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### Study on implementation of Swarna Jayanti Sahari Rozgar Yojana by- State Bank of India, Patna

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**Abstract :** *Income inequality has resulted in a number of evils, of which poverty and unemployment are certainly the most serious ones. In India, in spite of all the development during the past five decades, nearly 40% of the population is poor and for most of the time suffers from extreme destitution. And according to Indian Ministry of Labour 9.4% unemployment was last reported in 2009-10 fiscal year. Plans to reduce poverty levels and bridge the gaps in distribution of wealth have been a part of the Government's policy since India got its independence. Some of the initial*

*programs concentrated on making the poor self sufficient with respect to basic necessities like food. Immediately after independence, making food grains available to all residents at controlled prices was an important part of poverty reduction programs. The Government of India has launched a rationalized poverty alleviation schemes Swarna Jayanti Sahari Rozgar Yojana replacing three existing schemes, viz. Nehru Rozgar Yojana (NRY), Urban Basic Services for the poor (UBSP) and Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUEP). This scheme is operative with effect from 1<sup>st</sup> December, 1997 in all urban towns in India. Swarna Jayanti Sahari Rozgar Yojana (SJSRY) seeks to provide employment to the urban poor unemployed and underemployed by setting up of various self employment ventures and provisions of wage employment. In the year 2011, 825 beneficiaries were extended financial assistance involving Rs370 lakh during the period under review, while during the corresponding period last year, loans amounting to Rs.280 lakh were provided to 699 beneficiaries. The Government both Central and State, has formulated many poverty alleviation schemes like SJSRY, but this scheme is facing various maladies in the path of proper implementation and success.*

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## **Introduction :**

Plans to reduce poverty levels and bridge the gaps in distribution of wealth have been a part of the Government's policy since India got its independence. Some of the initial programs concentrated on making the poor self sufficient with respect to basic necessities like food. Immediately after independence, making food grains available to all residents at controlled prices was an important part of poverty reduction programs. To remove poverty and reduce unemployment from the urban areas, a new programme was launched called Swarna Jayanti Sahari Rozgar Yojana.

At the very outset, it is imperative to mention that the ultimate goal of Swarna Jayanti Sahari Rozgar Yojana is to provide employment opportunities to the urban poor and to reduce the poverty level among the urban poor.

The Swarna Jayanti Shahari Rozgar Yojna(SJSRY) was launched on 01.12.1997 after subsuming the earlier three schemes for urban poverty alleviation namely Nehru Rozgar Yojana (NRY), Urban Basic Services for the Poor (UBSEP), and Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP). The key objective of this new scheme is to provide gainful employment to the urban unemployed or underemployed through the setting up of self-employment ventures or provision of wage employment, with support for their sustainability and supporting skill development and training programmes to enable the urban poor have access to employment opportunities opened up by the market or undertake self employment.

To overcome the difficulties faced by the States/UTs due to drawbacks observed in the implementation of SJSRY, necessary improvements in the scheme were made to make it more effective and goal oriented. It is presumed

that the revised guidelines will assist in the effective implementation of SJSRY and make a dent on the urban poverty scenario in the country. The revised guidelines came into effect from 01.04.2009.

The delivery of inputs under the scheme shall be through the medium of urban local bodies and community structures. Thus, SJSRY seeks to strengthen these local bodies and community organizations to enable them to address the issues of employment and income generation facing the urban poor.

In order to gain a practical knowledge about the complex system of the implementation and execution of this scheme (SJSRY), five branches of India's leading financial institution State Bank of India, namely (a) Patna Main Branch, (b) S.K.Puri Branch, (c) Boring Road Branch (d) Digha and (e) Patna City were selected. And based on the analysis of data it could have been possible to ascertain the success rate of the scheme and to know what the hindrances in successful implementation of the scheme are.

## **Objectives :**

In our project, we have focused on accomplishing the following objectives:

- To assess the Role of State Bank of India, Patna, in effective implementation of Swarna Jayanti Sahari Rozgar Yojana—a Union Government sponsored programme.
- To study the impact of Swarna Jayanti Sahari Rozgar Yojana in alleviation of unemployment.
- To ascertain the success achieved in creating avenues for income for the urban unemployed persons.
- To know about the problems faced by the State Bank of India in order to implement the scheme.

**Hypothesis :**

- The Scheme “Swarna Jayanti Shahri Rozgar Yojana” implemented by State Bank of India has not succeeded to the desired extent in alleviation of unemployment.

**Methodology :**

Any project must follow a methodical line of action in terms of a disciplined methodology. There are two tier techniques of collecting data which are:

- Primary Data Source: It was gathered on the basis of:
  - Personal interview with Bank officials.
  - Questionnaires seeking information from beneficiaries.
- Secondary Data Source: Some information was gathered through different newspapers, books, magazines and internet sites.

