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EMPOWERING WOMEN THROUGH SELF-HELP GROUPS: AN ANALYSIS OF THE NATIONAL RURAL LIVELIHOOD MISSION'S STRATEGY IN INDIA

B. D. Chaudhary and Dr. Shweta Shukla

Humanities & Social Sciences, Shri Ramswaroop Memorial University, Deva Road - Barabanki, India – 225003
bdchaudhary74@gmail.com

ABSTRACT

By establishing self-help groups (SHGs) at the village level, the National Rural Livelihood Mission (NRLM) in India seeks to combat poverty and advance rural livelihoods. These SHGs, which are made up of ten to twenty women who pool their resources for borrowing and saving, have successfully reduced poverty and promoted rural development, according to empirical data. Women can now access loan facilities, better their economic circumstances, and gain more empowerment thanks to the development of SHGs. The main vehicle for NRLM is SHGs with a high percentage of female members, demonstrating the organization's focus on women's empowerment. However, more investigation is required to ascertain whether women's contributions to SHGs are restricted to advancing more general objectives or whether the initiative explicitly aims to empower women. Nonetheless, one could argue that the NRLM's instrumental strategy for promoting rural livelihood and reducing poverty is a program for women's empowerment. In addition to combating poverty, NRLM is advancing gender equality and social inclusion by emphasizing women's empowerment through SHG development.

Keywords: Self-help groups (SHGs), National Rural Livelihood Mission (NRLM) and empirical data

1. INTRODUCTION

The Ministry of Rural Development, Government of India, launched the National Rural Livelihoods Mission (NRLM) as a project to reduce poverty. The mission's core philosophy is that impoverished individuals possess a strong desire and inherent abilities to overcome poverty. With the help of this project, rural people in India will be given the resources and assistance they need to improve their livelihoods.

The Swarna Jayanti Gram Swaraj Abhiyan (SJGSA) was replaced by the NRLM when it was introduced in 2011. Through the formation of self-help groups (SHGs) and the facilitation of their access to financial services, training, and other resources, the mission seeks to empower rural families. With this strategy, the NRLM hopes to serve every rural home in India by 2024[1].

The NRLM's plan is to create SHGs (self-help groups) at the village level. These are associations of ten to twenty women who pool their resources to borrow and save. In order to obtain credit facilities, these SHGs are subsequently connected to banks and other financial organizations. These organizations can also receive training from the NRLM in a variety of subjects, including financial literacy, business, and life skills.

In addition to SHGs, the NRLM has started a number of other initiatives aimed at enhancing rural livelihoods. A program like this is the Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM), which concentrates on five main areas:

- Asset Creation,
- Skill Development
- Financial Inclusion
- Market Connections
- Institutional Development.

Its goal is to assist rural communities with holistic development. Over 1 million rural livelihood groups have been facilitated by DAY-NRLM, and they have earned over Rs. 35,000 crore (\$4.8 billion) in revenue overall [2].

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These organizations have also made it easier for rural households to get access to a range of services, including healthcare, education, and sanitation.

There are several perspectives on the NRLM's success. The National Statistical Office (NSO) reported that India's poverty rate dropped from 38% in 2011–12 to 27% in 2015–16. There are a number of reasons for this decrease, including easier access to healthcare, education, and work prospects. Through its provision of resources and support, the NRLM has been instrumental in enabling these aspects for rural households [3].

There are several perspectives on the NRLM's success. The National Statistical Office (NSO) reported that India's poverty rate dropped from 38% in 2011–12 to 24.1% in 2023–24[4]. There are a number of reasons for this decrease, including easier access to healthcare, education, and work prospects. Through its provision of resources and support, the NRLM has been instrumental in enabling these aspects for rural households.

In order to ensure the NRLM's continuous success, several issues still need to be resolved. Lack of access to financial services for rural households is one of these issues. Even while the NRLM has made it easier for many rural households to obtain credit, many still lack access to conventional financial institutions for a variety of reasons, including poor credit histories, lack of awareness, and distance. In order to overcome this obstacle, the NRLM must concentrate on enhancing rural households' financial literacy and offering them alternative financial services like micro insurance and mobile banking.

