

IMPACT OF NRLM ON RURAL DEVELOPMENT (WITH REFERENCE TO ALIGARH DISTRICT)

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ABSTRACT- In 2010, the Ministry of Rural Development developed the National Rural Livelihood Mission (NRLM) as a mission-style initiative to address the problem of rural poverty. On March 29, 2016, NRLM was renamed DAY-NRLM (Deendayal Antyodaya Yojana – National Rural Livelihood Mission). For the upliftment of rural people in India NRLM was established with the objective to reduce poverty. The mission of NRLM also highlights its commitment towards reducing poverty in India. DAY-NRLM is a federally funded initiative to which both the federal and state governments contribute. State Rural Livelihood Missions are in charge of putting the Mission into action (Special Purpose Vehicles). DAY-NRLM encourages women to form Self-Help Groups based on their shared interests (SHGs). An attempt has been made in this research study to identify several elements that lead to better implementation and monitoring of rural development programs. The present study will assist the government in determining the relationship between government funds and actual difficulties in implementing the strategy for the benefit of rural residents. The current research has been conducted in Aligarh District. It can be concluded that NRLM has been implemented successfully in the study area and unemployment situation of the rural masses has improved and many rural assets have been created by this scheme.

Key Words- DAY-NRLM, Self-Help Groups, Micro finance, Rural Development, Poverty.

INTRODUCTION- India has a population of 70 percent of whom live in 6,38,345 villages, with a quarter of the population living in poverty. According to the World Bank, India has between 260 and 290 million poor people, a number that has been rises to 390 million if poverty is measured by the international benchmark of those who are living on less than \$1 per day. Around 2.5 billion people are believed to live in poverty around the world, with India accounting for one-third of the poor. Poverty-stricken households struggle to pay for appropriate food, safe drinking water, and basic education. In a developing country like India, microfinance is seen as an instrument for socioeconomic development. Micro finance, as a tool for poverty alleviation, can provide loans to low-income people without jeopardizing their financial stability.

NRLM- In 2010, the Ministry of Rural Development developed the National Rural Livelihood Mission (NRLM) as a mission-style initiative to address the problem of rural poverty. On March 29, 2016, NRLM was renamed DAY-NRLM (Deendayal Antyodaya Yojana – National Rural Livelihood Mission). DAY-NRLM is a federally funded initiative to which both the federal and state governments contribute. State Rural Livelihood Missions are in charge of putting the Mission into action (Special Purpose Vehicles). A District Mission Management Unit (DMMU) is in charge of planning and implementation at the district level, while the district administration retains

overall responsibility. Policy formation, program monitoring and evaluation, and budget disbursement are all handled by the Department of Rural Development, which is part of India's Ministry of Rural Development.

SELF HELP GROUP- NRLM seeks to ensure that all impoverished households organized into SHGs have access to financial services. It affects both the demand and supply sides of the financial inclusion equation. On the demand side, it promotes financial literacy among the poor and offers catalytic capital to SHGs and their federations, while on the supply side; it works with the banking industry to provide credit and related services to SHGs and their federations. It also aims to ensure that the rural poor are protected from life, health, and asset-related risks on an individual and community basis. Women's SHGs under the DAY-NRLM program are made up of 10-20 people. This number may be reduced to a minimum of 5 people in specific SHGs, such as those formed in challenging places, groups with impaired members, and groups founded in remote tribal communities. DAY-NRLM encourages women to form Self-Help Groups based on their shared interests (SHGs). Only in the Self-Help Groups for Persons with Disabilities and other specific categories such as elders and transgender people will DAY-NRLM have both men and women.

Table 1.1: Status of DAY- NRLM

Key Parameter Indicators	Value
Number of households mobilized into SHG	59,88,012
Number of SHGs promoted	5,71,241
Number of village organisations promoted	38083
Number of community resource persons developed	19846
Number of SHGs provided Revolving Fund	4,83,045
Number of SHGs provided Community Investment Fund	381262
Amount of revolving fund disbursed to SHG (in Lakh)	69689.01
Amount of CIF disbursed to SHG (in Lakh)	235256.33
<i>Source: Ministry of rural development https://ruraldiksha.nic.in</i>	

Support structure: At the national, state, district, and sub-district levels, NRLM has established dedicated sensitive support units to catalyze social mobilization, build institutions, capacities, and skills, facilitate financial inclusion and access to financial services, support livelihoods, and promote convergence and partnerships with various programs and stakeholders. Human resources that are both professionally qualified and dedicated would staff these units.

