National Rural Livelihood Mission Supported Micro Enterprises In Kerala – A Road To Inclusive Growth And Sustainable Development

Dr Santhimol M C,

Associate Professor Of Commerce, Sarbtm Government College, Muchukunnu P O, Koyilandy, Kozhikode, Pin 673307,

Abstract
Micro enterprises have emerged as a vital tool for empowering the poor and promoting economic growth. It enables low-income groups to establish and grow their own businesses and thereby it provides regular income, employment and sense of self-reliance and dignity. It aims to promote rural livelihoods and improve quality of life of rural poor/households. By providing training, credit and marketing support to rural entrepreneurs, NRLM is supposed to enable millions of rural households to break the cycle of poverty and achieve economic stability. The study examines the effectiveness (impact) of NRLM support on the Kudumbasree Micro Enterprise Members to enhance their capabilities, skills, entitlements and financial standing that leads to inclusive growth and sustainable development.
Keywords: *NRLM support, rural micro enterprise, inclusive growth, sustainable development*

I. Introduction

Poverty remains one of the most pressing challenges facing by the developing countries, with millions of people struggling to access basic necessities like food, shelter and healthcare (Francis, 2005). Micro enterprises offer a promising solution to this problem. Micro enterprises have emerged as a vital tool for empowering the poor and promoting economic growth. It provides access to financial services, training, and markets. It enables low-income groups to establish and grow their own businesses and thereby it provides regular income, employment and sense of self-reliance and dignity. This can help increase their income, improve their standard of living, and reduce their vulnerability to poverty and other forms of exploitation study (Faiza, Longbao, Mohammad, & Qazi, 2019). Micro enterprise can also promote sustainable development by supporting environment friendly and socially responsible business practices. As such, they represent a critical component of efforts to promote local economic development, sustainable livelihoods and reduce poverty in developing countries (Ebrahim, 2014).

National Rural Livelihood Mission (NRLM) has been a game changer in the fight against rural poverty in India. Launched in 2011, it aims to promote rural livelihoods and improve quality of life of rural poor/households. Through its focus on self-employment skill development and financial inclusion, it enabled millions of rural households to break the cycle of poverty and achieve economic stability (Shankar, 2016). By providing training, credit and marketing support to rural entrepreneurs, NRLM has enabled them to establish and grow their own business leading to create a vibrant ecosystem of rural enterprise increased income, employment and economic growth (Gautam, 2012). By providing access to technologies, markets, and institutional supports NRLM enables micro enterprises to improve their productivity, efficiency, and quality. This helps micro enterprises compete effectively with larger business and promotes their growth and sustainability.

Inclusive growth is an idea of economic growth that aims to improve the standard of living of a large group of population by reducing poverty and ensuring equal opportunity to all. It refers to a kind of economic growth that is equitable, sustainable, and benefits all sections of society, particularly the most vulnerable and marginalized groups. It is a means to improve the well-being of all individuals and communities. Sustainable development is the process of meeting the needs of the present without compromising the ability of the future generations to meet their own needs. It involves balancing economic, social and environmental consideration to create a more equitable and resilient world (Santhimol & Joel, 2025). In order to achieve this idea, the people at the grass root level should be brought under the formal financial channel as well as their situation of persistent indebtedness is to be properly addressed

---

II. Review Of Literature

Poverty means a circumstance of serious deprivation where a person lacks one or more basic need as opposed to a condition of inequality (Christopher, 2019). Poverty is a depressing condition in which an individual or a family is unable to afford an adequate level of living in keeping with the society's standards (Francis, 2005). They are not only at risk from diseases of the poor but they also suffer from lifestyle health problems that are often found among affluent communities (Catherine & Sebean, 2017). As poverty is multidimensional in nature, it can be destroyed only with the help of creating job opportunities, diversification of such opportunities and ultimately creating an environment where livelihood can be sustained in long term (Manidipa & Nirupom, 2017). to escape from poverty, the poor need productive jobs that lead to higher income. Following such wide spread conviction that poverty can only be reduced if people have decent and productive job (Aneel, 2011). Kudumbasree programs cut across the ideological divide and successfully overcome all the social and economic hindrances in the society. Poor women have truly been empowered by joining in Kudumbasree organs like neighborhood groups and micro enterprises (Reshmi, 2012). Micro small and medium enterprises can play a role in improving the socio-economic condition of the poor, create employment opportunity, greater utilization of local raw materials and improve the economic growth of the country. Which indicates that without the establishment of micro and small-scale enterprise, no nation can achieve a viable economic growth/development or the reduction of poverty (Solomon, Olusegun, & Olalekan, 2019).

