

A Study of Economic Development Through Prime Minister Employment Generation Programme with Reference to Annapurna Mahila Grah Udyog in Maharashtra

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Abstract:

Prime Minister Employment Generation Programme (PMEGP) Government of India has approved the introduction of a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP) by merging the two schemes that were in operation till 31.03.2008, namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas.

PMEGP is a central sector scheme administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME). At the national level, the Scheme is being implemented by Khadi and Village Industries Commission (KVIC), a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency.

Keyword: Empowering Women Entrepreneurship – Aims & Purpose - Background of the Annapurna Mahila Mandal business - Formation of Annapurna Mahila Mandal - How to Get a Loan -Socio-Economic Background of the Annapurna Mahila Mandal - Annapurna Scheme: its achievements - The Ten Decisions of AMM - Conclusion

1. Aims and purpose:

This programmes deals with the initiatives of the Annapurna Mahila Mandal - an organization dedicated to the issues of the urban poor women it should be able to know Annapurna Mahila Mandal (AMM) is a registered society and trust of the urban poor, illiterate, self-employed women with a total membership of over 50,000 women. Established in 1975, it arose from the needs and the problems of the wives of textile mill workers.

The main function of the organisation is to raise bank loans on a group guarantee basis for individual women who run 'mini-lunch homes' in their own houses. This Scheme frees them from the clutches of the traditional money lenders who charge interest rate of up to 120 percent per annum. Traditionally "Khanawalis", now called "Annapurna", these women are organised under the AMM. The organisational structure has evolved from the women workers themselves. Besides some Committee Members, who are outsiders, the rest are all Annapurna Women.

A few male volunteers are recruited for filling out forms, writing and keeping accounts since most of the women in the Annapurna Mahila Mandal are illiterate.

2. Background of the Annapurna Mahila Mandal business:

Annapurna Mahila Mandal originated in Mumbai which enjoys a unique position as the industrial and financial capital of India. Mumbai being an industrial centre, draws workers from all over the country who come to the town in search of employment.

Due to various socio-economic factors such as, lack of housing or absence of permanent source of employment, the workers have to stay alone in the city while keeping their families in the remote villages. According to the 1991 census, there are 716 females for every 1000 males in Mumbai. Therefore a good number of the male workers working in the mills and industries are forced to live in chawls that are made of common rooms which are further divided into lower berth, middle berth and upper like a Railway Compartment. Such berths and compartments are further shared in shifts according to the shift of the mills and industries.

These workers are unable to eat in the city hotels and what is more, they look for "Home Food". They look for families or women of their villages who can undertake to cook food similar to the one they get in the villages and at cheaper costs than the usual city hotels. On the other hand, while cooking for herself and her family, poor women, in need of work and earnings in an independent way, began to cook for the workers in shifts to match with their own shifts in the factory. These women workers were called "Khanawalis" or "Annapurnas" -provider of the food.

These Annapurna or Khanawalis gave credit to the workers who could pay their bills at the end of the month only. But in order to buy food-grain, utensils, fuel etc. she needed bulk of money for which she had to go to the money lenders who charged exorbitant rates of interest. Therefore, these women permanently remained in debt. Being illiterate, they did not know the extent of their debt nor the interest being charged. Under these circumstances, the money lender grocers over-charged for food-grains and other provisions. Incidents of sexual harassment were also common.

In 1973, the problems of these Annapurna were first of all noticed by a women trade unionist, Prema, who observed that these women continued to feed the workers even when the workers were out on strike and could not pay. With the assistance of Prema, one such scheme was formulated by the Bank of Baroda to provide help to low-income women Annapurna and to generate more employment as well as to provide bank assistance to self-employed persons. At present in Pune there are more than 6000 Mahila Grahya are doing Annapurna business in Pune and around Pune.

3. Formation of Annapurna Mahila Mandal:

Annapurnas were not only unfamiliar with the banks but were also afraid to enter the bank. Hence it became a primary task of the Annapurna Mahila Mandal to make women aware of their common problems and to bring them together to make available the benefits to a greater number of women.

Prema decided that instead of individuals, a group of 15 women had to come together to get loans. This was entirely different from the usual loan-giving programme in which a relationship is established between an individual and the loan-giver. Though each loan is individual but her loan return is guaranteed by the group and the organisation. Thus, all the members are accountable to each other.

