

Self-Help Groups and COVID-19: Effects on and Challenges for the National Rural Livelihoods Mission in India

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Introduction

The COVID-19 pandemic and some of the associated policy responses have had significant, negative impacts on women's lives around the world, and in India (Agarwal, 2021). India experienced three COVID-19 waves, including a devastating Delta variant surge that peaked in March and April 2021.

Gender disparities may result in more adverse economic and social consequences for women compared with men, both in the short and long term (Agarwal, 2021; Burki, 2020; Buvinic et al., 2020; Wenham et al., 2020). In India, where female labor force participation is persistently low and declining, data suggest that women who were employed before the lockdown saw relatively larger employment losses in the post-lockdown phase than men; however, in the short term, more men than women lost jobs in absolute terms (Dalberg, 2021;

Deshpande 2020). Evidence suggests that the COVID-19 pandemic also exacerbated women's disproportionate burden of unpaid work in the household (Chauhan, 2021; Dalberg, 2021).

In India, the national government enforced a nationwide lockdown that began on March 25, 2020, and was gradually lifted after May 2020. In 2021, a second wave of COVID-19 hit India and was much more severe and had far greater health implications than the initial wave did in 2020. However, the data used for this study, both administrative and survey data, were not collected after 2020. Therefore, we primarily look at the immediate effects and the 6-month effects of the nationwide lockdown that was initiated at the start of the COVID-19 public health emergency.

In particular, this brief focuses on the gendered impacts of the COVID-19 pandemic, and especially the impacts on members of women's self-help groups (SHGs) before the Delta variant peaked in India. During the initial nationwide lockdown in India that began on March 25, 2020, all but the most essential services—including public offices—were closed. Although the nationwide lockdown was partially lifted toward the end of May 2020, mobility restrictions continued in areas that were experiencing greater spread of the virus; these areas were classified as “containment zones” (Ministry of Home Affairs [MHA], 2020). In June 2020, the Ministry of Home Affairs (MHA) advised that, outside of the containment zones, the resumption of all activities should be considered and undertaken in a phased manner (Beyer et al., 2020; MHA, 2020; Siwach et al., 2021).

The mobility restrictions and health implications of the first COVID-19 wave resulted in severe economic shocks throughout India, bringing into focus the role of the country's formal and informal institutions in supporting resilience. These institutions include SHGs, a type of women's group that engages in collective savings to facilitate intra-group lending and support collective efforts to improve livelihoods. SHGs have mobilized members from more than 70 million households under the Deen Dayal Antyodaya Yojana–National Rural Livelihoods Mission (DAY-NRLM). SHGs have experienced many challenges due to lockdowns, but these groups have also supported government- and community-level responses to help members and their households during the pandemic.

We synthesize evidence from various studies on the impacts of the COVID-19 pandemic on SHG functioning as well as the responses from and through SHGs and their federations under the DAY-NRLM up until March 2021. Box 1 presents a summary of the emerging evidence related to the COVID-19 pandemic and DAY-NRLM-supported SHGs along with recommendations for DAY-NRLM, State Rural Livelihoods Missions (SRLMs), and researchers. The findings capture lessons about how to adapt SHGs and other women's group policies in response to large covariate shocks, such as the first year of COVID-19; this brief does not include an analysis of the effects of the subsequent Delta variant, however, which resulted in widespread direct health and economic shocks that exacerbated some of the consequences of the COVID-19 pandemic analyzed in this brief.

The recommendations are based on mixed but promising evidence indicating that SHGs show promise for achieving positive effects on women's empowerment and economic outcomes (e.g., Barooah et al., 2019; Brody et al., 2017; Kochar et al., 2020). The recommendations also assume that policymakers aim to strengthen SHGs to achieve improvements in women's empowerment and economic outcomes both during and after the COVID-19 pandemic, but we recognize that policymakers may have to consider resource constraints and potential trade-offs with other investments with similar (or potentially different) objectives. This brief includes policy implications and recommendations for areas in which existing evidence up until March

2021 can guide policy and programming. We also provide research recommendations when no current evidence exists. In the former case, it is important to recognize that recommendations are based on the limited evidence base at the time we authored the review, when no data were available on the impact of the second wave of COVID-19. The review may need to be updated when new evidence becomes available. In the latter case, ensuring that timely evidence is available will likely require researchers to engage closely with policymakers in designing the research and the associated timeline.

