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**Delivery Mechanisms and Outcomes: The  
case of SJSRY, a poverty alleviation policy**

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## **Delivery Mechanisms and Outcomes: The case of SJSRY, a poverty alleviation policy\***

**Anuradha Kalhan**

### **Abstract**

*This paper compares the impact of Swarna Jayanti Shahari Rozgar Yojna (SJSRY) in two cities. It examines the nature of Human, Social, Financial and Physical capital formation occurring among informally employed/unemployed women living in metropolitan cities like Mumbai and Delhi. Methodologically, it does so through field work using probability sampling and juxtaposing the non-beneficiaries (control group) and beneficiaries of a 'Sustainable Livelihood' oriented poverty alleviation scheme for urban centres. It uses the primary, quantitative and qualitative data obtained to analyse the impact of the policy.*

*The scheme has been operational nationally since 1.12. 1997. Funded by the Centre and State in the ratio of 75:25 and to be implemented by the local government, it is designed to provide skill/training to form Self Help Groups (SHGs), link groups to scheduled bank and create access to micro credit at reasonable rates. It also aims to spawn individual and group-based micro enterprises and create a self-managed hierarchy of local institutions with SHGs at the base, their area level societies and ward level federations above. Poor urban women form the largest constituency of its beneficiaries.*

*The scheme's galvanizing impact on poor women in Kerala has been documented by a study of Kerala's Poverty Eradication*

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\* Revised version of the lecture delivered at the Nehru Memorial Museum and Library, New Delhi, 2 December 2013.

*Mission—‘Kudumbashree’ (2009) sponsored by the Planning Commission.*

*This survey was undertaken to explore the above possibility. It occurred over 2009–11 in Mumbai and February–May 2013 in Delhi. It found that the beneficiaries in Mumbai where the scheme has been implemented (by the community development officers of the Municipal Corporation of Greater Mumbai under the purview of its poverty eradication cell) since 2000, experience a higher frequency of human and social capital formation along with a growth in their savings and investments compared to the control group. More mature SHGs were investing to undertake productive activity. This is occurring despite the fact that Community Development Officers were too few in proportion to the number of beneficiaries they were expected to serve and in spite of the fact that beneficiaries were at a lower income level when the scheme was launched, compared to the control group of non-beneficiaries. The beneficiaries in Mumbai were overwhelmingly in favour of the policy and community development officers implementing it were of the opinion that it was a well-designed policy to manage the multiple dimensions of poverty simultaneously. This paper examines the results of recent field work in Delhi, where the policy is implemented by NGOs enlisted by ‘Mission Convergence’ of the government of Delhi. It estimates the number and the nature of the activities of the SHGs, diversity of capital formation-occurring, makes preliminary comparisons between the outcomes in the two metros and indicates some means to strengthen the delivery in the Jhuggi Jhopdi and poorer colonies for inclusive growth.*

*The paper is divided into the following parts:*

- 1. Significance of the Study*
- 2. Methodology and Field Work*
- 3. Results and Comparisons*
- 4. Conclusions (Problems in Methodology in Mumbai and Delhi, Explanation for trends)*

SJSRY, an urban poverty alleviation programme, was launched on 1 December 1997 after amalgamating the experience of past poverty alleviation schemes and subsuming the earlier three schemes for poverty alleviation namely Nehru Rozgar Yojna, Urban Basic Services for the Poor, and Prime Minister's Integrated Urban Poverty Eradication Programme. SJSRY has three objectives: 1) encourage self-employment ventures and support their sustainability—it encourages the formation of SHGs' saving, and micro credit for productive purposes; 2) support skill development and training programmes; and 3) create suitable self-managed community hierarchical-structures like neighbourhood groups, committees and society. Revised guidelines were issued to assist its implementation in 2009. It drew from three decades of experience to alleviate poverty and fed into the Bank SHG Linkage strategy for financial inclusion. Its more immediate origins derive from successful experiments in Kerala's Alappuzha (1993) and Malappuram (1994) districts, undertaken in collaborations with UN, the State Government, and the Central Government to improve basic services for the urban poor and build solidarity groups at the neighbourhood and community level. The success of this most recent experiment in Kerala was not a flash in the pan according to the official website of the Kerala Poverty Eradication Mission Kudumbashree ([www.kudumbashree.org](http://www.kudumbashree.org))

In the early nineties a community led poverty identification format was developed as part of the Alappuzha UBSP Programme. By this time the NABARD promoted SHG, bank linkage programme had established itself as a viable microfinance model. In 1994, the CBNP project of Malappuram tried to assimilate these experiences and develop women-based community structure for service delivery of government programmes. The 73rd & 74th constitutional amendments strengthened Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs). Shortly afterwards, the People's Plan Campaign for decentralized Governance created strong local self-governments (Panchayats and Municipalities) in the State. Kudumbashree was launched in 1998 as a community network that would work in tandem with local self-governments for poverty eradication and women empowerment. There are two distinguishing

characteristics to Kudumbashree which set it apart from the usual SHG model of empowerment. These are: 1). The universality of reach—from its very inception Kudumbashree has attempted to bring every poor woman in the state within its fold, as a consequence of which today Kudumbashree is present in every village panchayat and municipality, and in nearly every ward, colony and hamlet. The sheer spread is mind-boggling, and it is only because the community of local women drive the process that the system has flourished. 2). The scope of community interface in local governance—the functioning of Kudumbashree is tied up to the development initiatives of the local government be it for social infrastructure, welfare or right-based interventions or for employment generation: From food security to health insurance, from housing to enterprise development, from the national wage employment programme to the jagratha samiti. Every development experience depends on Kudumbashree to provide the community interface. It is using these opportunities that Kudumbashree strives to convert a microfinance-led financial security model into a more comprehensive model of local economic development.

The outcome in numbers is phenomenal as well, with close to 150,755 NHGs graded under Linkage Banking Programme, out of which 127,467 NHGs are linked with banks and an amount of Rs 1,140 crores mobilized as credit. 25,050 individual enterprises and 1,757 group enterprises have been developed in urban areas. 3,516 individual enterprises and 10,620 group enterprises (with minimum 5–10 members) of poor women formed in rural areas. It has become the largest women's movement of its type in Asia.

Kerala's unique overall development model: high human development and social indicators despite slow economic growth has been noted and debated since 1975. Its movements for social reform, literacy, land reforms, strong local government institutions, and the peoples plan campaign and now Kudumbashree followed each other in a logical sequence to produce a society that is literate, aware, politicized, inclusive and public minded. Consequently, the success of the experiments with neighbourhood groups leading up to Kudumbashree and its achievements in Kerala indicates their fertility

of the policy in the best soil conditions (Dreze 1995, Isaac 2003, Robin 1987, 1992, 2004).

SJSRY is just one among a range of public policies and initiatives operationalized in the last decade, but perhaps the only one that has remarkable potential for fundamental changes at the base of the social pyramid with a relatively low cost. The combined savings of women in SHGs deposited in banks was itself Rs 7,000 crore according to the NABARD report 2012; there were 74 lakh SHGs covering 10 crore households. Rs 31,000 credits is outstanding against SHGs and repayment rates are were high at 98%. SJSRY, because it addresses capability, livelihood, savings, investments and social capital formation directly among poor urban women has a multiplier effect.

How soundly this policy is implemented, made self-targeting, evaluated for its impact, adapted to local feedback and endorsed by local government, local political action, collective awareness, and popular culture will determine whether we can even create the bases of inclusivity.

In that sense, at the national level SJSRY also predates the realization that urban poverty and livelihood issues must be tackled with urgency. That grasp is evident now. The recent (August 2012) Draft Mission Document of the National Urban Livelihood Mission of the Ministry of Housing and Urban Poverty Alleviation states the case.

