



RURAL LIVELIHOOD SCHEMES

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STRUCTURE OF PRESENTATION

- Overview of various schemes
- Challenges and issues in implementation
- Key Learnings
- Suggestions and Recommendations





OVERVIEW OF VARIOUS SCHEMES

THE ETERNAL CHALLENGE BEFORE THE INDIAN ECONOMY HAS BEEN TO ENSURE THAT ITS GROWTH BECOMES INCLUSIVE AND CONTRIBUTES TO A SIGNIFICANT REDUCTION IN RURAL POVERTY. THIS FELT NEED HAS LED TO VARIOUS INITIATIVES IN THE PAST WHEREIN FOCUS HAS PROGRESSIVELY SHIFTED FROM EMPHASIS ON INDIVIDUALISTIC APPROACH TO GROUP LED GROWTH, SUPPORTED BY SENSITIVE SUPPORT STRUCTURE MANAGED BY PROFESSIONALS.



INTIGRATED RURAL DEVELOPMENT PROGRAMME(IRDP)

- First Major Programme launched by GOI in 1980 targeting poor directly.
- Aimed at creation of assets, skill development and self employment
- Other allied programmes – TRYSEM, DWCRA, SITRA, GKY, MWS
- **SHORTCOMINGS**
 - Multiplicity of programmes
 - Individual Programmes with separate targets
 - No sustainable income generation
- Prof. Hashmi Committee later recommeded merging of Various allied programmes into one scheme- SGSY shifting from individual approach to group approach.



SWARAN JAYANTI SWAROJGAR YOJNA(SGSY)

➤ SAILENT FEATURES

- Holistic self employment scheme for rural BPL families.
- Organization of rural poor into self help groups through process of social mobilization.
- Effective linkages between various components of SGSY
- Sustainable Income Generation through microenterprise development





SWARN JAYANTI SWAROJGAR YOJNA (SGSY)- CONTD

➤ SHORTCOMINGS:

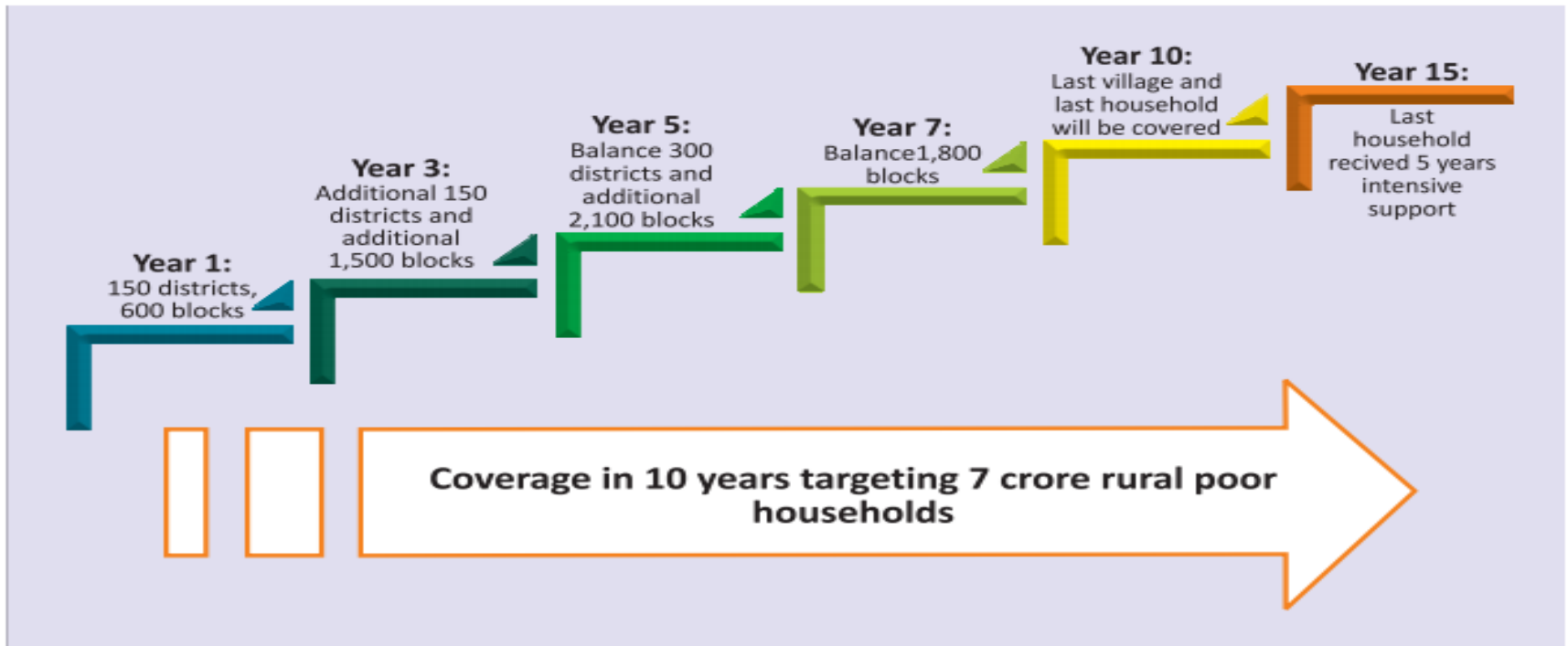
- Uneven, slow and in many cases distorted
- Not met **multiple livelihood requirements** of the poor.
- Subsidy without adequate investment in social mobilization.
- States could not fully invest the funds - **lack of delivery systems, skill training and building resource absorption capacity.**
- Absence of collective institutions in the form of SHG federations for productivity enhancement, marketing linkages and **risk** management.