Box 1: Main Findings and Recommendations on Self-Help Groups and COVID-19 up Until March 2021

Main Findings

- SHGs faced challenges due to COVID-19 and the associated lockdowns. One such challenge was significantly lower mobilization of monthly savings. SHGs that were in blocks that received fund disbursements from the government experienced lower reductions in savings compared to SHGs in blocks without disbursement (Siwach et al., 2021), suggesting that these fund disbursements could have supported the resilience of groups. The proportion of SHGs receiving government funds remains low, however, indicating that only a few SHGs benefited in terms of resilience (Siwach et al., 2021). Diverting resources toward consumption may have contributed to the reduction in savings, but this is hard to assess without data sets that combine data on consumption, savings, and credit. Furthermore, as of now it is unknown whether the crisis and reduction in savings will lead to a sustained exit of members from SHGs.
- We found mixed evidence concerning the positive contributions of SHGs to the economic resilience of members during COVID-19 and until March 2021. Longitudinal data from six states showed that SHG households reported statistically significantly smaller declines in consumption between April and June 2020 and July and September 2020 compared with non-SHG households both with and without controlling for various demographic characteristics (World Bank, 2020). The SHG households' smaller decline in consumption relative to non-SHG households could indicate higher resilience among SHG households in the short term but could also lead to challenges for long-term group sustainability if savings continue to decrease. An evidence synthesis shows that past shocks may have resulted in similar challenges for women's groups in South Asia (Walcott et al., 2021). We found little evidence for statistically significant differences in other economic outcomes, such as changes in wages and daily occupation, between SHG and non-SHG households in the six states for which longitudinal phone-based survey data were available (World Bank, 2020).
- SHGs played a role in the community response to COVID-19 in several states through the provision of training and the production of hand sanitizer and protective gear, as well as by running community kitchens. The DAY-NRLM digital app reported that trainings had reached 20,065 mission staff and district and block resource persons, and more than 500,000 community resource persons, cadres, and community workers with the potential to reach more than 50 million SHG members (Ministry of Rural Development [MoRD], 2020e). The MoRD (2020e) reported that about 300,000 SHG members from 60,000 SHGs produced more than 200 million masks, resulting in temporary income sources for these members.
- SHGs and community resource persons received advice to help support the dissemination of public health information. They supported an existing network of institutional and para health workers (such as accredited social health activists [ASHA]) mandated with the responsibility to support public health information about COVID-19 (World Bank, 2020).
- SRLMs responded with a variety of interventions to address members' concerns, such as food security and gender-based violence, through convergence across departments and innovations in several pilots.

Recommendations for DAY-NRLM and SRLMs

- Strengthen emphasis on ensuring flexibility in loan repayments and/or provide cash transfers to SHG members during the pandemic. This will help women and households cope with the current crisis and possibly increase resilience to future shocks (Walcott et al., 2021). In response to the COVID-19 pandemic, the Reserve Bank of India provided an option for one-time restructuring to borrowers in August 2020. This option included loans to SHGs for which the account was classified as "standard" as of March 1, 2020, and where defaults were not over 30 days. Reports suggest, however, that by the December 31, 2020, deadline, banks had received restructuring requests for just about 2% of the loan book. In addition, survey data from six Indian states indicate that less than 20% of the households with SHG members had taken advantage of the option of a moratorium extension on loans and more than 20% were not aware of this policy pronouncement of a moratorium extension, which indicates the importance of an increased emphasis on the implementation of this policy and a specific focus on communicating the policy to SHG members. We suggest that the DAY-NRLM examine this question in more detail to assess the extent of credit support required to SHGs and to examine how to effectively implement such support in more detail. The DAY-NRLM may also consider facilitating access to or

exploring convergence with the central government's Emergency Credit Line Guarantee Scheme, which was offered as part of the COVID-19 relief package to Micro, Small & Medium Enterprises (MSMEs)—notwithstanding the fact that the scale of both individual and collective enterprises of SHG households is a lot smaller than for other MSMEs.