The slum population in the country was estimated at 93 million in 2011. In addition to the substantive magnitude of the number of urban poor and slum dwellers, a key concern is the rising headcount of the urban poor. The number of urban poor is estimated to have increased during the period 1993–94 to 2004–05 by about 4 million. About 29.4 per cent of the urban population does not have access to tap water and 18.6 per cent have no latrine facility within the house. 7.3 per cent of urban populations still do not have access to electricity. The total employment in the Indian economy increased from 397 million in 1999–2000 (NSSO 55<sup>th</sup> Round) to 457 million in 2004–05 (NSSO 61<sup>st</sup> Round). This increase of 60 million has been primarily of an informal kind. Out of this, 52.3 million

occurred in the informal or unorganized sector, while the increase in employment in the organized sector was only 7.5 million. However, this increase has been entirely informal in nature, i.e. without job or social security. Thus, not only has there been an informalisation of the Indian economy but also an informalisation of the formal sector. The data underscores the size and significance of the informal economy or unorganized sector in India. Out of the unorganized sector workers engaged in non-agricultural activities in 2004–05, about 73.4 per cent had educational attainment level of middle class or below, of which 37.4 per cent were illiterate or below primary school level. For females, the figures were 84.1 and 54.7 per cent respectively. In urban areas, 65.6 per cent of the unorganized sector non-agricultural workers were having education of middle class or below. The figure for urban females was 77.8 per cent with 49.3 per cent being illiterate or below primary. Low levels of education and skill in the unorganized sector workers have resulted in their inability to access the opportunities offered by emerging markets. This underscores the criticality of skills up-gradation for better livelihoods opportunities in urban areas. There is a high congruence between the informal economy and poverty. The NCEUS Report (2006) reveals that at the end of 2004–05, about 77 per cent of the total population in the country were living below Rs. 20 per day and constituted most of India's informal economy. About 79 per cent of the informal or unorganized workers belonged to this poor and vulnerable group, with the figure at 90 per cent for casual workers. These workers had no legal protection of job or working conditions or social security. They lived in abject poverty, excluded from the impressive gains from the economic reforms and Liberalisation that ushered in from 1992–93. The bulk of the urban poor find their livelihood in the informal economy; between 94 per cent and 98 per cent of informal sector workers fall into the vulnerable group category. The number of the urban poor engaged in informal activities is so large that even a small improvement in the productivity of this segment of population through skill up-gradation can make a huge impact on GDP, leading to inclusive growth. In the above background, livelihoods issues, especially skill development for market-based employment as well as self-



employment of the informal or unorganized sector workers, who constitute the bulk of the urban poor, is critical and of immediate importance. Urban poverty is different from rural poverty; urban poverty alleviation programmes need to be skills and credit access based. Urban poverty being multidimensional, various vulnerabilities faced by the poor in cities and towns—occupational, residential and social—need to be addressed simultaneously in a comprehensive and integrated manner with a targeted focus on the vulnerable groups so that a definitive impact can be made on ground. It is within this context that a mission-mode approach to urban livelihoods is considered necessary in the form of the National Urban Livelihoods Mission (NULM)”. (NULM will replace and subsume SJSRY from August 2013).

## **1. Significance of the Study**

This probe into different delivery mechanisms and impact of SJSRY in two cities explores the possibility of inclusion and intersects several areas of concern in contemporary development policy in India, and in the developing world at large like urban poverty and growth of informal employment, livelihoods, financial inclusion, declining female labour force participation, women’s role in development, capability and skill development at the bottom of the pyramid.

Most significant is the concern about the correct policy design and choice in the face of this huge predicament of livelihoods for all? A range of welfare, poverty alleviation policies and legal entitlements for the poor are now in place in India. They fall into broadly two categories: the kind that give the poor fish and the kind that help them obtain apparatus to fish; SJSRY falls into the latter category. Both categories have to be implemented concurrently, calibrated to local conditions and reviewed often to be effective and sustainable. In this survey beneficiaries of SJSRY were asked to list the public services and policies they valued and used the most. PDS, public education and public health were high on the list. This will lead to the larger issue of what kind of policies, reforms and movements for change have to be undertaken in the 21<sup>st</sup> century to repel the tide of informalization and exclusion from employment.

Fact and concerns that has been acknowledged by the recent draft mission document of the NULM (2012) and the Union Cabinet, cleared restructuring of the SJSRY as the National Urban Livelihoods Mission (NULM) in the 12<sup>th</sup> Five Year Plan.

Available evidence from this study suggests that women's SHGs do in fact encourage diverse forms of capital formation, capabilities and employment even among urban women despite the acute scarcity of urban space (Kalhan 2012). This has significant implications.

## **2. Methodology and Fieldwork**

In Delhi the local government was conspicuous by its absence in policy implementation even though the policy guidelines recommend otherwise. Instead, the State government constituted a body called Mission Convergence (MC) which enlists NGOs to deliver the policy. For field survey in Delhi the web-based resources of Mission Convergence (MC-website) were accessed and a list of Gender Resource Centers (GRCs) empanelled by the MC was used to generate a random sample of Centers to be visited for information about their SHGs. Every 4<sup>th</sup> GRC was contacted by numbers provided on the websites, majority did not encourage or entertain our request for an onsite interview with SHG members. We were requested instead to send an email or contact their nodal/zonal officers, to which there were no replies. Many numbers provided were not functional and many numbers of persons to be contacted were also either nonfunctional or the person informed us that they no longer worked for the GRC in question. An updated GRC list zone wise, revised list of GRCs and their addresses and phone numbers which proved very useful in contacting them was provided by a helpful GRC employee. Eventually those GRCs willing to entertain our request were chosen. Not less than three GRCs in every district and not more than 20 SHGs and non-SHG members from the GRC's catchment area were interviewed using the same questionnaire method as in Mumbai. There is however a non-response bias possibility. Technically, the methodology can be described as probability sampling of the beneficiaries (SHG) and non-beneficiaries (Control Group) in the same location followed by analysis and comparison with the Control Group. But the non-response

bias suggests that only those GRCs invited us that had functioning SHGs and eventually we visited 27 such GRCs. The same random sampling method was used in Mumbai slums (Kalhan 2012).

In another attempt to access more SHGs randomly, a set of emails were sent out explaining the context of the research. Out of the initial 15 emails sent out to GRCs in one zone there was only one response offering support for the research work, the rest did not even respond. Fearing a small sample, the strategy was changed, thereafter phone calls were made and the first three that permitted us to interview them and their SHGs in each zone were visited. In all we recorded responses of 389 women—214 from SHGs and 175 from the Control Group. Each zone was fairly equally represented and by selecting one or two members (never more) from each SHG the survey covered a large variety of SHGs—124 different SHGs. Though the MC website says there are 1,000 operational SHGs, we fear that actually there might be fewer because the GRCs we visited had an average of 18.8 SHGs each and the 27 GRCs between them appear to have between them less than 500 SHGs. The range per GRC varied between 39 and 3 SHGs. If we suspect that only those GRCs invited us who had functioning SHGs (hence the non-response bias possibility) then it is possible to assume that there are less than 1,000. Possibly there may be some more SHGs outside the coverage of MC, since we heard that some NGOs had older SHGs, predating 2009. These SHGs were outside the influence of MC and GRCs.

The entire sampled population consisted of women in the designated catchment areas of the GRCs. Each area basically consists of about 1.25 lakh vulnerable people as identified by a survey undertaken by authorities in Delhi. The study sample has a random sample of 214 women in SHGs and 175 in the Control Group, many of who were contacted on the premises of the GRCs. It is assumed that those who approach the GRCs are usually the vulnerable since the GRCs provide free medical camps and OPDs; free vocational training in a few basic areas like tailoring, beauticians, cooking and food processing; and give assistance in obtaining school admission and processing for obtaining food ration cards and implement other welfare services for the poor.

### 3. Results and Some Comparisons

In this section a description of the sampled population in SHGs is followed by some comparisons with tables at Appendix A which contain the comparisons with the Control Group (CG) on non-beneficiaries/non-members who lived in the same neighbourhood and accessed the same GRC.

