

## Implementation of DAY-NRLM/*Aajeevika*: An Analysis

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### Abstract:

This article based on secondary data on *Deendayal Antyaodaya Yojana*- National Rural Livelihoods Mission (DAY-NRLM)/*Aajeevika* which is in implementation in the country has been written to throw the light about the recent progress of DAY-NRLM. This massive self-employment programme is the restructured scheme of *Swarnajayanti Gram Swarajgar Yojana* (SGSY) which was launched by the Ministry of Rural Development, Government of India based on Prof *Radhakrishna* Committee. The analysis reveals that DAY-NRLM is yet to start with full swing as its coverage in terms of district, block and Gram panchayat is at low level. Long way has to go for touching even 'take off' stage. It is pertinent to mention that initially National Rural Livelihoods Mission (NRLM)/*Aajeevika* was used but on 26 February 2016, Ministry of Rural Development, Government of India through a notification has added the words *Deendayal Antyaodaya Yojana* so presently it

is known as *Deendayal Antyaodaya Yojana*- National Rural Livelihoods Mission (DAY-NRLM).

**Key Words:** DAY-NRLM/*Aajeevika*, District, Intensive Block and SHG.

### FULL PAPER

### Background:

In the world, Self-employment is an important source of livelihood as job cannot be provided to all who seek it. After independence time to time many self-employment programmes were launched by the various Ministries including Ministry of Rural Development, Government of India for employment generation vis-à-vis for poverty eradication. One important self-employment programme which presently is in implementation in India is *Deendayal Antyaodaya Yojana*- National Rural Livelihoods Mission (DAY-NRLM) or *Aajeevika*. This programme after restructuring *Swarnajayanti Gram*

*Swarojgar Yojana* (SGSY) has been launched in the country in all the 29 States from April 1, 2013, *albeit* it was initially launched on 3rd June 2011 in *Banswara* district of Rajasthan. Before launching DAY-NRLM /*Aajeevika*, a committee under the leadership of Prof. R. *Radhakrishna* was set up by the Government of India for carrying out in depth analysis on ‘Credit Related Issues related to SGSY’, and subsequently SGSY has been restructured as National Rural Livelihoods Mission (NRLM) /*Aajeevika*. In fact, SGSY was initiated from 1<sup>st</sup> April 1999 by merging then six self-employment programmes viz. Integrated Rural Development Programme (IRDP), Development of Women and Children in Rural Areas (DWCRA), Training of Rural Youth for Self-Employment (TRYSEM), Supply of Improved Toolkits for Rural Artisans (SITRA), Million Wells Scheme (MWS) and *Ganga Kalyan Yojana* (GKY) (Annual Report, 11-12). It is pertinent to mention that initially National Rural Livelihoods Mission (NRLM)/*Aajeevika* was used but on 26 February 2016, Ministry of Rural Development, Government of India through a notification has added *Deendayal Antyaodaya Yojana* so presently it is known

as *Deendayal Antyaodaya Yojana*- National Rural Livelihoods Mission (DAY-NRLM).

**Salient Features of DAY- NRLM:** As DAY-NRLM / *Aajeevika* is a new programme initiated by the Ministry of Rural Development, Government of India, so in this part important features of DAY-NRLM /*Aajeevika* are presented. The points have been collected from the Reserve Bank of India’s (RBI which is Central Bank of India) circular “Priority Sector Lending- Restructuring of SGSY as National Rural Livelihood Mission (NRLM) – *Aajeevika*” dated 27 June 2013.

The most notable point in *Aajeevika* is that concept of ‘capital subsidy’ has been abolished for the self-help groups (SHGs), otherwise we find in almost all the poverty eradication programmes it was a major bonus for the beneficiaries. Another important point is that *Aajeevika* has deviated from ‘allocation based’ strategy to a ‘demand driven’ strategy and the States have the liberty to develop their own plans.

