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RESEARCH ARTICLE

NATIONAL RURAL LIVELIHOOD MISSION (NRLM) IN SONEPUR DISTRICT:
SCALING THE PROGRESS

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ABSTRACT

Axiomatically speaking poverty means the state of insufficiency of income, education and health care, free access to the food and shelter, social status, self esteem and self actualisation. Admittedly, since independence India has been fighting with this chronic social evil. Of all these, the unemployment of the Nation stands as a Himalayan barrier in the line of social and economic growth of the country. A growing economy means that economy which aptly eliminates poverty and capable of generating employment. The Govt. of India in the 11th Five Year Plan, to meet the above exigency has introduced a new concept of economic growth i.e. inclusive growth which means, growth of economy through equitable distribution of resources by providing benefits to the every parts of the society being coupled with productive employment. This paper briefly focuses on the various anti poverty schemes introduced by the Govt. Of India at the same breath it highlights on the salient features of the updated anti-poverty program introduced by the Govt of India in the name of National Rural Livelihood Mission (NRLM). Furthermore, by using chi-square test it concludes that irrigation facility has an effect on the progress of NRLM in Sonepur district of Western Odisha.

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INTRODUCTION

Since the fourth Five year plan (1969-74), the Government of India has been taking various programs to alleviate poverty at one hand and to generate employment inside the economy for rural people on the other hand. First, the Government of India introduced a program named Integrated Rural Development Program (IRDP). This scheme was targeted at Below Poverty Line (BPL) families by providing those loans to purchase assets and subsidizing the costs of those assets. The subsidy rates were fixed, i.e. 25 percent for small farmers, 33.33 percent for marginal farmers, agricultural farmers and rural craftsmen and 50 percent for scheduled families, scheduled tribe families and physically challenged. Various sub-programs were also introduced as a part of this program. In the year 1999, the Government by combining the IRDP and its allied programs and introduced a new program called Swarnajayanti Gram Swarozgar yojana (SGSY). At that time, this was the largest poverty alleviation program in the world. This scheme was depending on social mobilization through Self-Help Groups (SHGs) for livelihood. A SHG is a group of 10-20 women/or handicapped men. The members of the SHG were contributing funds called as 'group Corpus'. This amount was deposited in a savings bank account of a local bank.

After managing the fund for six months, the SHGs were qualified for receiving Revolving Fund of Rs.10,000 from District Rural Development Agency (DRDA), after the Grade -I test which was being done by the Assistant project officer. Also banks were supposed to provide credit of Rs.15, 000. Due to faulty credit delivery system, this program failed to meet its objective. In the 11th Five Year plan the Government thought for a new type of growth called inclusive growth, which means equitable distribution of resources by providing benefits to the every parts of the society coupled with Productive employment. So the Ministry of Rural Development, Government of India launched a new poverty alleviation program in order to attain the above said growth strategy by restructuring Swarnajayanti Gram Swarozgar yojana (SGSY) in the name of National Rural Livelihood Mission(NRLM).

Under this program, it is ensuring that at least one member from the identified rural poor household, giving preference to women, is bought under the Self Help Group (SHG) network in a time bound manner. This is the Social Mobilization feature of NRLM. Under NRLM, women SHGs consist of 10-15 persons. NRLM is a centrally sponsored scheme and the financing of the program is shared between the centre and state in the ratio of 75:25, and 90:10 in the case of North Eastern states including Sikkim. The Rural livelihood scheme has a three tier structure; national, state and district level. National Rural Livelihood Mission (NRLM) will be at the apex of the structure under the Ministry of Rural Development, Government of India. Then state livelihood Mission under the control of State Rural Development Department. In the district

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level, the District Rural Development Agency (DRDA) will take care of the livelihood mission in the district level. So in Odisha, the Rural livelihood is named as Odisha Livelihood Mission (OLM).

The key differences between SGSY and NRLM are as follows:

- The previous program (SGSY) was allocation based, but the recent program (NRLM) is based on the 'demand driven' strategy, which gives the flexibility to the states to develop their own specific poverty reduction action plan.
- In SGSY, the target group was chosen from the Below Poverty Line (BPL) list, which was having large inclusion and exclusion errors. So in order to avoid that error in NRLM, the target group is constructed through Participatory Identification of Poor (PIP). The participatory process is based on sound methodology and tools i.e. Social mapping and well being categorization.
- In the NRLM, the SHGs are enabled to access to repeated finance from banks, till they attain sustainable livelihood and decent living standards. This was missing in SGSY.

On a national scale, the progress of NRLM since inception is notable in the states of Andhrapradesh, Madhyapradesh, Odisha, Assam, Jammu and Kashmir, Maharastra and Chattisgarh. Of all these, Andhrapradesh is in the top position in the progress of NRLM. In the state Andhrapradesh, it has disbursed ₹45775 lacs to 516699 SHGs (which is around 95% of the total SHGs of the country). It has disbursed ₹97350 lacs to 219556 SHGs. At the same time, there are 192033 SHGs who have taken loans from banks of ₹75649.99 lacs. In Madhyapradesh, there are total 9061 SHGs to whom a total of ₹1235.97 lacs has been disbursed as revolving fund. At the same tempo, a total of 15131 SHGs of the state have take loan from bank of ₹9806.66 lacs. In Odisha, it has validated a total of 5039 SHGs and has disbursed an amount of ₹570.67 lacs to them as revolving fund.

