

**GOVERNMENT OF INDIA  
RURAL DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:4235  
ANSWERED ON:06.12.2010  
REPLACEMENT OF SGSY INTO NRLM  
Naik Dr. Sanjeev Ganesh

**Will the Minister of RURAL DEVELOPMENT be pleased to state:**

- (a) whether the Government has decided to replace Swarnjayanthi Gram Swarozgar Yojana (SJGSY) with the National Rural Livelihood Mission (NRLM);
- (b) if so, whether the cabinet committee has already approved the revamping of NRLM;
- (c) if so, the details thereof;
- (d) whether the review of the SGSY has shown that the pace of SHG formation in the Northern and Eastern India was not very encouraging;
- (e) if so, the reaction of the Government thereto; and
- (f) the extent to which new scheme is likely to help in meeting the shortcomings of the earlier scheme?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI PRADEEP JAIN 'ADITYA')

(a)to(c): With the approval of the Cabinet Committee, the Swarnjayanti Gram Swarozgar Yojana (SGSY) is now being restructured as National Rural Livelihoods Mission (NRLM) with a view to implement it in a mission mode for targeted and time bound delivery of results. The two major strategic shifts under NRLM, vis-à-vis SGSY are that(i) NRLM will be a demand driven programme and the states will formulate their own poverty reduction action plans under it based on their past experience, resources and skills base and (ii) NRLM will provide for a professional support structure for programme implementation at all levels from National to Sub district level in different streams.

The following are the salient features of NRLM:

# Universal social mobilisation through formation of SHGs under NRLM. This will ensure that at least one member of each rural BPL household, preferably a woman member of the household, is brought under the Self Help Group (SHG) net.

# With a view to form strong Peoples Institutions, NRLM will focus on setting up of federations of SHGs from village panchayat to district levels. These federations will not only provide voice and strength to its members, but will also handhold the SHGs through providing all kinds of support services

# The goal of universal financial inclusion will be furthered through linking the SHGs, banks for securing credit for:

# swapping of high cost debt

# meeting their consumption needs - food, health, education, etc

# acquiring assets and working capital for income generation

# Capacity Building and Training - Capacity building and training will be the most important part of the programme.

# Provision of Revolving Fund, Capital Subsidy & interest subsidy - Revolving Fund assistance helps the SHGs to supplement their group corpus and acts as an incentive to inculcate the habit of thrift and credit and also to meet their immediate consumption needs without getting into the trap of money lenders. Capital subsidy & repeated doses of credit will be ensured for enabling the rural poor to take up income generating activities. In addition interest subsidy, will be provided for ensuring credit at reasonable rate of interest.

# NRLM will also focus on ensuring skilled wage employment for rural youth through placement linked skill development projects.

# For ensuring monitoring, evaluation & transparency: NRLM will take steps like creation of MIS, impact assessment studies, social audit, panel studies etc.

(d)&(e): Several evaluation and other studies under SGSY have pointed out that there is a skewed formation of SHGs in the country as compared to the Below Poverty Line (BPL) populations in those areas with a higher number of SHGs being formed in the southern states whereas the northern and eastern States have not shown very encouraging results. Universal social mobilization through formation of Self Help Groups (SHGs) under NRLM will ensure at least one member of each rural BPL family, preferably a woman member, is covered under SHG network. The objective is to cover all the rural poor households in a phased manner. This will ensure equitable coverage in all the states, including northern and eastern states.

(f): Experience of implementing SGSY in the states and several evaluation studies and reports of some committees on review of SGSY have pointed to many shortcomings in SGSY. NRLM has been designed based on the learnings of large scale best practices in the country and takes into account the shortcomings in SGSY.