Table 1.2: Coverage of NRLM

S.No.	Particulars	NRLM
1	States covered	34
2	Districts covered	706
3	Blocks covered under NRLP	6769
4	Number of Grampanchayats	255228
5	Number of Villages	784034
6	Households mobilized into SHGs (in Lakh)	798.3
7	SHGs promoted (in Lakh)	73
8	Village Organizations promoted	356494
9	Number of SHGs provided Revolving Fund	2549472
Source: Ministry of Rural Development (https://nrlm.gov.in//dashboard)		

Purpose of the Study-The results of many recent rural development programs are increasingly demonstrating that the government alone cannot bring about the essential transformation in the upliftment of the rural poor. An attempt has been made in this research study to identify several elements that lead to better implementation and monitoring of rural development programs. It will emphasize the current state of implementation of the "National Rural Livelihoods Mission [NRLM] for self-employment". DAY-NRLM provides impoverished families and farmers with an alternative source of income. The present study will assist the government in determining the relationship between government funds and actual difficulties in implementing the strategy for the benefit of rural residents.

Objectives of the Study

- To study the Impact of NRLM on Rural Development
- To see the implementation of NRLM in study area.
- To analyse the impact of this scheme in improving the unemployment situation of the rural masses.
- To point out the Problems being faced in execution of this scheme.

Review of Literature-

- **Satish (2001)** found that groups sponsored by banks faced less opposition than those pushed by NGOs, indicating that banks can function as promoters of this strategy.
- **Singh, Khatkar, and Sharma (2001)** discovered that members are unconcerned about high interest rates because the money goes to the institution's fund.
- **Nandini and Niti (2005)** outlined the bank's current microcredit distribution mechanism. The study focused on the Formation, Storming, Financing, and Developing stages of the SHG Life Cycle. It looked into the bank's emphasis on economic empowerment for women and provided firsthand knowledge for other banks to profit from.
- **MYRADA's periodical papers (2007)** noted that the government's acknowledgment and mainstreaming of developmental initiatives can be a double-edged sword.

- **Ramji (2009)** discovered in his research, that SHG participation requires weekly or monthly savings. In this research, it was also determined that each account opened by SHG was in the name of their female progeny.
- **Sreedhar (2012)** conducted research on "Self Help Groups Performance in India," concluding that a group-based approach allows them to obtain formal credit, mobilize savings, and pursue collective enterprise. The report recommends a proactive, human-centered, and growth-oriented approach to poverty alleviation.
- **Das and Boruah (2013)** investigated the influence of microfinance and self-help groups in impoverished people's socioeconomic development in the Assam districts of Lakhimpur and Dhemaji. Self Help Groups were also discovered to be playing an important part in socioeconomic development and fulfilling their savings and credit functions with the assistance of Rural Financial Institutions.
- **Ahlawat, Rohtas, and Siwach (2015)** according to the study, as these factors were shown to be higher among SHG members than non-members. The SHG concept was thought to be a viable paradigm for poverty alleviation, job creation, and rural development.
- **Archana and Nehajoan(2016)** in their study pointed the major achievement of Neighbourhood Groups (NHGs) that they could interact and introduce the Kudumbashree mission up to grass route level of society. The study concluded that the consumption pattern of NHG members increased compared with earlier status of before joining in NHG.
- **Hanumantha (2016)** explored how the rural non-farm sector has emerged as a significant source of output and employment, with the potential for geographically broad-based and environmentally friendly expansion that benefits the rural poor.
- **Jayasree (2016)** analysed about socio-economic status, skill acquisition, employment and income before and after joining in the group and results showed that there is a significant difference between the two means of employment before and after joining the NRLM.
- **Mathur and Agarwal (2017)** opined that the SHG empowerment strategy paves way for the process of development of bottom-up empowerment of women and it is a systematic strategy not solely based on credit, but also incorporates many other dimensions necessarily required for developing an empowerment process.

