

Informing parliamentary discussions and improving the design of India's 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.

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 investing in cultivating relationships and through rigorous engagements with the government partners.
- The researchers were effective knowledge translators and disseminated evaluation findings through a series of engagements and a variety of knowledge products.

Evidence use brief

This brief is based on an evaluation report that measures the impacts of India's National Rural Livelihoods Project on a range of household and individual level economic, social and empowerment outcomes. The report also looks at the quality of institutions created by the overall National Rural Livelihoods Mission program.

[NRLM brief in English](#)

[NRLM brief in Hindi](#)

Impact evaluation details

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

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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 set out with an agenda to cover 70 million rural poor households, across 600 districts, through self-help groups (SHGs) and support SHGs and their federations to become 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 regarding what works to reduce poverty and improve inclusion and empowerment amongst 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, 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, households' 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 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 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.

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 self-help groups, as informing the next phases of DAY-NRLM and the World Bank-supported National Rural Economic Transformation Project.

Suggested citation

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