



## General Studies-2; Topic: Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

### National Rural Livelihoods Mission: Drawing Lessons from the First Ten Years

#### Introduction

- In 2011, the government launched the National Rural Livelihoods Mission (NRLM) with support from the World Bank to **improve the livelihoods of poor rural people and boost the rural economy**.
- The NRLM utilised the ecosystem of **SHGs** in these rural districts to execute the Mission.
- In 2015, the government renamed the Mission as **Deendayal Antayodaya Yojana (DAY-NRLM)**.

#### Present Status

- Today, ten years since the NRLM was first launched, **India has the largest network of women's SHGs across the world**.
- As of May 2021, there are 6.9 million SHGs in India with 75 million members.
- In the current era of COVID-19, the **SHGs across the country's rural districts are crucial in mitigating the manifold impacts of the pandemic**.
- Community kitchens in states like Kerala, Odisha, Jharkhand, and Uttar Pradesh have fed migrant workers and other poor families.
- Women in SHGs who work as '**bank sakhis (banking correspondents)**', facilitated access to cash transfers for the COVID-19 relief package.

#### NRLM

- NRLM has multiple, overlapping goals: **poverty reduction, women's empowerment, and improving outcomes in health, nutrition, and education**.

- The programme has been effective in providing members access to finance by **promoting savings, providing grants, and linking them to banks.**
- It has also contributed to improved development goals related to education, health, and access to public services.
- The uniqueness and strength of the NRLM lies in **building community-managed institutions for the rural poor**, and creating a community cadre of SHG members.

## Social Impacts of NRLM

- The NRLM has enabled rural families to negotiate for **greater access to essential services such as education and healthcare.**
- It has had an impact on **access to land for women** to grow food, and on gender issues with women's groups taking on issues like dowry, child marriage, and discrimination against girls.
- SHGs—in the overall context of the NRLM—have had a strong impact on **women's empowerment, including political participation, knowledge of administration, financial literacy, mobility, and decision-making.**

## Increasing women's participation in the work force

- In 2019 the World Bank examined the NRLM's impact on female labour force participation through women's self-employment.
- From 2011 to 2016-17, the **villages with NRLM intervention experienced an overall increase of 20.4 percent in self-employment livelihood activities.**

## Economic Impacts of NRLM

- The NRLM has established structures for **financial literacy and credit counseling** for women.
- It has **mobilised household savings**, and provided **access to credit and linkages to banks.**
- It enrolled SHG members and their spouses for health, life and disability **insurance.**

## Concerns / Challenges

- Most SHGs remain crowded in low-productivity, primary-sector activities, mainly agriculture, and are bogged down by low absorption of technology.
- The **programme has not led to diversify into other high-productive activities.**
- Most SHGs remain **confined to being microfinance units rather than vibrant business entities.**
- Often, women themselves are unwilling or inhibited to scale up businesses or do not find support within their families.
- The members of SHGs remain mere beneficiaries of the programmes and have **little control over the decision-making process.**
- The COVID-19 pandemic has disrupted the functioning of SHGs—the backbone of the NRLM.
- There has been a massive impact on the savings and income-generating activities of these SHGs.
- Compared to MGNREGS, the **NRLM has historically received minuscule allocations.**

## Way Forward

- In its next phase, the NRLM must aim to **improve livelihoods by expanding entrepreneurship and creating income opportunities both on- and off-farm.**
- The **NRLM should tap the startup and private sector space.**
- Kerala's Kudumbshree which again has shown the way. In 2019, it tied up with Amazon for its programme Amazon Saheli, through which it promotes women entrepreneurs by selling their products to Amazon customers.
- The current FY budget is channeling more funds to the NRLM is a step in the right direction.
- **Putting more money into the Mission can help make it a truly transformative programme.**
- If the issues identified above could be addressed as a matter of urgent concern, the NRLM could prove to be key to rebuilding lives in rural India.