

# Beyond Poverty Alleviation: National Rural Livelihoods Mission's Contribution to Gender Transformation and Women's Economic Empowerment in Jammu and Kashmir

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## NRLM

- The National Rural Livelihood Mission (NRLM) is implemented in India to alleviate rural poverty through self-help groups (SHGs), financial inclusion, and skill development.
- NRLM focuses on organizing rural poor into self-help groups (SHGs) to promote collective savings and credit activities, enhancing financial inclusion, and fostering entrepreneurship and is pivotal in addressing the multifaceted challenges of rural poverty, including unemployment and income disparities.
- Through NRLM, India aims to reduce poverty, enhance food security, and improve the overall well-being of millions of disadvantaged rural households.
- In Jammu and Kashmir, NRLM's importance is amplified as it addresses unemployment and socio-economic disparities, contributing to regional stability and development.
- The programmes in NRLM in the union territory of Jammu and Kashmir goes by the name UMEED, which caters around 80371 SHGs with 639140 members
- The significance of NRLM in the region lies in its role in promoting women's empowerment, fostering sustainable livelihoods, and enhancing rural infrastructure, thus aiding in conflict resolution.
- Implementation of NRLM in Jammu and Kashmir promotes social inclusion by targeting marginalized communities, enabling their participation in economic activities and reducing vulnerability.
- NRLM's scientific approach in the region supports poverty reduction, diversification of income sources, and overall socio-economic progress, making it a crucial tool for inclusive development in Jammu and Kashmir.

**AIM:** To study how participation in the National Rural Livelihoods Mission affected the income of women in the study area while compared to those who didn't.

## METHODOLOGY

This study examines the impact of the National Rural Livelihood Mission (NRLM) program, known as UMEED in Jammu and Kashmir. UMEED serves around 80,371 Self-Help Groups (SHGs) with 639,140 members in the region. The research involves 303 women from 143 SHGs as the treatment group and 120 women from Below Poverty Line (BPL) households as the control group, all from the same area. Data was collected through structured interviews conducted in homes and community spaces. To assess the program's effect on women's income, the study follows the Propensity Score Matching (PSM) methodology outlined by Caliendo and Kopeinig.



## Results

Table 1: Estimation of propensity score using probit model

Explanatory variables	Coef.	Std. Error	P-value
Land	0.72	0.55(1.32)	0.18*
Account	2.87	0.29(9.62)	0.00*
Farm activities	-0.01	0.55(-0.03)	0.98
Literacy	-0.16	0.27(-0.59)	0.55*
Age	-0.24	0.00(-2.69)	0.00
Source of income	-0.46	0.28(-1.61)	0.10
Family members	-0.72	0.05(-1.37)	0.16

Log likelihood	-95.19
Pseudo R <sup>2</sup>	0.62
Chi-square statistics	314.17
Number of observations	423

Probit Regression (Table 1):

- This analysis aims to model the likelihood of individuals having access to financial services based on several predictor variables.
- Land ownership, having a bank account, and literacy are found to be statistically significant predictors of access to financial services.
- These significant predictors indicate that people who own land, have a bank account, and are literate are more likely to have access to financial services.
- The model's pseudo R-squared value of 0.62 suggests that the predictors explain 62% of the variation in access to financial services, indicating a relatively good fit for the data

Table 2: Outcome Analysis Table

Variable	Sample	Treated	Controls	Difference	S.E	T-stat
income	Unmatched	7202.97	887.50	6315.47	504.92	12.51
ATT		7202.97	511.55	6691.41	572.34	11.69

Table 3: Balance Check Table

Variable	Treatment	Control
Mean	7202.97	1491.74
SD	5416.67	1471.94
t-statistic	3.26	
Degrees of freedom	28	
p-value	0.004	

Difference-in-Means Analysis (Table 2):

- This analysis compares the means of income between two groups: the treated group and the control group.
- The treated group has a significantly higher mean income compared to the control group, with a difference in means of 511.55.
- The t-statistic of 11.69 indicates that this difference is statistically significant, meaning that the treatment has a positive effect on income

T-Test (Table 3):

- This analysis also compares two groups, but this time the outcome variable is access to financial services.
- The treated group is significantly more likely to have access to financial services than the control group, with a mean of 0.81188 compared to 0.325.
- The t-statistic of 11.87 indicates that this difference is statistically significant, suggesting that the treatment positively affects access to financial services.

Table 4: ATET (Average Treatment Effect on the Treated) and ATE (Average Treatment Effect)

income	AI Robust				
	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
ATET (1 vs 0)	6324.422	649.3584	9.74	5051.703	7597.142
ATE (1 vs 0)	6299.764	801.7461	7.86	4728.37	7871.157

Note:  
Absolute Z values are in the parenthesis.  
S.E. does not take into account that the propensity score is estimated.  
\* represents significance at 5% level.  
Source: Author's calculation

ATET Analysis (Table 5):

- The ATET analysis assesses the average treatment effect on income.
- The treated group has an average income of Rs. 6324.422, while the control group's average income is Rs. 5051.703.
- The difference in means is 1272.719, which is statistically significant (t-statistic of 9.74).
- This means that the treatment increases income by an average of 1272.719.
- The 95% confidence interval for the difference in means falls between 5051.703 and 7597.142.

ATE Analysis (Table 5):

- ATE analysis similarly examines the average treatment effect on income.
- The treated group has an average income of Rs. 6299.764, compared to Rs. 4728.37 in the control group.
- The difference in means is 1571.394, which is statistically significant (z-statistic of 7.86).
- The treatment increases income by an average of Rs. 1571.394.
- The 95% confidence interval for the difference in means falls between 4728.37 and 7871.157

## CONCLUSION

- This study empirically evaluated the impact of NRLM on women income. The outcome of the study revealed that participation in the programme bears a significant positive effect on women income.
- The analysis showed that the treatment has a positive effect on people's income and their ability to access financial services. Receiving this treatment, income is likely to increase by a significant amount, and are more likely to have access to financial services like banking.
- The study also found that owning land, having a bank account, and being literate are important for getting access to financial services. So, this suggests that these factors are crucial for financial inclusion and improving people's financial situations.
- The beneficiaries of NRLM receive both cash and non-financial benefits. Through SHG, poverty is addressed while empowering the beneficiaries. Additionally, they are able to achieve economic security, food security, and educational security thanks to the program's self-employment training and financial rewards.
- In essence, recipients receive livelihood security through programme participation. The current study provides empirical support for the aforementioned claim that NRLM has a beneficial effect on livelihood security. In order to safeguard their livelihoods, it is important to encourage the poor to engage in the initiative.



Increased Savings



Better Livelihood



Increased Income



Financial Inclusion



Better Rural Economy



Economic Empowerment

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