The DAY-NRLM’s focus is that all the poor in a village are covered and a woman from each poor family is motivated to join the SHG meaning male SHGs are not allowed except persons with disability where male and/or mixed (male and female) SHG may be formed. The SHGs in a village

subsequently should form a federation at the village level and in the next stages federation will be formed e.g. Gram Panchayat, Block level etc. Under DAY-NRLM there is a provision for Revolving Fund (RF) to SHGs who are in existence for a minimum period of 3 months and adhere the norms of ‘*Panchasutras*’ (five principles) i.e. regular meetings, regular savings, regular internal lending, regular recoveries and maintenance of proper books of accounts. The SHGs that have not received any Revolving Fund (RF) earlier will be provided with RF as corpus, with a minimum of Rs. 10,000 and a maximum of Rs. 15,000 per SHG. The purpose of RF is to strengthen their institutional and financial management capacity and build a good credit history within the group. In addition to RF, there is a provision of Community Investment support Fund (CIF). The CIF is provided to the SHGs in the intensive blocks (blocks selected for full development of SHGs), routed through the Village level/ Cluster level Federations. The CIF will be used by the Federations to advance loans to the SHGs and/or to undertake the common/collective socio-economic activities. As mentioned already, there is no provision for Capital Subsidy in DAY-NRLM but concept of ‘Interest subsidy’

under the banner of ‘Interest subvention’ has been introduced. Each SHG for a maximum of Rs. 3,00,000 can avail Interest subvention by paying only 7 percent interest and rest will be borne by NRLM. This can be availed across the country in following two ways:

i) In 150 identified districts, banks will lend to all the women SHGs @7 percent up to an aggregated loan amounting to Rs 3 Lakh. The SHGs will also get additional ‘Interest subvention’ of 3 percent on prompt payment, reducing the effective rate of interest to 4 percent.

ii) In the remaining districts, *Aajeevika* compliant women SHGs will be registered with the State Rural Livelihoods Mission (SRLM). These SHGs are eligible for interest subvention to the extent of difference between the lending rates and 7 percent for the loan up to Rs. 3 Lakh, subjected to the norms prescribed by the respective SRLMs. This part of the scheme will be implemented by SRLMs.

Few important points for NRLM/*Aajeevika* are presented here which have been collected from RBI Circular “Priority Sector Lending- Restructuring of SGSY as National Rural Livelihood Mission (NRLM) – *Aajeevika*” dated 27 June 2013 are presented in detail.

- a) NRLM is promoting a major shift from purely ‘allocation based’ strategy to a ‘demand driven’ strategy wherein states have the flexibility to develop their own plans for capacity building of women SHGs and Federations, infrastructure and marketing, and policy for financial assistance for the SHGs.
- b) NRLM will identify the target group of poor through a ‘participatory identification of the poor’ process instead of using the BPL list as was done in SGSY. This will ensure that the voiceless, poorest of poor are not ignored. In fact under NRLM, the first preference is given to the poorest of poor households.
- c) NRLM will promote the formation of women SHGs on the basis of affinity and not on the basis of a common activity, as it used to be under SGSY. It is definitely possible that members who come together on the basis of affinity could be having a common activity.
- d) Unlike SGSY, the NRLM has taken a saturation approach and will ensure all the poor in a village are covered and a woman from each poor family is motivated to join the SHG.
- e) SHG Federations: All SHGs in a village come together to form a federation at the village level. The village federation is a very important support structure for the members and their SHGs. The cluster federation is the next level of federation. A cluster consists of a group of villages within a block. The exact configuration will vary from State to State, but typically a cluster consists of 25 - 40 villages. The Village federations and the Cluster federations are the two critical support structures for the SHG s and their members in their long journey out of poverty.
- f) NRLM will provide continuous hand-holding support to SHGs, and their federations. This was missing in SGSY. Under NRLM

this support will be provided to a great extent by capacitating the SHG federations and by building a cadre of community professionals from among the poor women. The federations and the community professionals will be imparted the necessary skills by the mission.

- g) The objective of NRLM is to ensure that SHG s are enabled to access repeat finance from Banks, till they attain sustainable livelihoods and decent living standards. This was missing in SGSY, where the emphasis was on one time support.

#### **H) Women SHGs and their Federations**

H.1 Women SHGs under DAY-NRLM consist of 10-15 persons. In

case of special SHGs i.e. groups in the difficult areas, groups with disabled persons, and groups formed in remote tribal areas, this number may be a minimum of 5 persons.

H.2 NRLM will promote affinity based women Self–help groups.

H.3 Only for groups to be formed with Persons with disabilities, and other special categories like elders, trans-genders, NRLM will have both men and women in the self-help groups

The progress of DAY-NRLM may be seen from the table -1 which has been collected from Ministry of Rural Development, Government of India..