#### *Demographic and Socioeconomic Silhouette of the SHG Sample*

The population is mainly young women; 80% of the women are less than or equal to 40 years of age. Mean age is 35.88 years. This is very similar to the sample in Mumbai (modal age is 35 in Mumbai Table 1 Appendix B). Majority of them (88%) were married. Marital cohesion is noticeably stronger in Delhi; only one woman in the sample is separated, abandoned or widowed unlike Mumbai where a much larger percentage (9.1%) falls in that category. Children per woman respondent among Mumbai poor are 2.13 against 2.7 for Delhi.

Hindus comprised 79% and Muslims 20% of the sample. The largest groups were the Other Backward Classes (OBCs) at 32% of the population and 25% were SC. There was only one ST in the sample. Hence 42% do not belong to any socially backward categories at all; the city, it seems, is not only a boundless shelter for the poor but also a caste leveler.

The largest group, 38%, was born in Delhi itself followed by 28% in UP, 14% in Bihar and 10% in Haryana. Majority (51%) were born in a village and can be described as rural migrants. 33% were born in some city and 16% in some small town. Thus 38% are at least second generation Delhi dwellers. Upward mobility or security in the urban zones is not a given even for the next generation considering that 49% were urban born and still vulnerable/poor in Delhi.

Only 2.3% were short-duration residents of Delhi having spent less than five years and a total of 14.5% had spent up to 10 years in Delhi. Long-duration residents formed the bulk of the sample; 83% had spent more than 10 years in Delhi and of these 54% had spent

more than 20 years. 65.5% had lived in the same colony for more than 10 years, 39% for more than 20 years. By implications, once again, this means that mobility out of poverty is not easy for people despite long years of stay in the city and nor does the programme speedily reach fresh migrant women in the city (only 2.3% of SHG sample are fresh migrants). While the recent Delhi Human Development Report 2013 says that ‘although, the rate of migration has stabilized in Delhi during the last decade, around 75,000 people still come to Delhi every year in search of a livelihood’ (Dreze 1995, Isaac 2003, Robin 1987, 1992, 2004.)

In terms of socio-economic profile, 58% are OBC/SC/ST and 78.5% have no land holding in the village; another 16% have less than equal to 2 acres and only less than 1% have more than 5 acres of agricultural land. This clearly is a population who at the time of original migration had little or no rural land holding; virtually a landless labour class. In Mumbai the same pattern is observed; there too 77% had no land holding in their village of origin.

In Delhi, majority (56%) of these women in SHGs say they had no income of their own at all, 6.5% earned if and when possible; only 20% are self-employed and 17% earned wages (Tables 2.1, 2.2 & 2.3 Appendix A). This is in sharp contrast to the Mumbai sample, where 94% of SHG members described themselves as employed (Tables 3, 4 and 5 Appendix B). Among the 17% wage earners in Delhi 60% describe themselves as temporary, casual, contract wage workers. Many who describe themselves as permanent (40%) have perhaps been in the same employment for a long time and may or may not enjoy any of the benefits of provident fund/pension/gratuity associated with formal employment (Table 2.2 Appendix A).

Of the 20% self-employed, only three hire five or more workers, the majority employ just one worker. Nearly two-thirds work out of their homes, and one in five at some workplace within the ward; suggesting part time work and low or irregular incomes. This is indicative of the fact that several women are engaged in some form of work from home or nearby, earn very low/irregular income and consequentially often fail to report their work-income at all, because, those who report

that they work is greater to those who have some income and that in turn is more than those who have a work place; since 56% say they have no income at all and 50% say they have no work place as such.

Of those 20% who undertake some form of self-employment nearly half (49%) make or repair something, 25% provide some service, 13% are in retail trade and 2% are in construction. Earlier we have noted the preponderance of tiny scale, part time or home-ward-based enterprises.

Use of credit for income generation is meagre. 92% of the SHGs had never taken a loan from banks. A similar high percentage (89%) of respondents said that their SHG did not undertake any business. The average size of the SHG loan at Rs 38,657 is also very tiny. The highest loan amount was Rs 250,000. This is a contrast to Mumbai (Tables 6 and 7 Appendix B).

Of those women who earned anything at all, the mean income is Rs 2,079 pm. 40% of the women earned less than Rs 1,000 per month, another 40% earned between Rs 1,000 and Rs 3,000 per month, only 5% earned between Rs 5,000–10,000 a month.

Only 44% approximately, by virtue of their income status, seem to participate in the urban work force even though they were identified as a vulnerable section of society and the average age of the women is 35.8 years. The poor are ordinarily those who cannot afford to be unemployed even when the remuneration is low. This is an enigma—either these women are not poor/vulnerable or they are excluded from participating by the scarcity of remunerative *work* at their skill level and by their social reproduction role as mothers (remunerative wages for women workers must cover the cost of travel and time away from child care and house work). As noted earlier, majority of those who worked for remuneration worked from home or in the same ward and earn low incomes. This perhaps backs the point made about the remunerations being inadequate to travel far for work or compensate for child care and house work. SJSRY's pro-active and sustained initiatives are therefore vital for enhancing the income-earning potential of women here. The work created in SHGs is ideally suited for this

population; it aims to generate skills, self-employment or group employment, shared, collaborative work which is flexible in time and location.

Spousal income then becomes the mainstay of the family. But about one in eight respondents say that their husbands have no income (12.6%) and 1% have income only sometimes. Wage-employed spouses were 74% (in temporary, casual or contract jobs) and 9% were self-employed (Tables 2.4 and 2.5 Appendix A). The mean family income is Rs 7,371 which is higher than the mean family income in the Mumbai sample. Only 30% of them earn less than equal to Rs 5,000 which is better than their counterparts in the Mumbai sample where 88% fall in this income category (monthly family income was Rs 5,000 or less for 88% in Mumbai); overall percentage below poverty lines are lower in Delhi than in Mumbai as well. Men folk are in more remunerative work in Delhi. Or the method of targeting the poor is faulty/different in Delhi.

However, 85% of families in the sample earn less than equal to Rs 10,000 per month. Workers have been asking for Rs 10,000 per month to be declared as minimum monthly living wage (Table 2.5 Appendix A). The overall vulnerability of these families living in expensive metropolitan cities is recognizable.

#### *How do they subsist in the city?*

Examining their expenditure patterns one finds that 79% of them live in self-owned houses (as a consequence of both processes of regularization of unauthorized colonies and relocation in new authorized colonies on the outskirts of the city). Only 21% of the sample pays rent and the average rent is Rs 1,744. 88% had a bath and toilet within their residence. They pay a monthly average of Rs 751 for electricity and water, an average sum of Rs 1,080 was spent on tuition fees (2.75 children per family). They have a modal norm of two kids (37%), followed by three kids (31%), only 14% have 4 children). Rs 1,102 is spent on transportation. Rents have however been rising steeply in the poorer quarters as a steady flow of migrants arrive. A single room can cost up to Rs 2,000 per month. Assuming a family size of 4.75 (2

adults + 2.75 children) for those who pay rent, the per capita income available for food per month is approximately Rs 567 (Rs 19 per day); for those living in their own homes the amount available for food is Rs 934 per person per month (Rs 31 per day). This will advocate the significance of food security for the poor.

The housing and space situation, particularly in the periphery of Delhi, is however better than Mumbai. This is to be expected due to latter's geography—an island city (Table 2.6 Appendix A). The poorer quarters in Delhi have structures that cannot be called slums and shanties; these are brick houses often not plastered or painted and incomplete, many none the less have a toilet, bath and rudimentary drainage system, usually overflowing, besides poor garbage disposal systems. All this creates an overpowering stench in the hot season and a catastrophic epidemic combination in the rainy season. Overall the sanitation conditions were better in the slums of Mumbai despite the extreme congestion. However the less-than-adequate condition of sanitation delineates urban slums across the country.