Significance of the study

Micro enterprises paly a crucial role in reducing poverty. Studying NRLM's support to micro enterprises can provide insights into how micro enterprises can economically empower rural households and promote gender equality in rural areas. Further it helps to evaluate the effectiveness of the program and identify areas for improvement and identify ways to promote sustainable rural development and reduce rural-urban disparities. The study helps researchers can gain valuable insights into the effectiveness of the program, identify areas for improvement, and inform policy decisions on rural development and poverty reduction. Further the study will help policy makers to evaluate the scheme effectiveness, to design more supportive programs, strengthen the institutional framework such as regulatory environments and financial systems to better support micro enterprises. Hence the present study gets its significance in this directions.

Scope of the study

The present study covers demographic, social and economic profile of the Kudumbasree micro enterprise members, effectiveness of NRLM support in terms of i) capabilities, skills and entitlements ii) financial matters before and after availing NRLM support and iii) extent of satisfaction towards NRLM support. Further, the scope of the study is geographically limited to those Kudumbasree micro enterprises running in Kerala with NRLM support that engaging in IT/ITEs, Textiles, Food based and Beauty based functions.

Objectives of the study

The study examines the effectiveness (success/impact) of NRLM support on the Kudumbasree Micro Enterprise Members to enhance their capabilities, skills, entitlements and financial standing that leads to inclusive growth and sustainable development.

Hypothesis of the study

There is no significant difference between the capabilities, skills, entitlements and financial standing of the members of Kudumbasree micro enterprises before and after the usage of NRLM support.

III. Methodology Of The Study

The present study is descriptive but empirical that covers both secondary as well as primary data. Secondary data have been collected from official websites, NRLM offices, articles and study reports. The primary data have been collected from two members each from 15 NRLM supported Kudumbasree micro enterprises those fall under four areas of activities in three blocks/districts (3 blocks * 4 areas *15 units* 2 members =360 members/samples) through multi-stage random sampling technique. The tools like simple percentage, paired samples t-test and independent samples t-tests are used for analysing the primary data.

IV. Results And Discussions

Demographic profile of the respondents

The demographic profile of the respondents in terms of gender, age, family size, number of dependents in the family and educational qualification represent in table below:

Table 1: Demographic profile of the respondents

Particulars		Frequency	Percentage
Gender	Male	95	26.38
	Female	265	73.61
Age	Up to 25years	45	12.5
	25-50 years	290	80.5
	Above 50 years	25	7
Family size	Up to 2	37	10.3
	2 to 4	208	57.8
	Above 4	115	31.9
No .of dependents in the family	Up to 2	202	56.1
	2 to 4	158	43.8
	Above 4	0	0
Educational qualification	Illiterate	14	3.8
	Primary	18	5.0
	Secondary	289	80.3
	Higher secondary	39	10.9

Source: field survey

Table 1 above exhibits that majority (73.61 percent) of the respondents are female who belong to the age group of '25 to 50 years' (80.5 percent). More than half (57.8 percent) of the respondents have a family size of two to four members and have up to two dependents (56.1percent) at home. Almost 3.8 percent of the respondents are illiterate and the majority (80.3 percent) have secondary level education.

Social profile

The social profile of the respondents viz., social class, religion and the color of ration care are as follows:

Table 2: Social profile of the respondents

Particulars		Frequency	Percentage
Social class	SC/ST	78	21.8
	OBC	145	40.2
	General	137	38
Religion	Hindu	132	36.7
	Christian	128	35.5
	Islam	100	27.8
Color of ration card	No card	32	8.9
	Yellow	109	30.3
	Pink	64	17.8
	Blue	104	28.8
	White	51	14.2

Source: field survey

Table 2 above exhibits that a considerable number (40.2 percent) of the respondents belong to OBC category and are Hindus (36.7 percent). It is to be noted that 8.9 percent of them have no ration card and another 30.3 percent of them hold yellow ration cards.