NATIONAL RURAL LIVELIHOODS MISSION

- Launched by **the Ministry of Rural Development (MoRD), Government of India** in **June 2011** and aided in part through investment support by the World Bank,
- Aims at poverty alleviation through social mobilization, Institutional building & financial inclusion for making rural poor capable for self employment
- The Mission seeks to mobilize 07 crore rural households into self-help groups in a time bound manner by 2024-25.





Year 1	Year 3	Year 5	Year 7	Year 10	Year 12
150 districts	+150 districts	+300 districts		Last village and last household	Intensive support
600 blocks	+1,500 blocks	+2,100 blocks	+1,800 blocks		
Total districts	300 districts	600 districts			
Total blocks	2,100 blocks	4,200 blocks	6,000 blocks		

The indicative phasing in terms of coverage of districts and blocks as envisaged by NRLM





SALIENT FEATURES: UNIVERSAL SOCIAL MOBILISATION

- One member from each household, preferably a woman, would be organized into a S.H.G
- All villages, blocks and districts – in a phased manner
- Focus on most vulnerable: SC/ST, PVTGs, minorities, women headed households
- Special focus on states with large tribal population and LWE districts



INSTITUTION BUILDING

- Formation, nurturing - SHGs and their Federations at village, block and district level
- Other collectives – livelihoods organisations
- Institutional platform to provide space, voice and resources for the poor
- Scaling up through community resource persons, federations of the poor



CAPACITY BUILDING

- Continuous capacity building – key to strong institution building and empowerment
- Multi-pronged approach
- Knowledge dissemination to all members
- Effective Training at village level
- Creating a cadre of trainers, service providers, Community Resource Persons (CRPs) and Master Craftsmen
- Network of training institutions for capacity building at districts and State level



BUILDING PRO-POOR FINANCIAL SECTOR

- Access to credit key to coming out of poverty.
- Strategic partnerships with banking sector
- Facilitation support: 'Bank Mitras'
- Financial literacy and financial counseling
- Micro insurance to cover life, health and assets



SKILL DEVELOPMENT AND PLACEMENT

- Up-scaling of Skill development through public-private partnerships
- 15% of allocation for placement linked skill development projects
- 50% of the funds for projects transferred to States for inter district projects
- Clear focus on placement
- 60 lakh skilled jobs for rural poor in 7 years planned



ESTABLISHMENT OF RSETIS

- Plan to set up 500 Rural Self Employment Training Institutes (RSETIs)
- Bank led institutes. MoRD grant Rs.1 crore for building, and, reimbursement of training cost for BPL candidates.
- State Government would provide land free of cost.



LINKAGE WITH PRIs

- Need for mutual respect between institutions of the poor and the PRIs
- Institutions of the poor to have a regular dialogue with PRIs and actively participate in the Gram sabhas
- PRIs to appreciate the role S.H.Gs and federations play in the life of the poor and include pro-poor initiatives in their plans



PARTNERSHIPS

- **Non Governmental Organization**
 - Partnership based on core principles of NRLM,
 - accountability to institutions of the poor, outcomes based- Strengthen social capital created and nurtured by them.
 - Resource villages and resource blocks – for mentoring other blocks and districts
- **Industry/ Industry associations:**
 - Livelihoods promotion – forward and backward linkages
 - Skill development and placement
- **Academic institutions**
 - Capacity building of development professionals, village level community professionals
 - Evaluations and mid-course corrections



FINANCIAL NORMS

- Revolving fund: Rs. 15,000 per SHG
- Community Investment Fund Rs.1.10 Lakh
- CCL – four to eight times of the savings of SHG
- **Capacity building, skills training:** Maximum of Rs 7500 per Swarozgari
- **Interest subsidy:** Difference between PLR and Rs 7% per annum interest rate
- **Corpus fund for federations**
 - Rs 10,000 at Village/Panchayat level
 - Rs 20,000 at Block level
 - Rs 100,000 at District level



ACCOUNTABILITY

- Extensive use of I.T for transparency and real time monitoring
- Accountability Systems
- Regular meetings of S.H.Gs and federations – financial transactions read out in the meeting
- Social audit for transparency and accountability

Livelihood Services



Building Enabling Environment
Partnerships and Convergence



CHALLENGES AND ISSUES IN IMPLEMENTATION

- Lack of Effective Institutional Platforms for the Poor.
- Reaching and delivering services to the rural poor who are not organized into functionally effective collectives.
- Institutions managed & supported by professionals improve collective voice and bargaining power for the rural poor and create an enabling environment for development.