- In the longer term, the DAY-NRLM could introduce policies that ensure the recovery of the institutional framework of the SHG federation. These policies should emphasize savings, but also ensure greater velocity of fund circulation for all SHG members. As discussed by Kochar et al. (2020), such longer-term policies could include a stronger emphasis on establishing an SHG platform with an effective working relationship with Panchayati Raj institutions to stimulate linkages with social security schemes (convergence) and investments in income-generating activities, including off-farm and non-agricultural employment.
- Update and track the DAY-NRLM Management Information System (MIS) and integrate with other monitoring and vulnerability indicators collected and monitored across all blocks to identify SHGs and SHG members in need of cash or other support during emergencies such as COVID-19. Analyzing trends in savings and other vulnerability data indicators as well as district-wide variation can help the MoRD to identify regions with SHGs that require cash or other support to continue functioning. For example, MoRD may be able to set a threshold of collective savings and vulnerability indicators for individual members below which SHGs would receive a revolving fund or members would receive an unconditional cash transfer. Ideally, the MoRD would set the threshold based on a combination of savings and other vulnerability indicators, such as food security. This suggests that MIS data could be improved by including such indicators at the individual level.
- Document state-specific interventions on food security and gender-based violence that were delivered through SHGs during the pandemic, and share lessons learned across states to allow scale-up of best practices.
- Although SHGs were involved in the production of basic health equipment like masks as emergency support during the COVID-19 public health emergency, their experience with challenges related to sales and payment delays indicates a need to strengthen and support public procurement through SHGs in general, by assuring inputs, sales, and marketing at guaranteed minimum prices with timely payment.

Recommendations for Researchers

- Conduct mixed-methods research on how SHG membership may have contributed to resilience across states, including collaborating with SRLMs to document and share responses and outcomes across states.
- Examine the feasibility of having community resource persons and SHG networks support awareness-raising and linkages to preventive health services for COVID-19.

Background and Conceptual Framework

Since the beginning of the pandemic, the MoRD has issued a series of [guidance notes](#) to the [State Rural Livelihoods Missions](#) (SRLMs). These notes are summarized below.

- Coordinate with the Department of Health and local authorities and enhance efforts to create community awareness about COVID-19, facilitate mask and sanitizer production, and oversee the provision of rations while ensuring that the social distancing advisory issued by the government of India is followed in all activities (DAY-NRLM, 2020).
- Disburse loans to SHG members who were severely affected by the pandemic, and, if required, reschedule (or issue a moratorium period for) loan repayments; ensure that members are aware of the moratorium.
- Prioritize the release of Vulnerability Reduction Funds (VRFs), a Revolving Fund (RF), and Community Investment Funds (CIFs) to SHG federations to ensure the availability of funds for loan disbursement and to support activities in response to COVID-19 (DAY-NRLM, 2020).
- Ensure special focus to provide VRFs up to Rs. 1.5 lakh (\$ 2024)¹ per Village Organization (VO) in COVID-19 hotspots and remote areas with vulnerable communities. DAY-NRLM also suggested using VRF for the food and health needs of the most vulnerable; for legal aid, injury, or hospitalization related to domestic

¹ We used the 2020 conversion exchange rate provided by OECD (<https://data.oecd.org/conversion/exchange-rates.htm#indicator-chart>) throughout this brief.