Economic profile

Table 3: Economic profile of the respondents

Particulars		Frequency	Percentage
Monthly household income	Up to 10000	59	16.4
	10000-20000	235	65.3
	20000 -30000	65	18
Monthly household expenditure	Up to 8000	9	2.5
	8000 -16000	243	67.5
	16000-24000	103	28.6
	Above 24000	5	1.4
Monthly savings	Up to 3000	250	69.5
	3000 – 6000	47	13
	6000 – 9000	21	5.8
	9000-12000	23	6.4
	Above 12000	19	5.3

Source: Field survey

Table 3 above exhibits that a good number (65.3 percent) of them earns in between Rs. 10000 and Rs. 20000 and have a monthly household expenditure in between Rs. 8000 and Rs. 16000 (67.5 percent). A good number (69.5 percent) of them have only a savings up to Rs.3000 a month.

Effectiveness of NRLM Support – Capabilities, skills and entitlements before and after NRLM support
In order to examine the effectiveness of NRLM support, a comparison is made between the capabilities, skills and entitlements of the members of Kudumbasree micro enterprises before and after the usage of NRLM Support. For such purpose six socio-economic variables (indicators) were considered and the responses of the members of Kudumbasree micro enterprises on these variables were gathered in a five point scale. The reliability of the collected data was checked (Cronbach's Alpha=0.948) and analyzed by means of paired sample t-test. The test result and the hypothesis formulated are as follows:
Ho: There is no significant difference between the capabilities, skills and entitlements of the members of Kudumbasree micro enterprises before and after the usage of NRLM support.
Ha: There is significant difference between the capabilities, skills and entitlements of the members of Kudumbasree micro enterprises before and after the usage of NRLM support.

Table 4: Opinion about the capabilities, skills and entitlements of the NRLM supported members before and after usage of NRLM support

Capabilities, skills and entitlements of members		Mean	SD	t-value	p-value
Access to skill credit technology and markets	*Before*	1.67	0.66	64.71	<0.001**
	After	4.30	0.66		
Skill to manage the enterprise effectively	*Before*	1.91	0.68	41.51	<0.001**
	After	4.02	0.91		
Ability to go for forward backward linkages	*Before*	1.31	0.46	69.87	<0.001**
	After	4.29	0.89		
Access to public services	*Before*	1.34	0.47	59.02	<0.001**
	After	4.07	1.07		
Access to food and health care	*Before*	1.63	0.67	51.03	<0.001**
	After	4.08	0.90		
Access to physical/financial assets	*Before*	1.21	0.41	90.25	<0.001**
	After	4.47	0.64		

Source: Field survey
Note: ** denotes significant at 5 percent level of confidence

From table above, it may be seen that the capabilities, skills and entitlements of NRLM supported members of Kudumbasree micro enterprise on key variables viz., access to technology and markets, skill to manage the enterprise effectively, ability to go for forward backward linkages, access to public services, access to food and health care, and access to physical/financial assets of the members of Kudumbasree micro enterprises have significantly improved after using the NRLM support (p-value<0.05 in case of all variables and mean value is high for all variables after using such services). Hence the null hypothesis is rejected. Hence, concluded that the NRLM support is effective for ensuring access to skill, credit, technology and markets, skill to manage the enterprise, ability to go for forward backward linkages, access to public services, access to food and health care and access to physical/financial assets.

Effectiveness of NRLM Support – Financial matters
In order to examine the effectiveness of NRLM support, a comparison is made between the financial matters of the of the members of Kudumbasree micro enterprises before and after the usage of NRLM Support. For such purpose seven financial variables (indicators) were considered and the responses of the members of Kudumbasree micro enterprises on these variables were gathered in a five point scale. The reliability of the collected data was checked (Cronbach's Alpha=) and analyzed by means of paired sample t-test. The test result and the hypothesis formulated are as follows:
Ho: There is no significant difference between the financial matters of the members of Kudumbasree micro enterprises before and after the usage of NRLM support.
Ha: There is significant difference between the financial matters of the members of Kudumbasree micro enterprises before and after the usage of NRLM support.