### *Human Capital*

Their (women in SHGs) existing education was such that 14% were illiterate (compared to 20% in the Mumbai sample (Table 2 Appendix B) and 57% were less than 8<sup>th</sup> standard or secondary school dropouts. 26% were 10<sup>th</sup> standard graduates, and 7% were graduates. A high 59% say they had vocational training. These were all at higher initial endowment compared to Mumbai (Tables 1.1 & 1.2 Appendix A & Table 2 Appendix B). However many Mumbai women had received further training and education (Table 8 Appendix B)

When asked if they had sufficient vocational and business related skills in relation to the possibility of initiating an SHG related enterprise 94% said they did not (Tables 1.4 and 1.5 Appendix A). 89% members received awareness lectures after joining the SHG. It seems that quality training and skills to initiate economic / business activity are lagging and inadequate.

Only 12.6% of the children above 18 years of age were enrolled in higher education and vocational training after high school (unlike



Mumbai [Tables 9 and 10 Appendix B]). Also, 99% had not taken any loan for their child's education (Tables 1.3 and 1.6 Appendix A), 98% said income from SHG did not help their child's education (indicating both their reliance on the government schooling system which appears to be in better shape in Delhi as compared to Mumbai and their lower enthusiasm for higher education and skill levels). In Mumbai 47% of the respondents reported that their children were receiving some form of higher education with a higher percentage having taken loans to be able to do so.

### *Impact of SHG*

We have a random sample of 214 SHGs respondents under GRCs from across Delhi. The sample of SHGs consists of members (44%), secretaries (36%), and presidents (19%) and of them 10% of the respondents did not even know to which bank they were linked. 3% did not know who was maintaining the group accounts. Only 23 member respondents (11%) had taken business loans from the SHG. A meagre 19 (9%) SHGs had taken loans from banks. 98% did not know that they were entitled to a subsidy if they took a loan from the bank (Table 2.7 Appendix A). They however felt that they could get loans at lower interest from SHGs than from the moneylenders.

When asked if the SHG does some collective business, 191 respondents (89%) replied in the negative. Of those who did some business, only two said they produced something, seven said they traded and 14 were unclear what the business was; 91% of SHGs had taken no loans from the bank as a group indicating a very poor credit utilization ethos. Even though the SHGs were very new, a higher percentage of respondents in Delhi (4%) had past experience of failed SHGs.

Same religion (91%) and same caste (80%) SHGs were the norm in Delhi, unlike Mumbai where 45% reported that their SHGs were not same caste and same religion. Delhi is more ghettoized than Mumbai.

Majority of the groups (97%) were sponsored by NGOs; again in contrast to Mumbai where majority were spawned by the Municipal

Corporation of Greater Mumbai and 90% in Delhi had an account with nationalized banks.

When the SHG members started, monthly savings for 80% of respondents was only Rs 100, for another 5% Rs 50 and for the rest Rs 200 or more. Saving rates have improved considerably. When only 8% were saving Rs 100 at the start in 2013, 70% of them were saving more than Rs 1,000 per month. Of these, 18% were saving more than Rs 4,000 per month, and for 5.6% average savings were Rs 5,100 pm! This is indeed a remarkable improvement in the ability to save considering the reported absence of business activity.

There is no profit or loss or records of business activities in the data. Only one SHG in the entire sample reported a monthly profit of Rs 5,000 from their business. This echoes the response of 94% who said that they did not have enough vocational or business skills.

It would be worth investigating how higher savings are occurring. There seems to have been a rapid accretion of saving capacity by intra loaning and money lending outside the group or under reporting of personal or family income (money lending as a principal form of business by SHGs was inferred during the interviews).

A majority of SHG members found banks, behavior reasonable (24%) or helpful (61%). 89% found the behavior of the GRCs helpful and 10% found them reasonable. This is a clear endorsement of the GRC staff. 94% felt they got all the information they needed about schemes they were interested in. Hence it is surprising why the SHGs have remained dormant as enterprises and served mainly as instruments of saving and money lending. 81% of respondents say that members trust each other, 97% say that their leadership is of a good quality. The emerging problem areas that can be identified by the respondents are that 42% report infighting to be an issue, 45% feel reward for work is unfairly determined and 97% claim to be putting in one to two hours of extra work on a daily basis into their SHG. The lack of entrepreneurial skills/training ( Tables 1.4 and 1.5 Appendix A), marketing and input supply restrictions is also significant.

As per their responses 98% of them used it mainly as a saving scheme, 93% as a source of cheaper loan and for 70% it generated some income (interest rate, perhaps) and for 6% it stopped or decreased borrowing from moneylenders at high interests; for 15% it helped reduce their non-business debt. 97% felt that SHG membership gave them extra confidence and 81% felt that other people treated them better as a result of their SHGs. Credit linkage of SHG and banks is poor in Delhi (Table 2.7 Appendix A) compared to Mumbai. In Mumbai even the control group also revealed a high need for small saving and credit facility (Tables 6 and 7 Appendix B)

### *Other Impact Dimensions*

These last two impact dimensions of SHGs, namely confidence and self-esteem, are common across Mumbai and Delhi and would influence both human and social capital formation. But besides some exposure to the ‘training’ of their members, the SHGs in Delhi do not seem to have any other significant impact on the physical asset or human capital formation aspects; they do however have an accretion of financial assets/savings.

The impact of being part of the SHG on real consumption is as follows: 88% feel that the quantity and quality of food that they can afford over the past five years is better compared to 82% in the CG, 89% feel they can afford better medicine and health care compared to 81% in CG, 56% feel they can get better education for dependants and themselves compared to 40% in CG.

Majority (87%) did not increase spending on social events like weddings and funerals and religious festivals. A full 95% did not create any assets or acquire or develop property compared to 97% in CG. 91% did not even acquire consumer durables over the past five years compared to 95% in CG, but about 9% had acquired consumer durables like TV, fridge, 2-wheeler, furniture etc. compared to 4.6% in CG. SHGs are marginally better than CG on these positive indices. 13% had increased expenditure on social events like weddings, funerals and religious festivals compared to 3% in CG.

The most thought-provoking aspect of their popular perception was that the majority of respondents in SHGs (87%) felt they were better off than their parents compared to 59% in the CG. The most commonly cited reason was the fact that they were able to educate and better look after their children in spite of their vulnerabilities. This was because they had more state support in the form of schools, hospitals (being the most used social goods) and each family had fewer children. There is no other significant reason to feel better off than their parents.

#### 4. Social Capital

Only 0.5% were members of any trade union or trade association and 6% were members of same caste, community, religion-based association compared to 1% in CG. Therefore, 99.5% were not part of any trade union or trade association; similarly no woman was part of any organisation, association or union in the CG. Only 14% had been part of any *andolan* or *morcha* or agitation compared to 4% in the CG, 11% had some experience of community service compared to 2% in the CG. 11% did not vote in any election compared to 21% in the CG. But many got to know of other schemes for their benefit because of their membership in SHGs (Tables 3.1, 3.2 and 3.3 Appendix A). The women in SHGs say that their social participation was even lower before they became members of SHGs. Hence simple membership alone does enhance marginally some of the aspects of social capital. Just as the group formation and enterprise aspect of the policy in Delhi is underdeveloped so is their social capital formation in comparison to Mumbai (Table 11, Appendix B).

## 5. Comparative Tables: Appendix A

### *State of Human Capital*

Delhi						
1.1 Distribution by own Education (Mean age of sample is 35.88 years)						
	SHG			CG		
	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>
Nil	29	13.6	13.6	25	14.3	14.3
Up to 4 <sup>th</sup>	28	13.1	26.6	23	13.1	27.4
Up to 8 <sup>th</sup>	65	30.4	57.0	44	25.1	52.6
Up to 10 <sup>th</sup>	55	25.7	82.7	29	16.6	69.1
Up to 12 <sup>th</sup>	20	9.3	92.1	42	24.0	93.1
Graduate/ vocational	15	7.0	99.1	12	6.9	100.0
Unclear	2	0.9	100.0	0	0.0	100.0
Total	214	100.0		175	100.0	

*Note:* Secondary school education and SHG membership have a correlation.