CHALLENGES AND ISSUES IN IMPLEMENTATION-CONTD

➤ **Universal Inclusion**

- Not everyone in rural area may be a member of SHG group. Some people may like to form other **aggregation mechanism**.

➤ **Financial Inclusion**

- Nexus between **banks and micro finance agents**, Banks try to achieve their targets for financial inclusion, loan payment etc. through these agents
- Loans given arbitrarily to the SHG groups via **micro finance agents** are not used in creation of income generating activity and default.





KEY LEARNINGS

- Mechanism of SHGs as an instrument of social & economic empowerment of rural poor amply validated.
- Uneven mobilization of rural poor and formation of SHGs owing to insufficient capacity building of beneficiaries, low credit mobilization and lack of dedicated professionals.
- Complying with the principle of **Panchasutra** coupled with systematic mobilization of the poor into SHGs, their capacity building and skill development taken up in a process-intensive manner contributed substantially to the success of rural livelihoods programme .





KEY LEARNING CONTD

- Dedicated administrative structures consisting of professionals from the market, created in Andhra Pradesh, Kerala, Tamil Nadu etc for contributed immensely to the success of SHG movement.
- In the absence of dedicated professional implementation structure and systematic social mobilization and institution building activities, the progress of the scheme has been rather slow.
- Need for augmenting credit absorption capacity of SHGs through systematic capacity building and sustained technical, marketing and even placement support





KEY LEARNING CONTD

- Streamlining the credit delivery system for making available adequate and timely credit at reasonable rates.
- Systematic sensitization of the Bankers along with placement of '**Bank Mitras**' in the under-staffed rural bank branches
- Need for a sensitive support structure right from State level to district and sub district levels for inducing social mobilization and building strong grassroots institutions of the poor, particularly women.





KEY LEARNING CONTD

- For a poor family to come out abject poverty, a nurturing and handholding support of organizations for a period of 6 - 8 years is extremely critical
- Rural women poor households, organized into SHGs require repeated doses of finance at affordable rates.
- The strength of individual SHG in providing support to their members is multiplied when all the poor in a village are organized into SHGs and all the SHGs come together at the village level and form a federation





KEY LEARNING CONTD

- A second tier of federation of the village federations at the block or sub-block level is required to provide necessary linkages with ongoing Government programmes and to link with the sub-divisional level structure of the State Livelihoods Missions.
- The poor need to overcome livelihoods risks by developing a variety of livelihoods. This enables them to survive shocks to any particular livelihoods streams.





KEY LEARNING CONTD

- Since poor are very vulnerable to shocks, they need their organizations as safety nets to access safety needs entitlements under various Government programmes like **MGNREGA, Social Assistance Programmes, PDS etc.**
- Common centralized guidelines/strategies would not meet the needs of all the States. Hence differentiated or State specific strategies need to be developed to cater to the specific requirements of each individual State.





SUGGESTIONS AND RECOMMENDATIONS

- Rural economy is very diverse. For this the scheme should be very flexible even at the village level.
- NRLM has not given serious attention to value added agriculture and **rural MSMEs**. MSMEs are the growth engines of emerging and developing economies and they need targeted intervention.
- Strategy of NRLM is very broad and sweeping. So instead of attempting to do a whole lot of thing NRLM can focus on areas that could bring impact livelihoods of large number of rural people.



SUGGESTIONS AND RECOMMENDATIONS-CONTD

- NRLM to ensure that State Perspective Plans list all the vulnerable communities with suitable customized strategies to mobilize each community.
- NRLM to ensure participatory vulnerability assessment and ranking so that the poorest and the most vulnerable could be targeted first.
- The state must develop sub-plans for the Poorest and Most Vulnerable, on an annual basis, by aggregating their household plans and integrating them into neighborhood and village level plans and consolidated at higher levels

SUGGESTIONS AND RECOMMENDATIONS-CONTD

- NRLM should inculcate in its structure a gender policy governing the staff and institutions.
- **women-centric development-** Capacity Building on Gender, encouraging women in political participation in PRIs, etc.
- There should be gender analysis done at the level of the village or intermediate panchayat by the community leading to a simple Gender Status Report.



WOMEN-CENTRIC DEVELOPMENT



Providing market for the rural products

THANK YOU



Developing synergies - through institutions of the poor