Table 5: Opinion of the members about the financial matters of the NRLM support

Financial matters		Mean	SD	t-value	p-value
Monthly household living expenses	*Before*	11432.22	2630.18	16.71	<0.001**
	After	14286.62	4464.88		
Monthly household entertainment expenses	*Before*	493.46	165.74	35.12	<0.001**
	After	902.22	210.92		
Monthly household spending for health care	*Before*	171.56	118.61	47.71	<0.001**
	After	972.52	391.05		
Monthly spending on insurance policies	*Before*	384.57	191.43	49.88	<0.001**
	After	1588.28	513.15		
Monthly household income	*Before*	10800.56	2103.12	21.78	<0.001**

	After	15237.04	4426.61		
Monthly household savings	*Before*	2786.59	4030.95	9.72	<0.001**
	After	4622.41	3219.54		
Yearly investment in various financial assets	*Before*	23470.37	10641.61	21.42	<0.001**
	After	89888.89	70513.77		

Source: Field survey

Note: ** denotes significant at 5 percent level of confidence

From table above, it may be seen that the financial matters of NRLM supported members of Kudumbasree micro enterprise on key variables viz., monthly household living expenses, monthly household entertainment expenses, monthly household spending for health care, monthly spending on insurance policies, monthly household income, monthly household income, monthly savings and yearly investment in various financial assets of the members of Kudumbasree micro enterprises have significantly improved after using the NRLM support (p-value<0.05 in case of all variables and mean value is high for all variables after using such services). Hence the null hypothesis is rejected. Hence, concluded that the NRLM support is effective for enhancing monthly household expenses, entertainment expenses, spending for health care, spending on insurance policies, household income, savings, and investment in various financial assets.

NRLM Support - Extent of satisfaction

In order to know about the extent of satisfaction of the respondents towards NRLM support by NRLM officials, 16 variables brought under three factors (Satisfaction on financial assistance, training and other assistance and general support by NRLM) and were included in the questionnaire and the respondents were asked to express their extent of satisfaction on these variables on a five point Likert's scale. The five different responses options are 'highly dissatisfied', 'dissatisfied', 'neutral', 'satisfied' and 'highly satisfied'. These response options carry scores from '1 to 5' points respectively. The individual mean score of the responses of the sample NRLM supported Kudumbasree micro enterprise members on these variables are calculated and one sample t-test is applied to measure the extent of satisfaction through NRLM support. The individual mean score is shown in table below:

Table 6: Extent of satisfaction towards NRLM support – Financial assistance

Financial assistance	Mean value (test value = 3)	t-value	p-value
Interest subsidy	3.79	17.18	<0.001
Assistance in the form of Rolling fund (after 6 months of establishment)	2.96	0.83	0.404
Technological fund (after 1 year of establishment)	2.95	1.16	0.244
Technology upgradation fund (on completion of 3 years)	3.68	15.78	<0.001
Second stage financial assistance to upgrade income (expansion)	4.07	29.85	<0.001
Crisis management fund (to meet short term contingencies)	3.79	17.36	<0.001
Innovative and special funds	2.77	5.44	<0.001

Source: Field survey

From table it is seen that the extent satisfaction of the sample NRLM supported Kudumbasree micro enterprise members towards NRLM support in terms of financial activities is high for four variables (mean value > 3.00 and p-value <0.05). That is, the extent of satisfaction on interest subsidy (mean =3.79), technology upgradation fund (mean = 3.68), second stage financial assistance (mean = 4.07), and crisis management (mean = 3.79) are very high.

But the extent of satisfaction on assistance in the form of rolling fund (mean = 2.96), and technological fund (mean =2.95) is moderate only and they are not at all satisfied with the financial assistance in the form of innovative and special fund (mean = 2.77).

Table 7: Extent of satisfaction towards NRLM support – Training assistance

Training Assistance	Mean value (test value = 3)	t-value	p-value
Pre-GOT (half-day orientation training)	3.35	7.085	<0.001
General Orientation Training (GOT) (15 days to 30 days)	3.22	4.719	<0.001
Skill training to improve performance	3.53	10.924	<0.001
Other trainings (start up village – account/ mgnt / admn)	2.63	10.237	<0.001

Source: Field survey

From table it is seen that the extent satisfaction of the sample NRLM supported Kudumbasree micro enterprise members towards NRLM support in terms of training assistance is high for three variables (mean value

> 3.00 and p-value <0.05). That is, the extent of satisfaction on Pre-GOT (mean =3.35), general orientation training (mean = 3.22), skill training to improve performance (mean = 3.53) are very high.

