



## DAY-NRLM

From resilience to rural transformation

How patient investment in rural communities  
yields results | Where impacts hit home | What  
mechanisms drove change | How women lead the way  
to economic transformation



ग्रामीण विकास मंत्रालय  
भारत सरकार  
**MINISTRY OF RURAL  
DEVELOPMENT**  
GOVERNMENT OF INDIA



International  
Initiative for  
Impact Evaluation

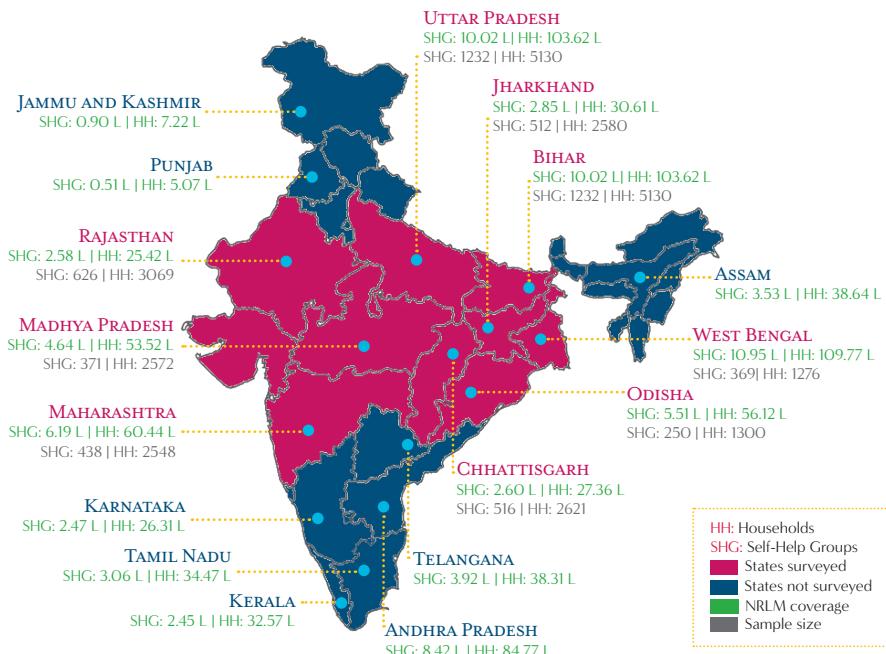


The Deendayal Antyodaya Yojana - National Rural Livelihood Mission (DAY - NRLM) is one of the Government of India's largest nation wide poverty alleviation programmes.

This brief presents the findings of an evaluation of the programme using data from two rounds of survey conducted across 9 states and including over 23,000 households and 5000 women's groups and community based institutions.



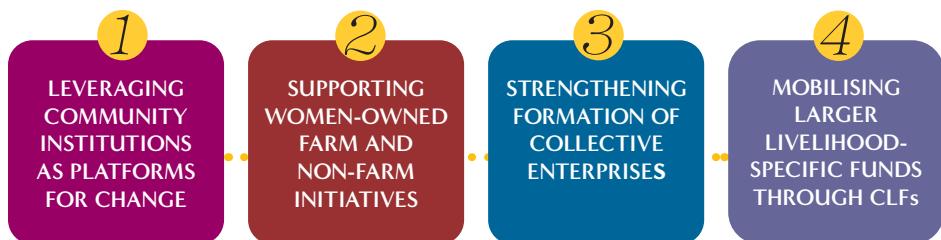
## SHG and household coverage in states



# DAY-NRLM: Building blocks of rural prosperity

DAY-NRLM was launched by India's **Ministry of Rural Development** in 2011 to reduce rural poverty through sustainable livelihood opportunities. Targeting those who need it the most, the focus was on women-led Self-Help Groups (SHGs) to enhance **financial inclusion and skills for livelihoods**. NRLM formed **federations of SHGs** across multiple villages to strengthen knowledge and resource-sharing as well as **collective action**.

- Local capacity-building by training village women as **Community Resource Persons** to manage and monitor the SHGs and federations and their activities.
- Linking welfare schemes on health, nutrition and broader social programmes with a strong focus on **livelihoods promotion**.
- Strengthening cluster level federations (CLFs) and supporting collective and individual enterprises of a higher-order in both farm and non-farm sectors.
- **Lasting change** can be achieved by layering livelihood interventions over strong community institutions. These were initiated in 2019 under the National Rural Economic Transformation Project (NRETP).



## Methodology

-  Comparison across blocks with varying degree of programme maturity between 2019 and 2024.
-  Data on consumption, income, employment, women's empowerment, credit access, and asset ownership.
-  Using a "difference-in-difference" approach, the evaluation compares outcomes in villages receiving programme interventions against those without intervention.
-  Comparisons between early and late-NRLM blocks highlight the medium-term impact of the program.
-  Comparison of NRETP and non-NRETP blocks of the same maturity to understand the impact of layered interventions.