*Note:* Both groupings have similar percentage of illiterates and graduates.

*Note:* Mumbai sample had lower levels of educational attainment, with higher percentage of illiterates at 22%. Overall the differences diminish with 60% of the SHG sample having less than or equal to 8th grade attainment in Mumbai compared to 57% in Delhi.

<b>1.2 Distribution by Vocational or Skill Training</b>						
	<b>SHG</b>			<b>CG</b>		
	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>
No	88	41.1	41.1	55	31.4	31.4
Yes	126	58.9	100.0	120	68.6	100.0
Total	214	100.0		175	100.0	

*Note:* The CG has a significantly higher percentage of women with vocational training. Though this does not reflect in their self or wage employment.

*Note:* Smaller per cent of SHG sample had training. This might be a reflection of the weaker implementation in SHG component of SJSRY policy.

*Note:* In Mumbai a lower 44% of the SHG sample had received training compared to 59% in Delhi but this does not translate to higher economic activity in Delhi.

<b>1.3 Distribution by Education of Children</b>						
	<b>SHG</b>			<b>CG</b>		
	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>
Under 5 years	42	7.11	7.11	52	9.9	9.9
I–X	363	61.42	68.53	286	54.7	64.6
Vocation before X	1	0.17	68.70	1	0.2	64.8
Vocation after X	1	0.17	68.87	2	0.4	65.2
XI–XII	85	14.38	83.25	77	14.7	79.9
College or Vocational Training	21	3.55	86.80	11	2.1	82.0
Not in education—older or working	78	13.2	100.0	94	18.0	100.0
Total	591			523		
Average / family	2.8			3.0		

*Note:* The SHGs have a significant higher percentage of children in school in the 1–10th grade.

*Note:* There is no significant difference in post 10th grade levels of education. However a marginally higher percentage of SHGs had children in higher education and a lower number of children out of education.

*Note:* Mumbai sample have a significantly higher percentage in higher education at 47% of the SHG respondents who said their children were in higher education.

<b>1.4 Distribution by Perceived Adequacy of Vocational / Business skills</b>						
	<b>SHG</b>			<b>CG</b>		
	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>
Not Adequate	202	94.4	94.4	173	98.9	98.9
Adequate	12	5.6	100.0	2	1.1	100.0
Total	214	100.0		175	100.0	

*Note:* Overwhelming perception of vocational and business skill deficit exists although they have received vocational and skill training. This may indicate the quality of vocational training.

*Note:* It seems that SHG members have marginally higher business skill though not higher vocational skill training compared to CG in the previous table.

*Note:* Major component of SJSRY expenditure is on skill training in Delhi as per data on the website of Ministry of Housing and Urban Poverty Alleviation.

<b>1.5 Distribution by Type of Skill Training Received</b>				
	<b>SHG</b>		<b>CG</b>	
<i>Skills</i>	<i>Frequency</i>	<i>Per cent</i>	<i>Frequency</i>	<i>Per cent</i>
Beautician	48	48.5	22	29.2
Tailoring	27	27.3	37	50.3
Child Care	3	3.0	0	0.0
Education	6	6.1	1	1.6
Jewelry	6	6.1	2	3.2
GRC work	3	3.0	1	1.6
Bank	3	3.0	0	0.0
Computer	3	3.0	8	11.4
Music Teacher	0	0.0	1	1.6
Embroidery	0	0.0	1	1.6
Total	99		74	



<b>1.6 Distribution by Educational Loan Taken for Child or Self</b>				
	SHG		CG	
	<i>Frequency</i>	<i>Per cent</i>	<i>Frequency</i>	<i>Per cent</i>
No	211	98.6	173	98.9
Yes	3	1.4	2	1.2
Total	214	100.0	175	100.0

*Note:* Membership of SHGs has not encouraged members to take educational loans or seek higher education.

*Note:* Higher percentage in Mumbai (11.3%) had taken loans for their children's education.

## 6. Physical Capital/ Financial Capital/Income Status

<b>2.1 Distribution by Own Income Type</b>						
	SHG			CG		
	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>
Nil	120	56.1	56.1	133	76.0	76.0
Earn if/ when possible	14	6.5	62.6	8	4.6	80.6
Earn Wages (3)	36	16.8	79.4	23	13.1	93.7
Self-emp (4)	43	20.1	99.5	11	6.3	100.0
Both 3 & 4	1	0.5	100.0			
Total	214	100.0		175	100.0	

*Note:* Significantly higher percentage of SHG women have their own income compared to CG.

*Note:* In Mumbai 92% of the women in SHG sample were engaged in some form of remunerative economic activity/employment.

<b>2.2 Distribution by Type of Wage Earning Job</b>						
	SHG			CG		
	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>
Nil	119	55.6	55.6	130	74.3	74.3
Casual	9	4.2	59.8	5	2.9	77.1
Contract	6	2.8	62.6	3	1.7	78.9
Temporary	42	19.6	82.2	24	13.7	92.6
Permanent	38	17.8	100.0	10	5.7	98.3
Unclear				3	1.7	100.0
Total	214	100.0		175	100.0	

*Note:* Significantly higher percentage of SHGs have wage earning job, specially in the category of 'permanently' employed.

<b>2.3 Distribution by Type of Self-Employment</b>						
	SHG			CG		
	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>
Nil	143	66.8	66.8	137	78.3	78.3
Manufacture	31	14.5	81.3	16	9.1	87.4
Repair	4	1.9	83.2	0	0.0	87.4
Service	18	8.4	91.6	9	5.1	92.6
Retail	9	4.2	95.8	2	1.1	93.7
Construction	2	.9	96.7	0	0.0	93.7
Unclear	7	3.3	100.0	11	6.3	100.0
Total	214	100.0		175	100.0	

*Note:* Significantly higher percentages of SHGs seem to be self-employed/entreprising as well.

*Note:* In Mumbai 58% of the SHG women were manufacturing something.

<b>2.4 Distribution by Spouse's Income Type</b>						
	<b>SHG</b>			<b>CG</b>		
	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>
Nil	27	12.6	12.6	9	5.1	5.1
Earn if/ when possible (2)	2	0.9	13.6	3	1.7	6.9
Wage (3)	158	73.8	87.4	130	74.3	81.1
Self- Emp (4)	19	8.9	96.3	26	14.9	96.0
Both 3&4	4	1.9	98.1	2	1.1	97.1
Unclear	4	1.9	100.0	5	2.9	100.0
Total	214	100.0		175	100.0	

*Note:* More SHG members have no spousal income support.

<b>2.5 Distribution by Family Monthly Income</b>						
	<b>SHG</b>			<b>CG</b>		
	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>
Nil	3	1.4	1.4	5	2.9	2.9
Up to 3,000	8	3.7	5.1	2	1.1	4.0
Up to 5,000	53	24.8	29.9	36	20.6	24.6
Up to 8,000	72	33.6	63.6	65	37.1	61.7
Up to 10,000	46	21.5	85.0	45	25.7	87.4
Up to 15,000	14	6.5	91.6	15	8.6	96.0
Up to 20,000	4	1.9	93.5	6	3.4	99.4
Up to 25,000	7	3.3	96.7	1	0.6	100.0
Unclear	7	3.3	100.0	0	0.0	100.0
Total	214	100.0		175	100.0	

*Note:* Approximate Average Monthly Family Income—SHG Rs 7,287; CG Rs 7,369.

*Note:* Membership in SHGs is helping women equalize family incomes across the two groups.