But they are not at all satisfied with the training assistance in the form of start-up village assistance for accounts, management and administration (mean = 2.63).

Table 8: Extent of satisfaction towards NRLM support – General assistance

General assistance	Mean value (test value = 3)	t-value	p-value
Support for project proposal preparation	3.42	8.562	<0.001
Support to prepare loan / financial assistance application	3.64	14.440	<0.001
Support to sanction fund on time	3.67	12.978	<0.001
Support to prepare accounts properly	3.38	8.273	<0.001
Support for administration related matters	2.98	0.458	0.647

Source: Field survey

From table … it is seen that the extent satisfaction of the sample NRLM supported Kudumbasree micro enterprise members towards NRLM support in terms of general assistance is high for four variables (mean value > 3.00 and p-value <0.05). That is, the extent of satisfaction on project proposal preparation (mean =3.42), preparation of application for loan (mean = 3.64), sanctioning fund on time (mean = 3.67) and support to prepare account properly (mean =3.38) are very high.

But they are not at all satisfied with the general assistance in the form of support for administration related matters (mean = 2.98).

V.   Conclusion

Even though the changing governments take every effort to issue ration cards to the needy, still a considerable number (8.9 percent) of the rural poor has no ration cards. This reality is to be connected with the fact (a recent study report) that almost 43 percent of the Indian population are still unable to have three round meals a day. Dissatisfaction prevails in the case of the scheme support in terms of rolling fund, technological fund and innovative and special fund and hence these are to be made more effective in the sense that its documental formalities and eligibility criteria are to be relaxed a bit so that many can avail its fruitfulness. Similarly, dissatisfaction also prevails in the case of scheme support in terms of training assistance for start-up village assistance for accounts, management and administration. This should also be an area of focus of the scheme in future to o for improvement. The same is the situation with the general assistance of the scheme in terms of administration related matters. In the nut shell, the scheme is much effective in bringing the people under formal financial and other umbrella that ultimately leads to inclusive growth in its real sense so that we are in the road to sustainable development.

References

[1]   Aneel, K. (2011). Reducing Poverty Through Employment. Innovations, 6(2), 73-98.
[2]   Catherine, N., & Sebean, M. (2017). The Negative Impact Of Poverty On The Health Of Women And Children. Annals Of Medical & Health Sciences Research, 442-446.
[3]   Christopher, A. ,. (2019). The Causes Of Poverty.
[4]   Ebrahim, K. (2014). Women Empowerment Through Micro Enterprises: An Empirical Analysis Of Kudumbasree Units In Kerala. Journal Of Rural And Industrial Developemnt, 2(1).
[5]   Faiza, M., Longbao, W., Mohammad, N., & Qazi, A. S. (2019, November). Role Of Sme In Poverty Alleviation In Saarc Region Via Panel Data Analysis.
[6]   Francis, O. A. (2005). Poverty: Causes And Consequences. Race, Gender & Class, 12(2), 3-9.
[7]   Gautam, A. (2012). Grassroots- Beneath The Top Soil: A Critical Assessment Of The National Rural Livelihood Mission. Working Paper No. 263. Centre For Civil Society.
[8]   Manidipa, D. G., & Nirupom, R. (2017, September). National Rural Livelihood Mission (Nrlm) And Sustainable Livelihood Development Through Poverty Alleviation. Research Review International Journal Of Multidisciplinary, 2(9), 107-113.
[9]   Reshmi, R. (2012). Role Of Kudumbasree Micro Enterprises In Alleviation Of Poverty With Special Reference Ot Their Marketing Strategies. International Journal Of Social Sciences & Interdisciplinary Research, 1(12), 173-187.
[10]   Santhimol, M. C., & Joel, G. (2025, February). Persistent Indebtedness Among Tea Plantation Labourers In Peermade In The Sustaianble Development Context. Heritagge Research Journal, 73(2), 7-11.
[11]   Shankar, C. (2016, November). Implementation Of Day-Nrlm / Ajeevika: An Analysis. Journal For Studies In Management And Planning, 2(11), 1-8.
[12]   Solomon, A. K., Olusegun, A. O., & Olalekan, O. S. (2019, September). The Role Of Smes Development On Poverty Alleviation In Nigeria. Insights Into Regional Developemnt, 1(4), 214-226.