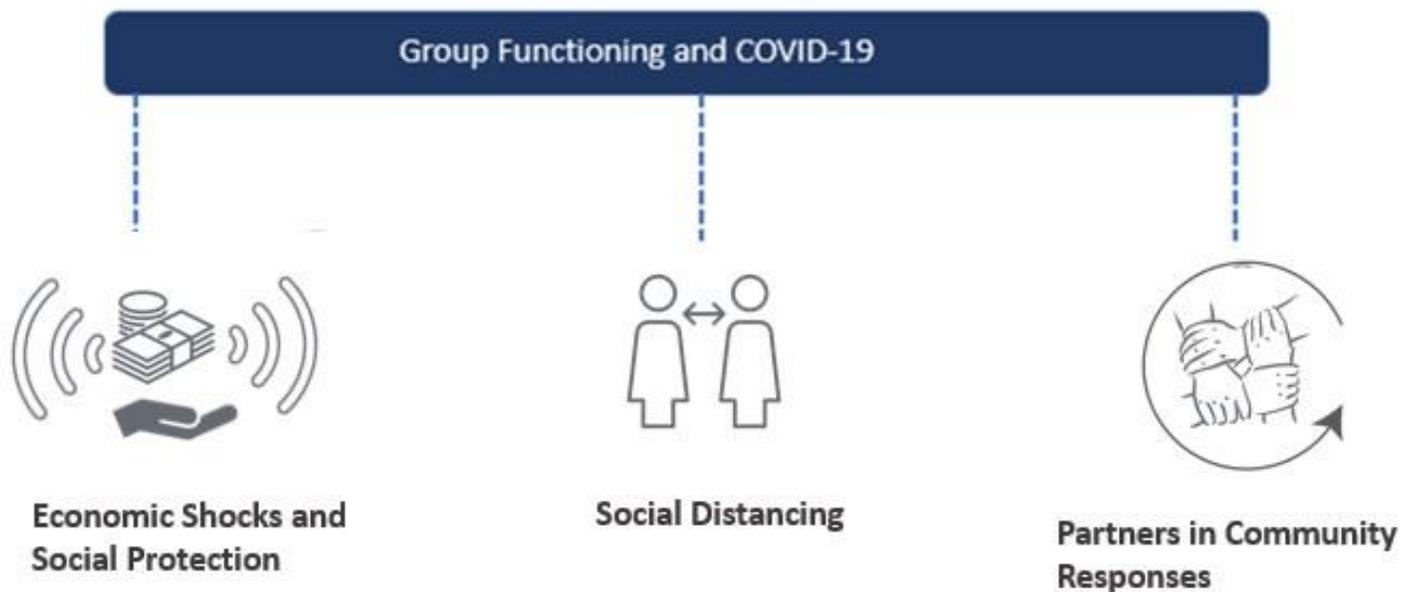
violence or child sexual abuse; and to extend VRF as a low-interest loan or a grant depending on the vulnerabilities of SHG members and non-members. (MoRD, 2020a).

- Suspend in-person group meetings as a precautionary measure to contain the spread of COVID-19 in all hotspot districts and containment zones in the initial phases of lockdown. This restriction was subsequently lifted by mid-May 2020.

Research on the effects of SHGs has shown mixed but promising evidence of positive effects on women's empowerment and economic outcomes in India (e.g., Barooah et al., 2020; Brody et al., 2017; Kochar et al., 2020, Hoffman et al., 2021). The COVID-19 pandemic created new challenges as well as opportunities, which have changed the ways in which women's groups deliver services. A rapid evidence synthesis ([de Hoop et al., 2020](#)) suggests three ways that COVID-19 may change the effectiveness and functioning of women's groups (see Figure 1):

- *Economic shocks and social protection:* Economic shocks may reduce income and viable market linkages for groups linked to livelihood promotion, which may ultimately result in group dissolution or higher debt burdens for groups, due to a lack of capital, income-generating activities, or investments. On the other hand, SHGs may increase the resilience of their members through existing savings and group support, which may serve as social protection as well as a source of recapitalizing businesses or capitalizing new businesses.
- *Changes in implementation and functioning due to social distancing:* Mobility restrictions may limit the use of in-person meetings and require the use of virtual meetings and technology or for groups to meet in smaller numbers. In India, group meetings were initially restricted, but then resumed as the country gradually lifted the lockdown after May 2020.
- *Partners in community responses:* The scale and existing governance structures of SHGs may incentivize governments and nongovernmental organizations (NGOs) to provide social safety nets and manufacture protective gear, such as masks, through SHGs, which may increase income opportunities for SHG members. SHGs also may use their social networks to communicate health information related to COVID-19. The delivery of social safety nets and other services through SHGs could also provide an opportunity for women to build leadership skills. SHG members could provide an important voice in guiding local responses to COVID-19 and informing the strategies and actions of governments and NGOs (Janoch, 2020).