At first, the women were hesitant to form a group and get Bank loans. However, fourteen women got ready to take loan from the bank. This first group was initially composed of women whose men were

actively involved in the trade union movement, hence, they were persuaded by their husbands to give this scheme a try. It also attracted women who were financially very weak. Therefore, after four days of work and with the help of the mandal, the scheme was formulated with Bank of Baroda in 1975 and ultimately it became a reality in March 1976. A sum of Rs. 1500/- was given as a loan to each of the women which they were supposed to return within 15 months period at the nominal rate of interest of 4% per annum. The total interest for 15 months was very minimal - just Rs. 75/-. If the same amount was taken from the private money lender then they would have to pay Rs.2,250/- for the same period at the rate of 10% per month.

Later, the scheme was further expanded to cover many more women involved in occupations like vegetables selling, empty bottle and can collecting and selling and rag-picking. The scheme was also extended to other areas of Mumbai like Byculla, Lalbaug, Parel, Chinchpolki, Worli, Prabhadevi etc.

4. How to Get a Loan?

A woman who needs a loan goes to the local committee in her area which subsequently, checks the number of persons she feeds, the economic condition of the family, and also her reliability. Once the local women's committee is satisfied on these accounts, she is asked to wait till another 9 women have applied. This then forms another local women's group.

Structure of the organisation office-bearers (15 members) executive committee (60 members) 11 local women's committee in 11 different areas; local groups of women under each committee - the basic unit for getting loans - each group elects a leader, Individual woman.

Source: prema purao and miras savara: annapurna mahila mandal; Mumbai, Annapurna Khanawal in Pune.

Each member of the Mandal pays Rs. 300/- as a membership fee. After getting the loan, she pays Rs. 12.00/- to cover the administration costs of the programme for a year. To become the life member of the organisation; she has to contribute to the building fund. A woman, after getting the loan, has to put a fixed amount in a savings scheme and also put in a small amount regularly to face any difficulties in the future. It also gives the woman additional financial security. upto 1982, 6,000 women had taken loans from the Mandal.

The purpose of the multi-service scheme of the Bank of Baroda is to provide loans to the deprived, neglected and unorganised sectors of the society; to improve the living standard of the persons; to generate more employment. As mentioned above, the rate of interest is very low i.e. 4% per annum and this loan facility is available only to those whose family income is less than Rs. 3,000/- per annum. For the security purpose, the goods purchased with the loan are mortgaged to the Bank, or group. Guarantees are accepted.

In order to make this facility available to maximum number of women, the bank simplified its procedures. Various steps were taken to reach to women.

1. Application forms were shortened and made available in local vernacular languages.
2. In order to help the mostly illiterate borrowers and to know how much they have paid, stamps were printed in different colours to indicate the amount of rupees collected/deposited.
3. Since it was difficult for the Annapurna women to come to the Bank at banking times, the Bank changed its collection procedure.
4. Once a month, Bank agents go to the local areas, set-up a mini collection office of the Bank in one of the slum-homes and collect the money from all Annapurna women in that area. The bank comes to

the door steps of the women. At least once a month women in each of the areas, while transacting with the bank, get an opportunity to meet other women also.

Since 1976, approximately 6,000 women have been given loans amounting to approximately Rs. 1,00,00,000/- and recovery rates has been as high as upto 90%. The scheme which only originated with one bank, that is Bank of Baroda, has now extended by another Bank viz. Bank of India.

5. Socio-Economic Background of the Annapurna Mahila Mandal

The women organised by the Annapurna Mahila Mandal mostly live in the Parel Dadar Area, which is the heart of the textile industry in Mumbai. A study was undertaken in 1979 by Nancy Sherov, financed by the Multi Service Agency of Bank of Baroda. The information given below is based on a survey of 100 Annapurna women.

The study showed that 93% of the women were Hindus, the remaining 7% being Neo-Buddhists, i.e. members of the Harijan Caste. 89% spoke Marathi and 11% spoke Telegu who were the migrants from the state of Andhra Pradesh. 76% of the women married, 18% were widows, 3% single and 3% separated. 58% were living in a nuclear family, 26 in joint-families (with parents of either of the couple) and 16% in extended families (with some other members of the family).

The educational level of the women indicated that most of them were illiterate.

No Education	66%
Could read	5%
4 years of schooling	17%
Over 7 years of schooling	12%

The average income level was low though 50% of the husbands of these women were engaged in some form of permanent employment.