Description of the Study Area-Uttar Pradesh is a very important state of the country as around 16.17% of India's population lives in this state. Geographically, it acquires 5th position after Rajasthan, Madhya Pradesh, Maharashtra and Andhra Pradesh and covers 7.3% land area of India. Area wise it covers 240.928 square Kilo meters. For administrative convenience, it has 18 divisions, 75 districts, 915 urban bodies, 8135 Nyaya Panchayats. 13 Municipal Corporations, 226 Municipal Boards, 59163 Gram Sabhas, 822 Development Blocks, 97941 populated villages 180000 Post Offices and 2885 Telephone Exchanges. Uttar Pradesh sends 80 members to Lok Sabha, 31 members to Rajya Sabha and 404 members to its Legislative Assembly and 100 members to its Legislative council. It is pertinent to mention that the strength of work force in the state is 23.7%, out of which 65.9% are farmers and 5.6% are industrial workers. Its per capita income is Rs. 13,262 as per existing rate. The current research has been conducted in Aligarh District.

District Aligarh-The district is named after its headquarters town Aligarh which was called Kol or Koil till 18th century. The present Aligarh district was formed in 1804, the British Government rule over Aligarh District. It is one of the important districts of Uttar Pradesh. It is located in the northwestern part of the Uttar Pradesh's fertile region of Ganga and Yamuna, known as Doab. The district is a plain of remarkable fertile plain, sloping gently

from the north to the south east. The district is divided into five Tehsils namely: Koil, Khair, Gabhana, Artily and Iglas. These Tehsils are further sub-divided into 12 Development block namely: Atrauli, Gangiri, Bijauli, Jawan, Chandus, Khair, Tappal, Dhanipur, Lodha, Akrabad, Iglas and Gonda. At present Aligarh district has 853 Gram Panchayat. In urban areas of the district Aligarh City has the status of Municipal Corporation; there are two municipalities in the district namely Khair and Atrauli and nine town areas or Nagar Panchayat in the district.

Limitations of the study-The secondary data have been taken from the different reports of central government, state government, Gram Panchayat and Block Level. It may be possible that the data shown in the reports may be window dressed which may not give the actual information related to NRLM. The study has been conducted for Aligarh only, hence the findings cannot be generalized.

Role of NRLM in the Development of Indian Rural Economy-Every impoverished person wants to get out of poverty, and they all have the ability to do it. The poor's intrinsic strengths must be unleashed through social mobilization and the establishment of strong institutions. To initiate the social mobilization, institution building, and empowerment processes that can assist to alleviate poverty, an external support system is required. For the upliftment of rural people in India NRLM was established with the objective to reduce poverty. The mission of NRLM also highlights its commitment towards reducing poverty in India.

Table 1.3: Revolving Fund Disbursement to SHG (NRLM Fund) in India and U.P.

S.No.	Years	INDIA (Amount in Lakh)	U.P.(Amount in Lakh)
1	2010-11	585.64	11.46
2	2011-12	475.58	18.69
3	2012-13	2080.32	49.21
4	2013-14	3933.22	236.68
5	2014-15	8972.48	2286.56
6	2015-16	10481.78	2250.96
7	2016-17	13935.58	3008.04
8	2017-18	30395.86	4957.25
9	2018-19	42052.42	6072.60
10	2019-2020	51880.75	10084.75
Total Amount in Lakhs		164793.6	28976.2

Source: Ministry of Rural Development(<https://nrlm.gov.in/>)

Table 1.4: Revolving Fund Disbursement to SHG (NRLM Fund) in Selected blocks of Aligarh District of Uttar Pradesh (Amt in Lakh Rs.)

S.No.	Year	Total Amt.	Amount in Rs			
			Atrauli	Bijauli	Iglas	Gangiri
1	2010-11	0.05	0.00	0.00	0	0.00
2	2011-12	0.41	0.00	10000	0	0.00
3	2012-13	1.02	0.00	0.00	0	0.00

4	2013-14	7.98	30000	40000	45000	15000
5	2014-15	84.80	945000	285000	815000	710000
6	2015-16	54.67	430000	625000	195000	410000
7	2016-17	63.90	165000	105000	285000	195000
8	2017-18	96.15	30000	240000	75000	75000
9	2018-19	190.65	3975000	300000	105000	105000
10	2019-20	339.60	4665000	1380000	2295000	1305000
Total		839.23	10240000	2985000	2815000	3815000
<i>Source: Ministry of Rural Development(https://nrlm.gov.in/)</i>						