## How NRLM impacts the local economy

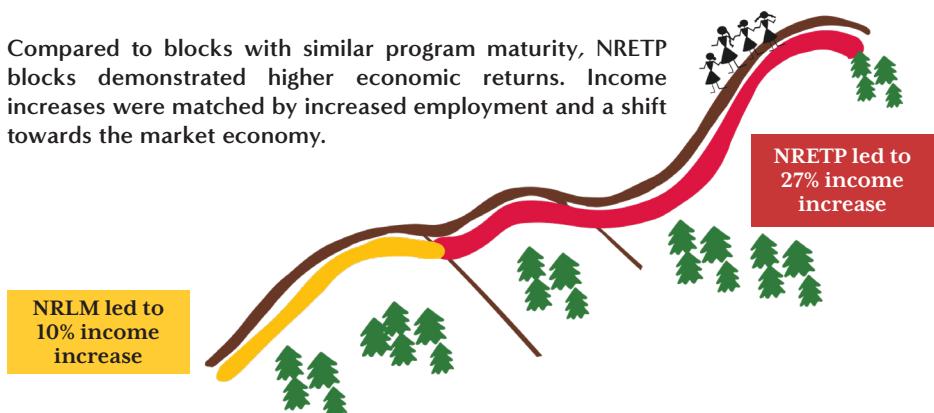
Longer exposure resulted in better economic outcomes

-  10% increase in household income
-  8.5% higher growth in household per capita consumption
-  7 percentage point increase in households taking SHG loans for consumption.
-  Improved access to loans led to income gains spurred by increased household consumption spending
-  Average number of household productive assets remain stable
-  Consumption gains are highest among the poorest and least educated households



## Where impact hit home: was NRETP transformative?

Compared to blocks with similar program maturity, NRETP blocks demonstrated higher economic returns. Income increases were matched by increased employment and a shift towards the market economy.



-  27% increase in real household income.
-  14% higher consumption growth relative to early NRLM blocks.
-  At baseline 70% of women were working. This increased by 4 percentage points due to NRETP interventions.
-  Women increased work in own-farm and own-enterprise activities. Men showed greater involvement in the non-agricultural wage market.
-  Households consolidated income sources with biggest jump in agriculture and livestock.
-  Value of productive assets is significantly higher in NRETP blocks. On average, households owned around 3.6 productive assets.
-  5% point jump in households with productive loans from 12% at baseline.
-  Households from scheduled castes and tribes and less educated households saw higher growth in per capita consumption from NRETP.
-  Households with some agricultural land saw greater gains compared to landless households. Younger, more educated women, benefitted from NRETP-linked capital.
-  Consumption growth was higher in NRETP blocks with easier access to larger markets.

# ECONOMIC ADVANCEMENT LEADS TO WOMEN'S SOCIAL EMPOWERMENT

1

Women's status within the household is enhanced, plus more influence in household decisions

2

Women in NRETP blocks reported higher confidence, banking, maintaining books and engaging with government bodies

3

Social networks widen and deepen the base; more friends and more collaborators

4

Norms shifting in favour of women pave the way for lasting rural transformation



Women were empowered across domains in NRETP; Participation in income-generating activities and collective action **impacted restrictive social norms around women's work and mobility**. NRETP effectively transforms economic opportunities into greater social empowerment for rural women.



## From resilience to prosperity

- Lasting movement out of poverty takes time. NRLM built strong community institutions that were the foundations for the layered livelihoods approach of NRETP.
- Primarily financial inclusion models are likely to reach a plateau effect unless continuous improvements are injected in terms of capital and human resource.
- SHG credit may be ideal for short-term consumption needs but too small, too short, or too rigid to finance activities that could lead to higher returns.
- NRLM provided the much needed safety floor and led to higher consumption in households, but income gains were higher in NRETP.
- Income gains are higher when spurred by structural shifts in employment patterns, productive investments and marketisation of output and labor supply.
- Focus on further improving administrative capacities of community and livelihood institutions, and expanding the blocks covered, can further accelerate the impact of the NRLM.
- Impacts increase when larger livelihood-specific capital, enhanced human resources are combined with better implementation.

## Learnings for future programmes

- 1 Bigger capital investments in CLFs pay off, but only when matched with resources for skill-building and enhanced administrative capacity.
- 2 Innovative financing mechanisms can help increase the uptake of loans for productive purposes.
- 3 Investments in building financial literacy and business acumen of SHG women and administrative capacities of federations can further increase loan utilisation for livelihoods enhancement.
- 4 Investments in improving operational environment through credit deepening and development of local markets for labor and products are key to sustained high growth.
- 5 When implemented effectively, layering livelihoods programs on strong women's social networks enhances women's social and economic empowerment.





The evaluation provides evidence for DAY-NRLM's phased, layered approach to poverty alleviation and women's empowerment, while building robust community institutions. These interventions ensure not just a security floor for poor households but also equip them to seize economic opportunities to move towards prosperity. When credit is matched with capacity building and market linkages, women go from being borrowers to business owners and transform rural economies.

Deeper discussions are now needed on how to address constraints related to human resources, administrative capacity and market access for rural women.



Scan to know more  
about 3ie's Rural India  
Livelihoods Project



ग्रामीण विकास मंत्रालय  
भारत सरकार  
**MINISTRY OF RURAL  
DEVELOPMENT**  
GOVERNMENT OF INDIA



International  
Initiative for  
Impact Evaluation