<b>2.6 Distribution by Home Ownership</b>						
	SHG			CG		
	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>
Owned home	168	78.5	78.5	121	69.1	69.1
Rented	44	20.6	99.1	52	29.7	98.9
Shared	1	0.5	99.5	0	0.0	98.9
Unclear	1	0.5	100.0	2	1.1	100.0
Total	214	100.0		175	100.0	

*Note:* Significantly higher percentage of SHG members has self-owned homes. That may also be because 83% of SHG members had stayed for more than 10 years in Delhi vs. 71% in CG.

<b>2.7 Distribution by Credit Availed</b>		
<i>Loan</i>	SHG	
	<i>Loan Rs</i>	<i>Loan Returned Rs</i>
Total Amount Rs.	734,500	270,609
Frequency	19	7
Average Loan Amount	38,658	38,658
Per cent		37%

*Note:* 23 SHG respondents have some form of enterprise, financed through multiple sources.

*Note:* Only one respondent says some subsidy will be given.

*Note:* Two respondents manufacture something, seven undertake retail trade, and 14 respondents claim to earn some income from SHG, though unable to specify the income.

*Note:* Only 19 responses claimed that they had taken a loan.

<b>2.8 Distribution by SHG Loan and Business</b>				
	<b>SHG took Loan</b>		<b>SHG Did Group Business</b>	
	<i>Frequency</i>	<i>Per cent of 22</i>	<i>Frequency</i>	<i>Per cent of 22</i>
Yes	19	86.4	9	40.9
No	3	13.6	13	59.1
Total	22		22	

*Note:* Out of 214 SHG members 10.3% did some business but only 4.2% undertook this as a SHG enterprise.

*Note:* Another 4.7% took SHG loan for personal business.

*Note:* All claim to derive some income from SHG enterprise.

### **2.9 Distribution by Monthly Income Levels from SHG Enterprise**

<i>Up to Rs</i>	<i>Frequency</i>	<i>Per cent of 22</i>
1,000	5	55.5
3,000	2	22.2
5,000	1	11.1
8,000	1	11.1
Total	9	100.0

*Social Capital*

<b>3.1 Do you get to know about schemes, opportunities, information, policies</b>						
	<b>SHG</b>			<b>CG</b>		
	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>	<i>Frequency</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>
No	13	6.1	6.1	57	32.6	32.6
Yes	201	93.9	100.0	118	67.4	100.0
Total	214	100.0		175	100.0	

*Note:* Very marked difference, 27% more women in SHG get to know about their entitlements similar to the experience in Mumbai.

<b>3.2 Social Capital</b>				
	<b>SHG</b>		<b>CG</b>	
	<i>Yes Frequency</i>	<i>Per cent</i>	<i>Yes Frequency</i>	<i>Per cent</i>
Contested any Election	5	2.3	0	0.0
Won any Election	1	0.5	0	0.0
Held any Public Office	0	0.0	3	1.7
Took part in any Social or community service	23	10.7	3	1.7
Took part in <i>andolan</i> , agitation, <i>morcha</i>	30	14.0	7	4.0
Member of Trade union or trade association	1	0.5	0	0.0
Member of any Political party	1	0.5	1	0.6
Member social, community, religious association	12	5.6	2	1.1
Voted in any Elections	191	89.3	139	79.4
Did any of these before starting work or SHG	13	6.1	3	1.7

*Note:* Markedly greater percentage of women in SHGs take part in SHGs community service, *andolans*, vote and participate in associations.

*Note:* This is much higher in Mumbai where 40% took part in community activity, 43% in *andolans* and participation in associations and 33% in unions. This is a consequence of a more mature stage of implementation and holistic execution of the policy.

<b>3.3 Awareness Lectures/Activities of GRC</b>				
	<b>SHG</b>		<b>CG</b>	
Awareness Topics	<i>Frequency</i>	<i>Per cent</i>	<i>Frequency</i>	<i>Per cent</i>
Water conservation	42	27	17	30
Women Rights	39	25	9	16
Hygiene	33	21	22	39
Social causes	14	9	2	4
Health & Child care	13	8	0	0
Income generation	5	3	0	0
Legal	2	1	0	0
GRC schemes	2	1	1	2
Food & nutrition	5	3	2	4
Miscellaneous			3	6
	155	100.0	33	100.0



## Appendix B

### 7. Mumbai: Comparison of Some Data of Urban Self Help Groups, Control Group and Only Women among the Control Group

**Table 1 Distribution by Age Group of Respondents**

<i>Age Years</i>	<i>SHG Female % 355</i>	<i>CG Female % of 83</i>	<i>CG Mixed % of 207</i>
19–30	26.0	24.1	28.0
31–40	40.6	48.2	40.5
41–50	28.0	26.5	28.5
More	5.4	1.2	3.0
Total	100.0	100.0	100.0

*Note:* SHG: Self Help Group was entirely female and there were 355 respondents.

*Note:* CG: Control group was mixed gender and had 83 women and 207 total of both genders.

*Note:* In the SHG group 66.6% of the women were below the age of 40 and in the CG 72% in this youthful sample.

*Note:* Mean age in the Delhi SHG sample is also similar at 35.88 years. The control group in Delhi also turned out to be somewhat younger than their SHG counterparts.

**Table 2 Distribution by Educational Level of Respondents**

<i>Own Education</i>	<i>SHG Female % of 355</i>	<i>CG Female % of 83</i>	<i>CG Mixed % of 207</i>
Nil	22.5	18.0	11.6
Primary	17.2	20.5	20.3
VIII	20.3	36.1	30.4
X	26.2	14.5	22.7
XII	10.4	9.7	10.7
More	3.4	1.2	4.3

*Note:* As far as women are concerned the percentage with nil or primary education only are quite similar at 40% and 38.5%, respectively, in SHG and CG.

*Note:* The SHG women have the largest percentage of X graders and the highest percentage of people with tenth grade and above at 40% against 25.4% for CG females, indicating a higher receptiveness of the more educated women to the scheme in Mumbai.

*Note:* In Delhi lower percentage (14%) are illiterate and there is no similar level of correlation between level of education and SHG membership. Surprisingly a similar 26% of the SHG members are secondary school graduates.

**Table 3 Distribution by Type of Economic Activity**

<i>Economic Activity</i>	<i>SHG-Females % of 355</i>	<i>CG Female % of 83</i>	<i>CG-ALL % of 207</i>
Manufacture something	58.3	31.4	33.2
Repair something	4.6	7.7	5.3
Provide Service	29.2	48.3	54.3
Nil activity	7.9	12.6	7.2

*Note:* Majority of the SHG women are in manufacturing, in the CG, women are mostly in the service sector like the rest of the CG group.

*Note:* The WFPR for Mumbai women is very high at 92% of respondents in SHGs. In Delhi it was much lower at 44% of respondents in SHGs.

**Table 4: Distribution of Wage Employed by Wage Status**

<i>Wage Employed status</i>	<i>SHG Females % of 355</i>	<i>CG Female % of 83</i>	<i>CG ALL % of 207</i>
Wage employed	35.5	57.8	70.0
Temporary	24.8	16.9	16.9
Contract	4.8	6.0	7.7
Badli	2.0	2.4	2.4
Permanent	3.9	32.5	43.0

*Note:* Fewer SHG women were wage earners.

*Note:* May report mixed status, both wage and self-employment, especially among non-beneficiary CG groups.

*Note:* The status of permanently employed is not confirmed by any legal status, it is their own belief.

**Table 5: Distribution by Use of Hired Labour**

<i>Use Hired labour</i>	<i>SHG Females % of 355</i>	<i>CG Female % of 83</i>	<i>CG ALL % of 207</i>
1 worker	19.7	24.5	29.0
2–3 workers	5.6	12.0	14.5
More workers	1.4	2.4	3.0

*Note:* The SHG members have smaller number of hired employees indicating the smaller size of enterprise.