Financing of NRLM-Sufficient and frequent finance is essential to assist the poor in lowering consumption and supporting investments in livelihood assets. They borrow from informal sources at exploitative interest rates that are repayable in kind, labor, and produce during times of seasonal food shortages, illness, and other shocks. As a result, in order to escape poverty, the poor must first break free from the debt trap. Because it operates on both the demand and supply sides of financial inclusion, NRLM is critical for achieving financial inclusion for all impoverished households, SHGs, and their federations. On the *demand side*, it encourages poor people to learn about money and supplies funds to SHGs. On the *supply side*, it collaborates with the banking sector and encourages the use of ICT-based financial technologies, as well as community facilitators such as 'Bank Mitras'. NRLM additionally offers funding for more intense implementation of Mission activities in selected districts and blocks, in addition to the NRLM money. Because NRLM is a federally funded program, the Mission's funding is split between the Center and the States/UTs, as shown in Table 1.5.

Table 1.5: Financing of NRLM: Contribution of Center and States

S. No.	States/UTs	Central Share	State Share
1	North Eastern States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim)	90	10
2	All Other States	75	25
3	Union Territories	100	00
<i>Source: Reserve Bank of India (https://www.rbi.org.in/)</i>			

Stakeholders of the Scheme (NRLM)-It describes the key stakeholders and their roles and responsibilities for effective implementation of NRLM, which are:

- Village women Self Help Group
- Village level functionaries
- Bank Sakhi
- Block Level Functionaries
- District Level Functionaries
- State Level Functionaries

- National Level Functionaries

Table -1.6 List of SHGs type and Members in Aligarh Districts of U.P.

District	SHGs Type				Total Members
	New	Revived	Pre-NRLM	Total	
Aligarh	8072	132	119	8323	92772

Source: Ministry of Rural Development(<https://rural.nic.in/>)

Table 1.7: List of selected Gram panchayats in selected blocks of Aligarh District

Block	Gram panchayat Name	SHGs Type				Total Members
		New	Revived	Pre-NRLM	Total	
Atrauli	Barhaulti	17	0	0	17	175
	Harvanshpur	11	0	0	11	123
	Rajmargpur	17	0	0	17	169
	Suratgah	12	0	0	12	136
	Usmanpur	10	0	0	10	112
	Total	67	0	0	67	715
Bijauli	Dinapur	11	0	0	11	131
	Rajgaon	8	0	0	8	85
	Rampur Chandiyana	4	0	0	4	49
	Ranmochna	2	0	0	2	26
	Tebtu	11	0	0	11	125
	Total	36	0	0	36	416
Iglas	Barauth	1	0	0	1	12
	Manipur	7	0	0	7	76
	Nagla Jar	2	0	0	2	25
	Nayabans	11	0	0	11	133
	Sikandar Pur	2	0	0	2	28
	Total	23	0	0	23	274
Gangiri	Abhaypur	2	0	0	2	27
	Bajidpur	1	0	0	1	12
	Dhansari	25	0	6	31	352
	Satrapur	6	0	0	6	72

	Sirauli	7	0	0	7	75
	Total	41	0	6	47	538
<i>Source: Ministry of Rural Development (https://nrlm.gov.in)</i>						

From the table 1.7, it can be observed that the maximum number of SHGs is created in Atrauli block, the maximum number of SHGs revived in Bijauli while the maximum number of SHGs Pre-NRLM was in Gangiri block of Aligarh district. Also, the minimum new SHGs created in Gangiri block.

Shortcomings of NRLM-Despite of several features of NRLM program, following are some shortcomings also which are important to discuss and should be rectified-

An important component of NRLM is bank linkage of women SHGs to ensure access to hassle-free loans and other banking products and services for livelihood activities, which they lack individually because of their poor economic status. Instead of being a means to enhanced income and improve livelihood, the trainings merely become an end in themselves with neither side taking the learnings forward to ensure that the trainings result in successful livelihood projects. Due to lack of effective training programmes for the staff and no objective performance appraisal format, they are hardly able to make significant value addition.

Conclusion-The government of India raised the disbursement of funding every year, according to an examination of the NRLM scheme's implementation. The majority of people are aware of the rules and regulations that will govern the self-help groups that will be formed under this plan. The study also indicates that the NRLM plan is one of the most essential and effective instruments and approaches for poverty alleviation in rural India for rural people. It is also concluded that the NRLM plan has a substantial impact on rural development for rural persons seeking self-employment. Thus, it can be concluded that NRLM has been implemented successfully in the study area and unemployment situation of the rural masses has improved and many rural assets have been created by this scheme.

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