The inability of rural households to reach markets is another issue. Even while the NRLM has helped many rural households connect to markets through initiatives like farmer producer organizations (FPOs), many still lack access to markets for a variety of reasons, including inadequate transportation and infrastructural conditions. The NRLM must concentrate on enhancing rural infrastructure, including roads, bridges, and warehouses, as well as giving farmers access to modern tools like weather forecasting services and smart phone apps, in order to meet this challenge.

The National Rural Livelihoods Mission (NRLM) has leveraged financial inclusion, skill development, market connections, institutional development, self-help groups (SHGs), and other means to empower rural households and reduce poverty in India. For it to continue to succeed, there are still issues that must be resolved, such as rural people' limited access to markets and financial services. Through creative approaches like mobile banking and technology-facilitated market connections, the NRLM can effectively tackle these obstacles and carry out its objective of completely eliminating poverty in India [5].

2. THEORIES OF POVERTY AND EXISTENCE OF NRLM

Scholars have researched poverty in great detail, and many hypotheses have been put out to explain its causes and possible remedies. In India, the government-led National Rural Livelihood Mission (NRLM) seeks to reduce poverty by using a comprehensive strategy that goes beyond conventional programs. Some of the most influential theories of poverty, including institutional theory, social capital theory, and human capital theory, are in line with NRLM's methodology.

According to the human capital theory, a lack of human capital-such as health, education, and skills-causes poverty [6]. In order to help rural households acquire the skills they need to create revenue, NRLM offers access to education and training programs. For example, women are encouraged to establish groups and engage in skill-building activities like sewing or handicrafts through the NRLM's self-help group (SHG) concept. These organizations give women a place to pick up new skills and give them the chance to start their own businesses and make money together.

According to social capital theory, a lack of social networks and relationships that offer resources and support is what leads to poverty [7]. In order to solve this, NRLM encourages the creation of SHGs, which offer access to resources and financing in addition to social assistance. Members of SHGs can access markets and other possibilities by utilizing their social networks. SHGs, for instance, can organize into federations to gain access to stronger market connections and bigger loans.

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According to institutional theory, institutional elements like insufficient property rights or restricted credit availability are what lead to poverty [8]. In recognition of this, NRLM's financial inclusion initiative gives rural households access to formal financial services. By giving rural people access to conventional financial institutions like banks and microfinance organizations, this initiative seeks to encourage savings and credit. In this way, NRLM assists rural households in overcoming institutional obstacles that stand in their way of obtaining other financial services, such as credit.

By tackling the root causes of poverty through a multifaceted strategy that encompasses human capital development, social capital promotion, and institutional strengthening, NRLM's holistic approach to poverty is consistent with key theories of poverty. By doing this, NRLM has been effective in reducing poverty and raising rural Indian households' economic and social standing.

NRLM is a flagship programme with a three-tier structure; district, state, and national. It is handled by the Ministry of Rural Development (MORD) at the national level. The program is handled by the Ministry of Panchayati Raj at the state level. The District Rural Development Agency (DRDA) is in charge of the program's operational aspects. The program's funding is split 75:25 between the federal government and the states, or 90:10 in the case of the states in the Northeast. The initiative was created with the intention of giving rural impoverished people a stable means of subsistence. The program's fundamental ideas guarantee that impoverished individuals possess an intrinsic motivation and ability to escape poverty.

By creating robust institutions of poverty and granting access to financial and livelihood resources, the initiative seeks to lessen poverty [9]. Various financial benefits such as revolving funds, community investment funds, and money mobilized through bank linkage are included in the financial services. The program offers its beneficiaries self-employment opportunities under the livelihood services category. Additionally, the initiative offers brief experiential learning courses to help young people without jobs become self-assured, independent business owners. For training and post-training follow-up, this program is implemented in association with other organizations [9].

From the description given above, it is clear that the program offers a range of services, works with other organizations to provide supplementary services, and attempts to organize rural impoverished people by bringing them into the SHG network. This suggests that NRLM adheres to the principle of cyclical interdependencies of components in an effort to reduce poverty.

It was previously reported that DRDA manages the program's functionality at the lower administrative tier. In order to understand how the program functions at a lower level, qualitative data were gathered through informal, unstructured, and open-ended interviews with government officials (such as the District Programme Manager, APD, Credit & APD, Training).