**Table 6: Distribution by Most Needed Financial Services/Assistance**

<i>Financial Service/ Assistance</i>	<i>SHG Females % of 355</i>	<i>CG Female % of 83</i>	<i>CG ALL % of 207</i>
Saving Scheme	47.3	83.1	76.3
Cheaper Loans	69.4	29.0	35.1
Advice about Higher Value Added Avenues of profit	46.7	33.7	29.7

*Note:* The percentage of women in the non-beneficiary group who want/need a saving scheme is 83%.

*Note:* The SHG women would like their loans to be cheaper still and more of them want advice on how to augment their economic activity for greater profit. These percentages are lower for non-beneficiary group women, indicating the anxieties arising from their new mission.

**Table 7: Distribution by Loan Takers,  
Amounts Taken and Loan Use**

*Figures in brackets are total frequencies*

<i>Loan Takers</i>	<i>SHG Females % of 355</i>	<i>CG Female % of 83</i>	<i>CG-ALL % of 207</i>
Per cent & (Frequency)	41.1% (146)	8.4% (17)	21.3% (45)
Loan Amount	% of 146	% of 17	% of 45
Up to Rs 50,000	34.9	87.2	92.8
Up to Rs 100,000	11.7	11.5	2.9
More than Rs 10,000	53.4	1.3	4.3
<b>Loan Use</b>			
Business	79.6	76.4	60.0
Capital Assets	3.2	11.8	17.8
Education	11.8	2.4	1.9
Others	5.4	9.4	20.3

*Note:* Percentage of SHGs member loan takers almost double of CG members.

*Note:* Percentage of SHG members who take small loans of less than Rs 50,000 is half of CG members.

*Note:* Percentage of SHGs members who take larger loans of more than Rs 1 lakh are 44 times more than that of CG female and over 10 times more than that of CG mixed. This is due to access to cheaper credit and group solidarity.

*Note:* Percentage of SHGs members who take loans for business are marginally greater than CG members and their education loans are five times more than CG members.

## 8. Comparative Human Capital Formation

**Table 8: Distribution by Respondents Receiving Further Education or Training**

<i>Own Training or further education</i>	<i>SHG Female % of 355</i>	<i>CG Female % of 83</i>	<i>CG Mixed % of 207</i>
Yes	44.3	14.5	14
No	55.7	85.5	86

*Note:* Three times more SHG members got further training or education.

**Table 9: Distribution by Children of Respondents in School**

<i>SHG-Females % of 355</i>		<i>CG Female % of 83</i>		<i>CG-Mixed % of 207</i>	
Who Have Children	in school	Who Have Children	in school	Who Have Kids	in school
91.3	86.8	94.0	83.7	88.4	87.0

*Note:* Women in the SHGs compared to women outside SHGs are more likely to keep their children in school.

**Table 10: Distribution by Children Undergoing Higher Education or Training**

<i>Children in Higher Education/Training</i>	<i>SHG Female % of 83</i>	<i>CG Female % of 355</i>	<i>CG Mixed % of 207</i>
Yes	47.2	19.3	19.3

*Note:* SHG women are far likely to have children in higher education; compared to CG; nearly 2.5 times children of SHG are in higher education or training.

## 9. Social Capital Formation

**Table 11: Distribution by Generation of Social Capital**

<i>Social Activity</i>	<i>SHG-Females</i> % of 355	<i>CG Female</i> % of 83	<i>CG-ALL</i> % of 207
Stood for Election	2.0	0.0	0.5
Won Election	0.6	0.0	0.5
Held Public Office	0.6	0.0	1.0
Community Activity	40.3	14.5	11.1
Took part in <i>Morcha</i>	42.5	3.6	13.5
Member of Union	6.2	3.6	15.0
Member of Political party	0.6	2.4	2.9
Member of an Association	33.0	3.6	5.8

*Note:* Women in SHGs demonstrate much higher participation in community activity, associations and agitations.

## 10. Conclusions (Problems in Methodology in Mumbai and Delhi, Explanation for Trends)

1. The issue of response bias permeates fieldwork everywhere—in Mumbai as in Delhi it was limited to the issue of respondents who would agree to be interviewed but these were more randomly spread across the slums to begin with. However since the respondents under the MCGM were better organized and aware as compared to those sponsored by NGOs, the sample may be biased towards SHGs formed by the corporation. In Delhi it was more sharply biased towards those respondents associated with GRCs that allowed us to visit and interview their respondents. Hence it is biased perhaps towards the best that GRCs had to show. To that extent probability sampling is compromised in both cities and biased towards the best SHGs.

2. The manner and degree to which the policy is implemented impacts the confidence and awareness of the women beneficiaries/respondents. This in turn directly impacts the quality of the responses and the details of information they can provide. Hence in the case of Delhi where the policy is yet to achieve maturity in implementation there is a far greater degree of non-response in questions relating to details of their own occupation, the SHG group business, subsidy, and credit details of SHGs.
3. In Delhi the policy was implemented in its present delivery mechanism, more than 10 years after it was announced (it was implemented in Mumbai long before). A new structure called Mission Convergence has been created since 2009. It recruits NGOs based on their performance to deliver the scheme. Their tenures are also based on their performance. All the Project Coordinators and Community mobilizers employed in the 124 GRCs (recent count is 135 GRCs) are employees of some NGO working on some kind of performance-based contracts.
4. Institutional deficit seems to be the reason for the choice of this mode of delivery and overall delay since involvement of the ULB is recommended by the policy document. Instead, the Mission Convergence's policy review committee functions directly under the chairmanship of the Chief Minister. Its official websites say that

institutional structure of Samajik Suvidha Sangam has been so envisaged, as to free Mission Convergence Programme from rigid system that brought in operational hurdles and undue delays in implementation. In line with the philosophy of Samajik Suvidha Sangam delivery has been decentralized and shifted to district level—a definitive tilt away from the legacy top-down approach. It is a **reaching out** of the Government to its vulnerable citizens for their inclusion in the governance process. It is aimed at inverting the earlier process wherein people had to run from pillar to post



to prove their claims to Government's welfare schemes to which they were entitled. However, to ensure effective delivery of Mission mandate, the State has instituted a hierarchical governing structure that plays the role of mentor and guide to the Mission. It also effectively brings in accountability into the programme design at each stage of implementation.

This is an innovation to fill the institutional gap. It works like a convergence of NGOs and their monitoring units consisting of bureaucrats. It does indeed reach more people than were reached before 2009; majority of respondents we spoke to were comfortable with their local GRC staff (which may have been the best GRCs to begin with).

5. In Mumbai, on the other hand, the policy is implemented directly by the MCGM. The hierarchy of the corporation places the implementation under the Urban Poverty Eradication Cell, directly below an Assistant Commissioner (AC) in charge of Planning. This AC along with the Project Officer and 7/8 Community Development Officers (who are all permanent employees of the MCGM recruited through the Maharashtra Public Service Commission or otherwise) implements the policy. Only the 11 community mobilizers are individuals chosen from the community itself by the CDOs and working on a contractual/temporary basis. This has given the policy implementation both strength of experience and continuity. In Mumbai staff inadequacy was a very important impediment. Here too there is inadequate convergence of government, non-government resources and needs of poor people. There is no mechanism to include community-based organizations in local government/ward level plans. Hardly any planning, market research, technical and marketing support is provided on a steady basis to new or existing micro enterprises. Similarly no sustenance in terms of backward and forward linkages, except for some Aadhar centers for the sale of SHG products. Enterprises therefore do not undertake well diversified activities, most enterprises earn poorly and also remain very vulnerable.

