**Swarnjayanti Gram Swarozgar Yojana (SGSY)**

**Genesis**

* The Swarnjayanti Gram SwarozgarYojana (SGSY) was a flagship programme of the Ministry of Rural Development.
* It was started in 1999 and was restructured in FY 2010-11 for implementation as the **National Rural Livelihoods Mission**.
* The SGSY aimed at providing sustainable income to rural BPL households through income generating assets/economic activities in order to bring them out of poverty.

**Evaluation of the SGSY**

* Evaluation of the SGSY by National Institute of Rural Development (NIRD), Bankers Institute of Rural Development (BIRD) and several other institutions showed mixed results.
* Out of estimated 25 million households organized into SHGs until 2010, only 22% succeeded in accessing bank credit.
* The studies showed that there were significant variations in the extent of mobilization of poor SHGs and the quality of their operation.
* The one-off assetization programme focusing on single livelihood activity did not meet multiple livelihood requirements of the poor. Often, the capital investment was provided up-front as a subsidy, without adequate investment in social mobilization or group formation.
* Furthermore, uneven geographical spread of SHGs, high attrition rates among members of SHGs, and lack of adequate banking sector response impeded the program performance.
* Several states did not fully invest the funds received under SGSY. This fact indicated a lack of proper delivery systems and dedicated efforts for skill training and building capacity for resource absorption among the rural poor.
* There was a considerable mismatch between program capacity and program requirements.
* Absence of collective institutions in the form of SHG federations precluded the poor from accessing higher order support services for productivity enhancement, marketing linkages or risk management
* It is in this context that the Ministry of Rural Development (MoRD), Government of India (GoI) constituted a Committee on Credit Related Issues under SGSY (under the Chairmanship of Prof. Radhakrishna) to examine various aspects of the scheme implementation. The Committee recommended adoption of a ‘Livelihoods Approach’ to rural poverty elimination. The approach encompassed the following four inter-related tasks:
* Mobilizing poor households into functionally effective SHGs and their federations
* Enhancing access to bank credit and financial, technical and marketing services
* Building capacities and skills for gainful and sustainable livelihoods development
* Converging various schemes for efficient delivery of social and economic support services to poor households
* The government accepted the recommendation of the Committee and **restructured SGSY into National Rural Livelihoods Mission (NRLM) in FY 2010-11** to provide a sharper and greater focus as well as momentum for poverty reduction.
* The Framework for Implementation for N.R.L.M was approved by the Ministry on 9th December, 2010 and the Mission was formally launched on 3rd June, 2011.

**NRLM Mission**

* "To reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots institutions of the poor."

**Features**

* Universal Social Mobilization
* Participatory Identification of Poor (PIP)
* Community Funds as Resources in Perpetuity
* Financial Inclusion
* Livelihoods
* Convergence and partnerships

**Participatory Identification of Poor (PIP)**

* The inclusion of the target group under NRLM is determined by a well-defined, transparent and equitable process of participatory identification of poor, at the level of the community.
* All households identified as poor through the PIP process is the NRLM Target Group and is eligible for all the benefits under the programme.

Community Funds as Resources in Perpetuity

* NRLM provides Revolving Fund (RF) and Community Investment Fund (CIF) as resources in perpetuity to the institutions of the poor, to strengthen their institutional and financial management capacity and build their track record to attract mainstream bank finance.

**Financial Inclusion**

* NRLM works on both demand and supply sides of financial inclusion.
* On the demand side, it promotes financial literacy among the poor and provides catalytic capital to the SHGs and their federations.
* On the supply side, the Mission coordinates with the financial sector and encourages use of Information, Communication & Technology (ICT) based financial technologies, business correspondents and community facilitators like ‘Bank Mitras’.
* It also works towards universal coverage of rural poor against risk of loss of life, health and assets.

**Livelihoods**

* NRLM focuses on stabilizing and promoting existing livelihood portfolio of the poor through its three pillars –

1. ‘vulnerability reduction’ and ‘livelihoods enhancement’ through deepening/enhancing and expanding existing livelihoods options and tapping new opportunities in farm and non-farm sectors;
2. ‘employment’ - building skills for the job market; and
3. ‘enterprises’ - nurturing self-employed and entrepreneurs (for micro-enterprises).

**Convergence and partnerships**

* **Convergence**: NRLM places a high emphasis on convergence with other programmes of the MoRD and other Central Ministries. Convergence is also sought with programmes of state governments for developing synergies directly or indirectly with institutions of the poor.
* **Partnerships with NGOs and other CSOs:** NRLM has been proactively seeking partnerships with Non-Government Organizations (NGOs) and other Civil Society Organizations (CSOs), at two levels - strategic and implementation.