At the same time the state has disbursed ₹10122.65 lacs rupees to a total of 1744 SHGs as community investment fund (in the case of intensive block and for others it is called as seed capital) and also the state has provided ₹1507.12 lacs to 2013 number of SHGs as bank loan. In the credit linkage and community investment fund disbursement, the place of Bihar is noteworthy.

Till December 2013, it has linked 2955 SHGs through banks and provided a loan of ₹1477.5 lacs. In the Northeast states like Assam, the progress of NRLM is also distinguished; which has provide ₹718.55 lacs rupees to 4622 SHGs as revolving fund and it has provided a bank loan of ₹675.42 lacs as credit linkage to 889 SHGs.

The various features of NRLM are as follows.

Validation of SHGs

The existing SHGs who have qualified grade-I and Grade-II test are validated as per NABARD guidelines for validation. After due validation, only viable and healthy SHGs are assisted with revolving fund or seed capital.

Seed capital to SHGs

This is one of the features of NRLM. In order to avail seed capital, first of all the SHGs have to prepare Micro Investment Plan (MIP) by considering the need of loan of each members and submit it to the bank. Then the SHGs who have qualified Grade-II test and not received any assistance under SGSY they received Seed capital of ₹50,000. The bank loan and seed capital will be released simultaneously and the bank loan should not exceed four times of the corpus (i.e. existing corpus+ seed capital of ₹50,000).

There is no subsidy facility for SHGs under NRLM, rather, they will receive interest subvention subject to regular repayment For example, if a SHG has availed a loan of ₹2,00,000 repayable in 36 monthly installments then the SHG should repay ₹5555(approx) every month along with the interest. If the SHG will repay the amount till twelve months without any default then interest subvention will be considered. That is, the total amount of interest paid by the SHG during the last twelve months over and above 7 percent will be refunded back by the bank to the SHG savings account.

Revolving Fund

It is also another feature of NRLM. As per this feature, SHGs under SGSY who have qualified Grade-I test but not availed any financial assistance, they are provided with Revolving Fund of ₹10,000 and ₹15,000.

Credit Linkage

As per this feature, the banks will provide need based credit linkage to matured SHGs as fresh loan.

Table 1. Relationship between progress of NRLM and irrigation facility using Chi-square table

Groups	Observed frequency	Expected frequency	(O _i -E _i)	(O _i -E _i) ²	(O _i -E _i) ² / E _i
SHG Validation					
Irrigated	688	680	8	64	0.094118
Non irrigated	460	486	-26	676	1.390947
Semi irrigated	500	482	18	324	0.672199
Revolving Fund					
Irrigated	176	161	15	225	1.397516
Non irrigated	87	115	-28	784	6.817391
Semi irrigated	127	114	13	169	1.482456
Credit Linkage					
Irrigated	146	168	-22	484	2.880952
Non irrigated	174	120	54	2916	24.3
Semi irrigated	88	119	-31	961	8.07563
Total					47.11121

Micro investment plan training

All identified and eligible groups which will be provided with seed capital, are to take part in a two days training on Micro Investment Plan (MIP) preparation. This is also one feature of NRLM.

Universal Financial Inclusion

This is one of the important features of NRLM. It will work from both demand and supply side. On demand side it will provide financial literacy among the poor and on the supply side, it will encourage to use information, communication & technology based financial technologies.

Objectives

The objectives for this research are:

- To study the progress of National Rural Livelihood Mission (NRLM) in Sonapur district.
- To study the relationship between the irrigation facility and the progress of National Rural Livelihood Mission in Sonapur district.

Hypothesis

H₀: Irrigation facility has no effect on the progress of NRLM in Sonapur district.

H₁: Irrigation facility has an effect on the progress of NRLM in Sonapur district.

MATERIALS AND METHODS

This study is relied upon secondary source of data, which are collected from District Rural Development Agency, Sonapur. There are a total of six blocks in Sonapur district; namely, Sonapur, Binka, Dunguripali, Tarva, B.M. Pur and Ullunda. Out of these six, two are fully irrigated (Binka and Dunguripali), two are semi-irrigated, (sonapur and Tarva) and two are non-irrigated (B.M.Pur and Ullunda). The progress of NRLM in Sonapur district is studied by taking three variables (i.e. validation of SHGs, Revolving fund and credit linkage) into consideration. In order to test the hypothesis, Chi-square test is used with 4 degree of freedom and 5% level of significance.

RESULTS AND DISCUSSION

Table 1 depicts the detailed result of the study. By using chi-square test with four degree of freedom and 5% level of significance it is found that, the calculated value of chi-square to be 47.11121; whereas, the tabulated value of chi-square with that level of significance and degree of freedom was found to be 9.488. So, the null hypothesis (i.e. irrigation facility has no effect in the progress of NRLM) is rejected and the alternative one i.e. irrigation facility has an effect in the progress of NRLM, has been accepted.

Conclusion

It is apparent from the record that, the Government of India has implemented various antipoverty programs for the welfare of the poor. The recently launched antipoverty program in the name of National rural Livelihood Mission (NRLM) by replacing the old one i.e. SGSY, has shown its strength in the states of Andhrapradesh, Madhyapradesh, Assam, Jammu and Kashmir, Maharastra and Chattisgarh. Besides these the progress of the program is also apparent in the state of Odisha. It is found from this study that, the progress of NRLM in Sonapur (one district of Odisha) is in a geometric progression. The study also found by using chi-square test that, the progress of NRLM is notable in the blocks where there is irrigation facility. So, this can be concluded that, irrigation facility has an effect in the progress of NRLM in Sonapur district.

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