3. A CRITICAL EVALUATION OF THE NATIONAL RURAL LIVELIHOOD MISSION'S (NRLM) POLICY DESIGN

The recipients receive fundamental trainings such as bookkeeping, financial literacy, and the creation of Micro Investment Plans (MIPs), according to an interview with APD (training). The program also includes trainings for offering improved prospects for livelihood. These include designing clothing, producing candles, phenyls, incense sticks, raising chickens, and growing mushrooms, among other things. One thing that became clear from working with APD (training) is that the aforementioned training programs are intended for individuals between the age range of 18 to 45. This indicates that only elderly individuals (those over 45) are eligible to participate in the training program (PTP). Simply put, the program is including a restriction clause that, in effect, penalizes beneficiaries who express interest but are unable to attend the training session.

The program (NRLM) addresses poverty in accordance with the cyclical interdependencies theory of poverty [10], as the above description makes clear, but it also introduces a punishment clause as part of the individual

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deficiencies theory [11] by restricting service to people in a specific age group. Does the NRLM result change as a result of this blended approach? The policy question mentioned here is investigated using an empirical analysis.

4. THEORETICAL STRUCTURE AND EMPIRICAL INFORMATION

As was previously noted, the self-help group (SHG) is one of the ways that the program (NRLM) combats poverty. The beneficiaries get empowerment from their involvement in SHGs[12][13]. Long-term participation in SHG-based programs aimed at reducing poverty has a positive effect on beneficiaries' consumption, nutritional intake, and asset or wealth accumulation, all of which contribute to their economic and food security [14]. Furthermore, participation in SHG networks enhances members' social capital. One resource that comes from people's social activity is called social capital. Participating in social activities raises public awareness and fosters greater concern for fundamental needs such as drinking water, sanitation, and education which are subcomponents of health security. Education is one aspect of educational security [15]. As a result, by building social capital, SHG membership provides the rural poor with health and educational security. In summary, beneficiaries can achieve five aspects of livelihood security by joining a Self-Help Group (SHG): empowerment, health security, economic security, educational security, and food security [16].

In addition, the initiative offers the beneficiaries financial support in the form of capital and bank linkage. These financial benefits are crucial for reducing poverty because they provide the necessary capital in the proper amounts at reasonable prices, which lowers the high rates of poverty and promotes wellbeing [17]. In addition to receiving financial benefits, the recipients also receive training in self-employment, which also contributes to the reduction of poverty. Here, the capital serves as the beneficiaries' leverage. Because the recipients can launch their own company with the money and expertise they have received from the training, which raises their income and offers them financial security [18].

Financial limitations resulting from low income have a substantial impact on children's educational success. Their children's education can be supported by the higher income they receive as a result of participating in the program. This guarantees the safety of schools. Additionally, their ability to purchase high-quality food will be facilitated by their higher income, indicating their level of food security. It is therefore reasonable to argue that the program's financial aid in conjunction with the training for self-employment it offers will enable the recipients to achieve their goals of food security, economic security, and educational fulfillment [19].

In summary, therefore, it can be said that the program's benefits allow the recipients to achieve livelihood security. The current study is motivated by the gap in the literature caused by the paucity of research on the effects of NRLM on livelihood security.

5. Theory and Evidence Regarding SHGs and Women's Empowerment

SHGs with a high proportion of female members serve as the major vehicle for NRLM. Thus, the primary focus of the program is, in a formal sense, how NRLM impacts the lives of women. Nonetheless, the following factors should be taken into account when debating whether the NRLM qualifies as a program for women's empowerment: Are women's roles in SHGs limited to supporting the broader goals of eliminating poverty and promoting rural livelihoods? Does NRLM need to specifically target women's empowerment in order to qualify as a women's empowerment program, or can it function as such with an instrumental approach?

Women's Self-Help Groups (SHGs) are being utilized more often to address fundamental and entrenched gender disparities because women disproportionately experience poverty, have less access to healthcare, own fewer assets or pieces of land, and are underrepresented in positions of decision-making. The idea behind working capital theory is that it empowers women to make decisions that have a bigger impact on their life.

Are SHGs intended to empower women first and foremost, or later on? Jakimow and Kilby [21] contend that South Asian self-help groups (SHGs) prioritize resolving market imperfections by emphasizing credit and savings over women's empowerment. They contend that "introducing participatory mechanisms does not guarantee empowering outcomes" and that "participation and empowerment are frequently confused in the literature." They

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acknowledge that interactive techniques do raise the likelihood of outcomes that are empowering, nevertheless. In their TRIPTI study, Joshi, Palaniswamy, and Rao (2019) contend that although the program was not designed with women's empowerment in mind, it had a major impact on it.