6. In both cities women in SHGs are more likely to be gainfully employed/working than in the CG. There is a closer correlation between own income experience or expectation and participation in SHGs than between the level of education and SHG membership. Hence engagement with remunerative work encourages women to join SHGs and participation in turn encourages remunerative savings and work and enhances income flows in a benevolent reinforcing cycle. In Delhi a much smaller fraction (44%) of the sampled women call themselves as 'earning /working/employed'. In Mumbai employed women constituted 94% of the SHG sample, these women are likely to be more confident. In Delhi there was a much higher degree of non-response to questions seeking details of their SHG.
7. Having said that, there is evidence of higher frequency of financial, human and social capital formation among members of SHGs in both cities when compared to the control groups. The evidence is clearer in Mumbai where the policy has been in effect longer.
8. As of now in Delhi, the SHG component is not comprehensively entirely perceived and implemented. Forming a neighborhood trust group and promoting collective investment, risk taking and enterprise is radically different from say getting a ration card or school admission or old age pension. Hence there are far fewer SHGs, fewer still linked to banks and only few in group-based direct productive activity compared to Mumbai. The MCGM has over 3,000 SHGs linked to banks, and at least half are productive.
9. In both Delhi and Mumbai the manner in which the policy is implemented certainly is not a convergence of poor people, their needs, of government resources and non-government means. It is a low cost top-down approach. There is no institutional capacity created on the scale of Kudumbashree and the existing may not be an adequate arrangement to implement more multifaceted and non-routine policy like SJSRY on an extensive scale.

10. As it exists there is perhaps little potential for SJSRY to expand and show visible results in the SHG component in Delhi. For that to happen experienced and committed staff has to be employed and interlaced to each other, to banks and local government on a more permanent and direct basis by the Delhi Government. Increased budgets without committed manpower will not be enough. The reverse is obviously true as well. The guidelines of the revised policy documents quoted below imply that committed manpower should exist. Thus far, the Delhi Government is implementing the policy through Mission Convergence and NGOs with contract staff of well qualified but low paid, young people without a long-term stake in the delivery system and without the involvement of the local government, i.e., the municipal government. The staff has a high intensity of work with multiple schemes and other reporting demands made on them.

The SJSRY Guidelines envisage the setting up of a dedicated cadre/service of officers specializing in urban poverty alleviation/community mobilization and development for supporting the implementation of urban poverty alleviation and related programmes in States/UTs. These officers are to be appointed at ULB/District/State levels, with suitable promotion avenues, for implementation of various urban poverty alleviation schemes including SJSRY with a professional approach. The instant guidelines aim at guiding the creation of an appropriate programme administration structure, supported by experts engaged outsourcing/contract/deputation basis to effectively implement SJSRY and other urban poverty alleviation programs in cities and towns.

11. The skill training component lacks variety, quality or adequacy. This observation is based on the budget and the responses of the interviewee.
12. In both Delhi and Mumbai universality of reach and interlinking with local level developmental planning, which is a hallmark

of Kudumbashree in Kerala, is absent. The outcomes are indicative of the limitations of the delivery model used and absence of any vision or road map for progressive enlargement of role of the poor at all levels of decision making and implementation.

13. The policy is both underfunded (with an annual all India budget allocation for 2013–14 of Rs 893.75 crores) and under supported by dedicated staff. If one uses the NULMs estimates of urban poor at 98 million and half are poor women then the per head budget allocation is Rs 182 per annum. The state's share of 25% will add Rs 45.50 to the allocation per person. So far, total Central funds to the tune of Rs 5,038.53 crores has been released to States/UTs under the SJSRY scheme.
14. The annual expenditure reported on this scheme on 13.3.13 in Delhi was Rs 2.34 crores and in Maharashtra, Rs 83.14 crores. Tentative budget In Delhi for the year 2013–14 was Rs 28.45 crores and Rs 117.88 crores in Maharashtra. My rough estimate is that the annual cost of running 124 GRCs is about Rs 20 crores per annum. The cost of the entire structure of three MNGOs who supervise the 124 GRCs would add more to the cost of delivery. While the entire expenditure on SJSRY is Rs 2.34 crores! Since the GRCs are implementing policies of nine other departments this just seems be a low cost/cost effective delivery proposition.
15. While the DHDR (2013) recognizes the need to reduce gender-based inequality and reinforce incomes and employment in the informal sector

Enhancing the earnings of the low productivity manufacturing sector and some subsistence services sub-sectors in the informal sector as well as better enforcement of laws for the promotion and protection of livelihoods, especially for those working in vulnerable occupations should constitute an important policy focus' (Government of National Territory of Delhi 2013).

Delhi's implementation of SJSRY is unfortunately still in its embryonic stage compared to Mumbai.

16. According to the same report the MCD ranks very low on the perception scale of its citizens, this state of institutional deficit in local government may hamper last mile delivery on a long-term basis.

In conclusion, this institutional deficit and the model of delivery adopted in Delhi may adversely impact the implementation of SJSRY and that would be unfortunate because the scheme is truly multi-faceted and has a wide scope for enhancing inclusion, as amply demonstrated by evidence from Kerala (John 2009) by:

1. Improving the well-being of the poor and society at large by improving their capabilities through skill, training and capacity to self-organize, produce, supply and most importantly to address their collective action problems themselves.
2. Improving the well-being of the poor and society at large by addressing the problems that arise when they interact with the market and through it.
3. Addressing group failure and market failure through self-learning, better operation of self-organized groups working effectively in collaboration with the government at local and state levels.
4. Possibility of creating a solidarity economy (in the place of a competitive one) where in many simple and recurring daily needs of families and communities including credit can be met within (or with cooperation from other communities) at a low cost. This will simultaneously generate livelihoods for women and reduce the vulnerability of the poor as it has done in Kerala.

Kerala shows the way in which this policy may be delivered with striking results. Quoting from the official Kudumbashree website where updates are regularly posted

The relevance of local response to economic development needs of a community has increased in recent times, what with climate change and issues of food and water security developing hitherto unexpected dimensions. A local community which through its governance and participation structures is able to generate employment, stimulate local production and ensure the well-being of the most vulnerable of its people would become a role model of inclusive growth.

To conclude, comparisons across two metros, does indicate that SJSRY has a strong potential for lessening absolute poverty. However according to its implementers in Mumbai (the CDOs) its new form NULM effective since September 2013, is cutting back on revolving funds, capital subsidies to SHGs and incentives for banks to lend to the SHGs. This set back they fear will undo the groups and their federations created by the scheme in Mumbai. Since March 2014 the beneficiaries have been protesting through various agitations but their concerns have not been addressed even as 2014 drew to a close. In Delhi too the situation was grim. The staff of the GRC implementing the policy had not been paid wages for over 6 months. There was no clarity on what was causing the crisis. Over the same period Delhi has no representative government. In October some of the 2000 odd staff of the Mission Convergence and their affiliated GRCs had organised a dharna at Jantar Mantar. One can only imagine what their zeal for social service must have turn into.

In this over all dismal contexts, the expression ‘inclusion’ that is used to tag policies is deceptive. Poorly funded and executed, poverty reduction policies are passed off as exercises in inclusion.

What does inclusion mean in the milieu of market driven growth? Inclusion into what and, on what terms should the working poor get included into the market, other than mere survival? Will people be left alone to deal with vulnerability inducing new and cyclical market shocks or reckless profiteering? The critical question is will the poor be included in local decisions, planning and local self-government. Will that be the axis of their inclusion? Or will they be at the mercy of remotely designed schemes that are inadequately funded and



administered. Simultaneously will they be made more defenseless by macro policies that raise the prices of food, public utilities, housing, health services and education? While poverty alleviation policies sluggishly pull some people out of absolute poverty in some region will other people in other regions be rapidly rendered vulnerable because 'inclusion' is neither well-conceived nor well planned? These are questions that the discourse on inclusion must address. To the extent to which polity, society and administration does not engage with this issue the policy for inclusion is ill fated.

If the policy for inclusion is shorn of an ideological commitment and caged in fiscal conservatism it will remain deprived of adequate funding and dedicated welfare administering machinery, it will just be a new name for 'trickle down'.

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