

## Kurushetra Vol. 59 No. 2 December 2010

### HIGHLIGHTS OF NATIONAL RURAL LIVELIHOOD MISSION

- **Universal social mobilization through formation of SHGs** under NRLM. This will ensure that at least one member of each rural Below Poverty Line (BPL) household, preferably a woman member of the household, is brought under the Self Help Group (SHG) net. There will be a focus on the most vulnerable households – SC/ST, single women, minorities, persons with disabilities, etc.

- With a view to form strong people's institutions, NRLM will focus on **setting-up of federations of SHGs** from village panchayat to district levels. In addition, other grassroots organizations such as livelihoods groups, producer companies, etc. would be encouraged.

- The goal of **universal financial inclusion** will be furthered not only through opening accounts of all beneficiaries but also by securing credit for them from the banking sector. There are many benefits to building and nurturing SHGs and enabling them to access finance from financial institutions.

Access to finance helps SHGs to :

- come out from the high cost debt trap (debt swapping)
- meet their consumption needs – food, health, education, etc.
- acquire assets for income generation
- ◆ **Capacity building and training** of the beneficiaries as well as all other stakeholders is one of the important aspects of SGSY. Under NRLM it is proposed that upto Rs. 7,500 per beneficiary would be provided for capacity building and training in place of the present provision of upto Rs. 5,000 per beneficiary.

In order to ensure institutional arrangement for skill development for self-employment and wage employment, dedicated training institutes for rural BPL youth i.e. **Rural Self Employment Training Institutes (RSETIs)** are being set-up with the aim of having at least one such institution in each district of the country.



Livelihood through Embroidery



Basket Weaving : Source of Income Generation

42

Kurushetra December 2010

- ◆ In order to meet the requirement soft the beneficiaries both in terms of consumption needs and taking up the income generating activities it is proposed to introduce **provision of revolving fund and capital subsidy at enhanced rates** by raising the amount of revolving fund to Rs. 15,000 per SHG from the present Rs. 10,000 per SHG under SGSY and it is proposed to provide a subsidy of Rs. 15,000 to individual Swarogaries of general category and Rs. 20,000 to SC/ST and people with disabilities (as compared to a subsidy of Rs. 7,500 to individual Swarogaries of general category and Rs. 10,000 to SC/ST and people with disabilities under SGSY). For SHGs, the subsidy will be Rs. 20,000 per capita subject to a maximum of Rs. 2.50 lakh, whichever is less (as compared to a subsidy of Rs. 10,000 per capita subject to a maximum of Rs. 1.25 lakh, whichever is less, for SHGs under SGSY).



An SHG at Work

- ◆ It is proposed to introduce interest subsidy, being the difference between 7% and the prime lending rate to be provided to the poor households for every loan accessed from the banks, based on prompt recovery. There would be a ceiling of Rs. 1 lakh loan per person.

- ◆ Under NRLM it is proposed to provide **professional support** at all levels from national to sub-district level in different streams.

- ◆ The handholding support to the SHGs will be in two forms – external and internal. **External support structure** consists of dedicated professional institutions at the State level, district level and sub-district level. The internal support structure will evolve in the form of SHG federations at the village level, block level and district level. Over a period of time the internal support structure will take over most of the support and nurturing functions.

- ◆ At present there is a provision of 15% of the SGSY allocation for **special projects**. It is now proposed to make special projects as a subset of NRLM by earmarking 20% of its allocation for special projects out of which 15% will be for placement linked skill development projects and 5% for innovative projects. Half of the 15% for placement linked skill development projects will be transferred to the states for inter-district projects within the states and the remaining will be retained at the center for inter-state projects.

Kurushetra December 2010

43

Written by Administrator

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Skill Building- Improving Livelihoods

- ◆ The mission will have a **holistic approach** towards improving the livelihood system of the poor by covering both economic and non-economic dimensions.
- ◆ The key livelihoods of the rural poor are wage labour, agriculture, livestock, and non-farm (artisans, services, trading, etc). NRLM will work on **developing sustainable livelihoods** for the poor and will also work on the entire value chain of key livelihoods. (An outstanding example of this is the community managed sustainable agriculture programme of Andhra Pradesh, where in a short span of five years the SHGs have been able to bring 15 lakh acres of land under low external input agriculture).
- ◆ Livelihoods will be viewed comprehensively and will include education, health, insurance and other aspects. These will be dealt through **convergence with programmes** of other Ministries/Departments in place. It will make concerted efforts to ensure universal coverage of rural poor against loss of life, health and assets.
- ◆ Given the diversity of poverty situation in the country, it is proposed to provide more flexibility to the **states to formulate their own poverty alleviation action plans**, based on their level of development, their capabilities and priorities and subject to resources available to the State. In order not to lose quality of implementation and to ensure smooth roll out of the programme in the States NRLM will be implemented in phases over a period of next seven years. The role of the Ministry of Rural Development will be to provide a framework of guidelines and suitable technical assistance to the States for programme implementation.

**NRLM will have partnerships with:**

- a. Civil society organizations
- b. Industries
- c. Educational institutions.

(Courtesy : Grameen Bharat)