Evidence of women's empowerment comes from both NRLM and pre-NRLM self-help groups. SHG members in West Bengal who were part of the Swarnjayanti Gram Swarozgar Yojana (SGSY) program were chosen for a survey by [22]: They discovered that there was a higher likelihood of employment and empowerment for women who obtained training under the SGSY SHGs. Data from two districts in each of the following five Indian states: Odisha, Andhra Pradesh, Tamil Nadu, Uttar Pradesh, and Maharashtra were examined by [23] and they discovered that SHG-bank linkage improved members' capacity to "resist existing gender norms that limit their capacity to grow and make decisions". [23]. Turning to the topic of microfinance programs which are different from SHGs but connected to them, Holvoet (2005) responds to Pitt et al. (2006)'s query: Do microfinance programs essentially boost women's empowerment? The study concentrated on the gender of borrowers and lending technology for intra-household decision-making processes using household survey data from south India. The study demonstrates that the current patterns of decision-making are not challenged by direct bank-borrower credit distribution irrespective of who gets the credit—men or women. However, the combination of credit with social and financial group intermediation causes women's group participation to change the decision-making process from being dominated by males and patriarchal standards to being more collaborative and led by women.

Time matters: according to the study, these tendencies are strengthened by longer-term group membership as well as more thorough training and group sessions.

6. CONCLUSION

In India, the National Rural Livelihood Mission (NRLM) is a government-led program designed to enhance rural livelihoods and reduce poverty. NRLM uses the formation of self-help groups (SHGs) at the village level as one of its primary tactics. These self-help groups (SHGs) are groups of ten to twenty women who combine their resources to borrow and save money. Empirical evidence indicates that Self-Help Groups (SHGs) have made a substantial contribution towards rural development and poverty alleviation, indicating the effectiveness of this technique.

Women now have access to credit facilities that they would not have otherwise had thanks to the creation of SHGs. Their financial circumstances have improved as a result of having the resources needed to launch and grow their enterprises. In a National Bank for Agricultural and Rural Development (NABARD) study, 82% of SHG members said that joining a SHG increased their income [26]. Their level of living has also improved as a result of their increased income, since they can now afford needs like food, clothing, and their kids' schooling.

In addition, women's empowerment has resulted from the establishment of SHGs. As a consequence of their participation in SHGs, women say they feel more self-assured and independent. Additionally, they have reported feeling more in control of their lives and having improved decision-making skills [26]. Because these women are now able to negotiate higher pricing for their goods and services and are more likely to take part in local decision-making processes, their empowerment has also enhanced their social and economic outcomes.

The main vehicle for NRLM is SHGs with a high percentage of female members, demonstrating the organization's focus on women's empowerment. In addition to the fact that women are more likely to be economically disadvantaged, there is a focus on women's empowerment because women are frequently left out of household and communal decision-making processes. In addition to combating poverty, NRLM is advancing social inclusion and gender equality by empowering women through SHGs.

It is crucial to remember that additional study is required to ascertain whether women's contributions to SHGs are restricted to advancing more general objectives or if the initiative focuses primarily on the empowerment of women. Although there is evidence to support the idea that women's engagement in SHGs has empowered them, it is unclear if this empowerment has only had an impact on economic outcomes or has also extended to other

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domains including social and political participation. Further study is also required to determine the long-term effects of SHG membership on women's lives as well as the organizations' long-term viability.

In conclusion, there is empirical evidence that the NRLM's policy of establishing SHGs at the village level has been successful in reducing poverty and promoting rural development. Women can now access loan facilities, better their economic circumstances, and gain more empowerment thanks to the development of SHGs. To ascertain if women's activities in SHGs are restricted to advancing more general objectives or whether the program explicitly aims to empower women, more research is necessary. However, one may still classify the NRLM's instrumental approach to women's empowerment as a program that promotes rural livelihoods and reduces poverty. Through NRLM's emphasis on women's empowerment via SHG creation, poverty is addressed while simultaneously advancing social inclusion and gender equality.

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