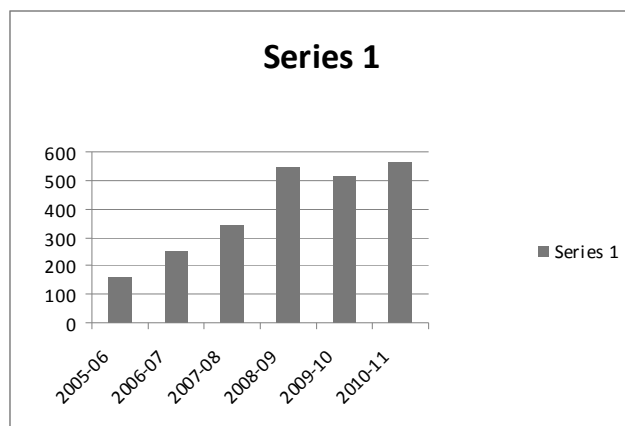
**Funding Pattern :**

For special category States (8 NER States and 3 other hilly States i.e. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Jammu & Kashmir, Himachal Pradesh and Uttarakhand), the funding pattern for the Scheme between Centre and the States, has been revised from 75 :25 to 90:10.

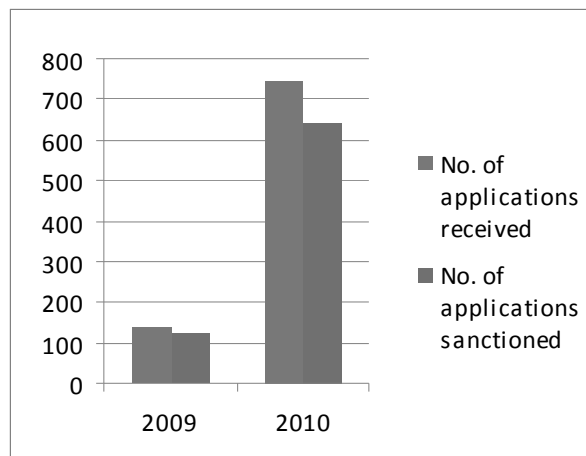
**Major Findings :**

- Central Fund Allocation under SJSRY :** The allocation for this urban poverty alleviation scheme has been comprehensively enhanced during the last 5 years and current financial year so as to have adequate focus on the issue of urban poverty.

Years	Allocation (Rs.in crore)
2005-2006	160.00
2006-2007	250.00
2007-2008	344.00
2008-2009	545.00
2009-2010	515.00
2010-2011	563.20



**Number of applications received & sanctioned during past 2 years under SJSRY (S.B.I)**



**Explanation of Graph :**

- **2009 :** Against the receipt of 135 applications, 124 applications involving Rs.67 lakh have been sanctioned as on 30.06.2009, out of which Rs.55 lakh has been disbursed.
- **2010 :** Against the receipt of 744 applications, 641 applications involving

Rs.164 lakh have been sanctioned and disbursed as on 30.06.2010, while during the corresponding period last year, loans amounting to Rs.55 lakh were disbursed to 124 beneficiaries. Thus, an increase of over 416% has been registered in terms of number of beneficiaries covered.

**Note :**

**In the year 2011**, 825 beneficiaries were extended financial assistance involving Rs370 lakh during the period under review, while during the corresponding period last year, loans amounting to Rs.280 lakh were provided to 699 beneficiaries. Thus, a Y-o-Y growth of over 18% has been witnessed in terms of number of beneficiaries and a more creditable growth of over 32% has been registered in terms of amount of credit assistance provided.

The data were collected from these Branches on the lines of contents of questionnaire. Branch Managers of these five branches were requested to furnish information based on the questionnaire. We also interviewed 31 borrowers and it was revealed during the course of research that only one account out of 31 is running satisfactorily and remaining 30 account holders are defaulters.

The findings of the research study clearly depict that hypothesis heading as "The scheme implemented by SBI has not succeeded to the desired extent in alleviation of unemployment" has been proved.

**Conclusion :**

By research and interview of beneficiaries we are of the view that the purpose of launching "**Swarna Jayanti Sahari Rozgar Yojana**" has been defeated and we hereby mention some of the causes for the failure which are :

- Inefficiency of administration and implementing staff due to complex procedure of SJSRY.

- Remote areas and poor households located in the interiors were neglected because of lack of easy accessibility.
- Due to inapt selection procedure of beneficiaries benefit of the said scheme passes on to others.

**Suggestions :**

In the planning and implementation of poverty alleviation programmes like SJSRY, the Government plays the most important role. They are involved in detailed planning, ensuring flow of funds and in designing the plans and projects for which Banks are asked to sanction loans.

Based on the interview of bank officials and beneficiaries, we observed that there is a lack of transparency in the functioning of the administration involved in implementation of the said scheme.

As such, we make following recommendations-

1. The selection criterion of beneficiary of the scheme set up by the Government should be strictly adhered to by the concerned authority.
2. Banks should give priority to the scheme in its sanctioning and disbursement.
3. Government should revise the project cost considerably based on inflation. It will check the diversion of bank's loan.
4. Diversion of Bank's loan is the major cause of failure of the scheme. Its main reasons may be (a) loan is not disbursed on time (b) insufficient loan amount, (c) improper identification of beneficiary (d) poor follow up by Banks.
5. Sanction of scheme should be related to the marketability of the products and skill and knowledge of the beneficiary.

6. Training should be imparted to the beneficiary with regard to running the project successfully, and maintaining proper accounts.
7. Provision for interest subsidy should be made for the beneficiary.

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