.

### SWARNA JAYANTI SHAHARI ROZGAR YOJANA (SJSRY)

The SJSRY seeks to offer productive employment to the unemployed poor through promoting the introduction of self-employment undertaking or stipulation of “wage employment”. In order to avoid replication with the current Prime Minister's Rozgar Yojana (PMRY), this part of SJSRY scheme is limited to below poverty line

recipients who have pursued education up to ninth standard grade. 11.2% of the “respondents agreed that they are largely benefitted” from SJSRY scheme. This scheme is executed with the assistance of Urban Development Society of Delhi NCR. It makes an effort to make a stipulation for building right and proper community structure and deliver inputs by means of urban local organizations. It focuses on urban poverty reduction by providing productive employment to the unwaged or underemployed poor by supporting them to develop self-employment schemes. Scheme also provide “support for skill development and trainings” to help the needy people to have access to employment opportunities. The SJSRY scheme rests on a base and objective of community empowerment. Instead of depending on the long-established technique of top-down execution, this program relies on developing and supporting community organizations and systems to provide assistance and facilitating device for local growth. Under this scheme special notice and concern will be given to females, disabled people and other such divisions of poor people as might be directed by the Government periodically.

### **INTEGRATED RURAL DEVELOPMENT PROGRAMME (IRDP)**

Integrated Rural Development Program (IRDP) is particularly developed to reduce poverty of families living BPL in rural areas by giving them financial assistance in terms of loan and subsidy to enhance and improve their work in agriculture and related activities. It includes two parts; the first one handles the performance of IRDP in Delhi NCR and the second dealt with that of District Sonipat. 14.6% of respondents are emphasized that they have utilized IRDP program for reducing their poverty. The program included small and marginal farmers and landless people and rural craftsmen and almost all the households of around 5 persons with a yearly income level less than that of 3500. Poor women were also amongst the underprivileged divisions of rural society. Although the program of IRDP is principally for deprived groups of rural community, but it seems that they didn't get desired profits from the schemes. Hence, the central and state government should fix target for their coverage. From the analysis, the study came to a conclusion that in the near future, the physical targets relating to the coverage of recipients in IRDP must be set with due concern to the level of growth and financial conditions existing in different regions.

### **INDIRA AWAAS YOJANA (IAY)**

From the beginning of the 1980, the most popular Scheme Indira Awaas Yojana (IAY) is being implemented with a provision to supply housing units to the weaker sections free of cost and financing construction of housing by them. The IAY scheme is one of the primary poverty alleviation programs in India in general and Delhi NCR in particular. IAY has shown largest amount of growth (17.8%) in the number of SHGs established and loan distributed. The individuals who benefitted under the program are not only granted with houses but as well the houses are approved together with the fundamental facilities such as water, sanitary latrines, etc. The people benefitted from of the IAY Scheme are as well asked to make use of local material and low-priced technology whilst building their houses. The poorest household having single girl child will as be capable of availing the advantages on priority basis in the scheme according to the revised guidelines formulated by the union rural development organization.

### **SELF HELP GROUPS (SHGS)**

With right credit organizations and credit policy schemes, it is quite feasible to build a wealthy society in desired shape. The SHGs in Delhi NCR have contributed to develop the identity and qualities of women in shaping the society into right viewpoint and in assisting the women in adopting entrepreneurial activities. The SHGs consists of informal set of groups who have a general insight of demand and significance towards communal action. 14.9% of the respondents are considered having benefitted from SHGs. These groups encourage method of savings amongst participants and employ the collective resources to address the



developing needs of them. It is anticipated that within the group, there must be right independent culture wherein all the participants should take part actively in decision-making processes.

## SUMMARY

The paper shed lights on different schemes particularly in Delhi NCR. Schemes such as Swarnajavanti Gram Swarozgar Yojana (SGSY), NABARD-SHG Linkage. “Swarna Jayanti Shahari Rozgar Yojana” (SJSRY) have been discussed in detail and opinions of respondents have been discussed here. Indira Awaas Yojana (IAY) and Integrated Rural Development Programme (IRDP) have also been explored in detail. The paper also presents the inside views of the various SHG schemes presented in NCR region. Here its also concluded that the growth of rural poor women has been enhanced socially and financially after gaining access to the SHGs. SHGs acts as a key of women’s financial empowerment.

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