

Strengthening the case for India's national livelihoods program

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Highlights

Evidence impact

- In September 2020, India's then-rural development minister, Narendra Singh Tomar, cited the 3ie evaluation to respond to a question in the Indian Parliament on the details of loans and impacts of funding provided to self-help groups (SHGs) under the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM).
- In July 2021, India's new rural development minister, Giriraj Singh, mentioned 3ie's study and outlined its key findings in the Indian Parliament in response to a question on SHG loans and results of studies on the impact of the DAY-NRLM.
- Findings also informed the World Bank for livelihoods programs such as the National Rural Economic Transformation Project.
- In December 2022, the union minister of state for rural development, Sadhvi Niranjana Jyoti, cited the 3ie findings in a written response to a question on the loan repayment rate by SHGs in the Rajya Sabha
- Findings were cited in a 2021 World Bank report on economic inclusion. This report moves forward key debates on program impacts and costs that are central to the sustainability of economic inclusion programs at scale.

Factors that contributed to impact

- The evaluation responded to an explicit demand for evidence from the government to improve the livelihoods program.
- The research team ensured strong buy-in by cultivating trust relationships and through rigorous engagements with government partners at the national and state levels.
- The researchers were effective knowledge translators and disseminated evaluation findings through a series of engagements and a variety of knowledge products.

Impact evaluation details

Title: [Impact Evaluation of the National Rural Livelihoods Project](#)

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Status : Completed, October 2020



Context

India is home to more than a fifth of the world's **poor**, and 75 percent of them live in rural India. To build upon previous programs to overcome the constraints to rural poverty alleviation and facilitate the creation of rural livelihoods, the government of India launched the National Rural Livelihoods Project in 2011–12. The objective was to create a proof of concept that could help inform rural livelihoods interventions across the country. The project started under the National Rural Livelihood Mission, agenda aimed to cover 70 million rural poor households, across 600 districts, through self-help groups (SHGs) and support SHGs and their federations in becoming livelihoods collectives within 8–10 years. In addition, the poor were to be facilitated to achieve increased access to rights, entitlements and public services; diversified risk; and better social indicators of empowerment.

In line with the objective of generating evidence on what works to reduce poverty and improve inclusion and empowerment among rural poor, the Ministry of Rural Development commissioned several impact evaluations of the World Bank–supported project, including an impact evaluation that 3ie conducted between 2019 and 2020. The 3ie evaluation sought to assess whether the National Rural Livelihoods Mission, now called the Deendayal Antyodaya Yojana–National Rural Livelihood Mission (DAY-NRLM), impacted financial inclusion, incomes and livelihoods and women’s social and economic inclusion and empowerment after two and a half years of participation. The evaluation covered 5,000 SHGs across nine intervention states: Bihar, Chhattisgarh, Madhya Pradesh, Maharashtra, Jharkhand, Odisha, Rajasthan, Uttar Pradesh and West Bengal.

Evidence

The evaluation found significant positive impacts on household incomes, including increases in saving for older SHGs, household income sources, hours of work for men and the number of women engaged in productive secondary work. The study found increased access to SHG loans by scheduled castes and scheduled tribes and increased borrowing by women from SHGs and by men from formal sources. The findings showed that participant households availed themselves of more social schemes and depended less on informal loans. Evaluation findings demonstrated that the federated structure of SHGs was an important driver of impacts on loan amounts, household productive assets, increased expenditure on education and food, and women’s confidence to engage with the community. However, the evaluation found that SHGs need to improve equity in loan distribution and may not be able to benefit the poorest of the poor in all contexts.

Evidence impacts

Informing discussions in the Indian Parliament

In September 2020, India’s then–minister of rural development, Narendra Singh Tomar, cited the [3ie evaluation and shared study findings](#) in response to a question from a lawmaker in the Upper House of the Indian Parliament (Rajya Sabha). The lawmaker’s questions pertained to the details and impacts of funding provided to SHGs under the DAY-NRLM and came weeks after the researchers shared evaluation findings with ministry officials. In July 2021, India’s new rural development minister, Giriraj Singh, mentioned the [3ie study and outlined its key findings](#) in the Rajya Sabha in response to a question on SHG loans and results of studies on the impact of the DAY-NRLM. In December 2022, the union minister of state for rural development, Sadhvi Niranjana Jyoti, cited the [3ie study findings](#) in a written response to a question on the loan repayment rate by SHGs in the Rajya Sabha .

Informing the next phases of the program

Preliminary findings and engagements also [informed the World Bank](#), which provides funding and technical support to the government of India’s livelihoods program. [World Bank’s documents highlighted the findings](#), particularly on the importance of federating the SHGs, as informing the next phases of the DAY-NRLM and the World Bank–supported National Rural Economic Transformation Project.

Contributing to the evidence base on economic inclusion programs at scale

Findings from the 3ie evaluation were cited in [The State of the Economic Inclusion Report 2021: The Potential to Scale](#) commissioned by the World Bank and the Partnership for Economic Inclusion. This report presents data and evidence from 219 programs in 75 countries that are reaching over 90 million beneficiaries. This report moves forward key debates on program

impact and costs, which are central to the sustainability of economic inclusion programs at scale. 3ie engaged with the World Bank, which was part of the 3ie impact evaluation advisory group, throughout the research cycle and jointly shared learning on the role of women's collectives and community institutions in rural transformation at a [3ie conference in January 2021](#).

Suggested citation

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