6. Annapurna scheme: its achievements

The collective nature of the entire scheme ensures checks and balances within the system by giving loan only after the formation of a group of ten women from the same area. It also increases official bonds within the groups and they develop "fellow feeling" amongst themselves. During the times of the crisis like sickness or delivery, fellow women even shoulder the responsibility of serving the food to the workers and sometimes commonly bear installments for repayment. More important are the social consequences of this group formation. It has led not only to a break in the isolation of the women but also more exposure to the outside world through participation in meetings, going to the Bank, meeting others, etc.

Most women have started expressing a desire to learn reading and writing. Economic independence has helped them to be more assertive and confident than ever before. This altogether resulted in the change in their self-image. These women are no more alone and isolated, they can share their experiences and interact with other women. They attend seminars, international Women's Day rallies and various entertainment programmes to acquire a different world view.

Another major achievement of these small cooperatives has been the increase in the number of women who have gone in for family planning. Increased interaction, social awareness, discussions about the personal problems and sharing of experience etc. have led to a greater acceptance of family planning.

Participation in the Mandal has also increased the decision-making role of the women. Now they participate in family life with a definite say of their own.

AMM has increased the feelings of oneness among the Annapurnas. In the past many incidents occurred when a worker would change his eating place without paying the previous women and the new woman would always welcome the new customer. But now the woman always checks with others if the man has any pending debts. In this way women are also saved from being cheated.

During the course of their work, the activists of the organisation have to deal with many problems related to health, education, shelter activities and legal aid, etc. Moreover, a social development programme called "10 decisions" was introduced by the organization to inculcate feelings of discipline, unity and hard-work amongst the members and to improve their living standard. The organisation thus accepts an overall development programme for these poor women:

7. The Ten Decisions of AMM

- A. "The four guiding principle of AMM: Discipline, unity, courage and hard work. We shall follow and advance in all walks of our lives.
- B. We shall bring prosperity to our families.
- C. We shall not live in dilapidated houses. We shall repair our houses and work towards constructing our own housing society as soon as possible.
- D. We shall educate our children and ensure that they can earn enough to pay for their education.
- E. We shall always keep our children and our environment clean.
- F. We shall not take any dowry at our son's weddings, neither shall we give any dowry at our daughter's weddings.
- G. We shall not inflict any injustice on any one. neither shall we allow anyone to do so.
- H. We will always be ready to help each other. If any one is in difficulty, we will all help.
- I. If we come to know of any breach of discipline in any area, we will all go there and help restore discipline.
- J. We will take part in all social activities collectively."

(Vrinda Pal: 1990 147)

The significance of the programme so far has been to develop a grass-root level of organisation amongst women in the informal sector. It is very important to recognise that women are capable of organising collective action for improving their lot. The main thing is to organise a poor women's group with the specific objective of improving their socio-economic condition through their collective and sustained action over a period of time.

8. Concluding remarks

When women are able to organise their efforts around crucial goals which affect their lives substantially, women's empowerment will be realised more effectively. One of the clearest indicators of women's empowerment is an increase in women's capacities and willingness to support other women and to work diligently towards strengthening women in their efforts to survive or gain equality. AMM is a good example of women's definite step towards empowerment.

Annapurna Mahila Mandal is an organisation of the self-employed urban poor women who provide lulich to the textile mill workers. Prema, a trade unionist, organised these women. She approached the bank to provide help to low-income women. Annapurnas and to guarantee more employment as well as provide bank assistance to self-employed persons. Since women were illiterate, unfamiliar with banks,

groups of women came together to seek bank loans. Rate of interest charged was very low and the bank simplified its procedures so that illiterate poor women can avail the facility.

Apart from financial availability at low interest rates, the scheme frees women from the clutches of the traditional money lender. The collective nature of the entire scheme bring women closer and create solidarity. In times of crisis they shoulder each other's responsibility. It breaks the isolation of women with the exchange of information amongst themselves. A desire to be literate is also on the rise amongst these women. The organisation has moved into an overall development programme for the poor in the areas of health, education, housing, legal aid, sanitation etc. Women are able to improve their situation collectively through group formation which would be impossible individually. In the case of AMM, women attained economic independence through collective efforts.

- **Cooperative:** Organisations build on the concept of cooperation and mutual help among the members.
- **Self-image:** Constructed identity about oneself.

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