**Table -1: DAY-NRLM Progress at a Glance as on 15 September 2016**

Sl. No.	Indicators	Achievement
<b>I. Geographical coverage under DAY-NRLM</b>		
1.	Number of States/UTs transited to DAY-NRLM	30
2.	Number of districts with intensive blocks in DAY-NRLM states	493
3.	Number of Blocks identified for intensive approach in NRLM States	3246
4.	Number of Blocks where intensive implementation has	3217

	commenced	
5.	Number of Gram panchayat in which intensive implementation has started	71020
6.	Number of villages in which intensive implementation has started	192949
<b>II. Progress in Intensive Blocks (includes NRLM-EAP/State Projects)</b>		
7.	Number of households mobilized into SHGs (in Lakh)	305.4
8.	Number of SHGs promoted (in Lakh)	26.3
9.	Number of Village Organizations promoted	137060
10.	Number of SHGs provided Revolving Fund	629686
11.	Amount of Revolving Fund disbursed to SHGs (in Lakh)	85,646.80
12.	Number of SHGs provided Community Investment Fund (CIF)	432733
13.	Number of Community Resource Persons developed	445343
14.	Number of Community Resource Persons developed	445343
15.	Amount of credit mobilized through banks (in Rs. Lakh)	56,197.80

**Source: Ministry of Rural Development, Govt. Of India ([www.nrlm.gov.in](http://www.nrlm.gov.in))**

Although the points in the table are self-explanatory, however, few important issues pertaining the table are presented below:

a) Out of 687 districts of the country, DAY-NRLM is in operation in 493 districts (72%). It is pertinent to mention that as in October ,2016 there are 661 rural districts in the country where Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) ([www.nrega.nic.in](http://www.nrega.nic.in)) is in operation so considering the total rural

districts in the country 168 districts are yet to get intensive status under DAY-NRLM.

b) Again out of 6860 blocks in the country, intensive approach has been adopted in 3246 blocks indicating around 3614 blocks have to be covered in future. Further, only in 71020 Gram Panchayats, intensive implementation has been launched. In India, we are having around 2.5 lakh gram panchayats so long way we have to go to cover all the Gram Panchayats.

c) As per the data mentioned in the table, 26.3 lakh SHGs were formed and for initial activities of SHGs, Revolving Fund is

extended. The data evince that little more than 6 lakh SHGs were provided with Revolving Fund. Same is the case with Community Investment Fund (CIF) which is one time grant to the SHG/Federation. Out of 26.3 lakh SHGs, 4.33 lakh SHGs were extended CIF indicating the same was much less than the SHGs formed.

DAY-NRLM is purely a self-employment programme with focus on SHG by involving rural women and self-employment for rural women in many respects is better than wage-employment and in this context Prof. Muhammad Yunus who initiated the idea of Bangladesh *Grameen Bank* may be quoted.

According to Prof. Yunus, “If the goals of economic development include improved standards of living, removal of poverty, access to dignified employment and reduction in equality then it is quite natural to start women. They constitute the majority of the poor, the under-employed and the economically and socially disadvantaged. Studies undertaken by Grameen Bank, comparing how male borrowers use their loans versus female borrowers, consistently confirm this analysis.

Our repayment rate has remained high all along. Generally, it is our success with repayment that most people find unbelievable.

In Bangladesh the richest who borrow from the banks make it a habit not to pay back. I am always amazed by the mockery that goes on in the name of banking. Public deposits go through the banking system, through the government banks, through private banks, to people who will never pay back the money.

We at Grameen do not look at the world this way. We make loans to Muslim, Hindu, Christian and Buddhist women alike, all religious and cultural groups are represented on our board of directors.

There is no reason for religious or cultural wars if the poorest can, through their own self-help, their own micro-capital, develop and become independent, active thinking and creative human beings.

Let us hope that the West, champion of capitalism, will see and learn the lessons we have learned here in Bangladesh.

Micro-credit may not be a cure-all, but it is a force for change, not only economic and personal, but also social and political” (Banker to the Poor, 2007).

Hope DAY-NRLM will usher new ray of hope for all the rural households particularly below poverty line (BPL) households. It has been slowly gaining ground. As faculty of NIRD&PR, I had observed in many districts of Chhattisgarh, Jharkhand, Uttar Pradesh, West Bengal etc.,

Micro-credit Plan (MCP) which is the crux of DAY-NRLM was not clear. Such issues need to be addressed urgently.

### **Conclusion:**

The analysis reveal that DAY-NRLM is yet to start with full swing. Long way has go for touching ‘take off’ stage. In view of this, it is suggested that steps may be taken with full vigour so that by 2020 the SHGs may be formed across rural India with all below poverty line (BPL) households and at least each SHG may be provided with Revolving Fund, if not CIF.

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