Figure 1: Women's Group Functioning in Response to COVID-19



Methodology

This brief synthesizes the findings from existing research and studies on COVID-19 and women's groups based on evidence up until March 2021 and the framework described in Figure 1. We first explored the validity of the framework using the findings of a rapid literature review on women's groups and acute covariate shocks that may have had consequences that were similar (yet less widespread) to COVID-19. This review studied how these shocks affected women's groups and the ability of women's groups to *mitigate* the effects of these shocks for their members and communities (Walcott et al., 2021). We combined results from this synthesis with evidence about the functioning of SHGs after COVID-19 using documentation on the policy response of DAY-NRLM and the roles played by SHGs and SRLMs during COVID-19, based on analyses of secondary sources (Tankha, 2020a). To examine the effects of the crisis on SHG member savings, we used the results from an event study analysis of block-level savings reported before and after COVID-19 through the DAY-NRLM MIS (Siwach et al., 2021). We assessed the economic resilience of SHG members using ongoing analyses of phone-based survey data collected by the World Bank in Jharkhand, Rajasthan, Uttar Pradesh, Andhra Pradesh, Bihar, and Madhya Pradesh. We compared SHG members and non-members. Specifically, we examined SHG members' resilience during COVID-19 by estimating associations between SHG membership and various behavioral and economic outcomes. We controlled for data from recall questions and household-level demographic data from three rounds of a World Bank survey conducted in Rajasthan, Jharkhand, Andhra Pradesh, Uttar Pradesh, Bihar, and Madhya Pradesh. We also analyzed data from a phone-based survey of SHG members in Odisha, which was conducted with the support of the Odisha Livelihoods Mission (OLM) (Sanyal et al., 2021). We also drew from reported findings from three additional surveys in Chhattisgarh (LEAD at KREA University, 2021a, 2021b; Evidence for Policy Design, in press) and preliminary findings from a phone survey conducted across 10 states (Dalberg, in press). We triangulated the documentation on the DAY-NRLM policy response and the roles played by SHGs and SRLMs during COVID-19, the compiled DAY-NRLM MIS data, and the phone-based survey data to examine how SHGs partnered in the community response. In addition, we drew from documentation by DAY-NRLM and SRLMs on their response to the pandemic

(Kudumbashree State Mission, 2020a; Kudumbashree State Mission, 2020b; MoRD 2020e). Box 2 details each data source and their limitations, most of which stemmed from the sole use of mobile phones to conduct surveys.

Box 2: Data Sources

Data source and description	Coverage (geography)	Time
Evidence synthesis of studies on groups' responses to acute covariate shocks and their ability to mitigate the consequences of shocks (Walcott et al, 2021). This review was rapid and not fully systematic, which may have led to an incomplete evidence-base. The authors did not conduct a risk of bias assessment of the included studies.	Low- and middle-income countries, with case studies from South Asia and Africa on rainfall shocks and Ebola	Studies published after 1999
DAY-NRLM Monitoring Information System (MIS) analysis of block-level monthly progress reports (Siwach et al, 2021). The authors constructed a 26-month panel across 1,841 blocks. The MIS data have three main limitations: (1) they are often not updated on time, (2) the data contain significant measurement errors, and (3) four states with some of the most sustainable SHG programming maintain their own MIS and are not included because these states do not report Monthly Progress Report data on the national MIS.	1,841 blocks (from 25 states) that became a part of the DAY-NRLM before 2018 and had an approved monthly progress report	April 2018–July 2020
Documentation of DAY-NRLM's policy response and the roles played by SHGs and SRLMs during COVID-19 , based on secondary sources (Tankha, 2020a). The authors highlight that the study is neither an exhaustive illustration of the strategies of all SRLMs nor does it seek to map the range of social protection entitlements that state governments may have adopted to respond to the pandemic.	National, with state-level case studies	March–July 2020
An analysis of phone-based survey data collected by the World Bank to examine the effects of COVID-19 on economic and social outcomes (World Bank, 2020). The report can be found here . The sample for the survey was constructed by drawing from three prior IDinsight surveys and from an impact evaluation of the National Rural Livelihoods Mission conducted by Kochar et al. (2020). The samples from the previous surveys represented populations of each state separately—and in most cases were representative of only a subpopulation with access to a phone within the state. The sample did not include households without access to phones.	Jharkhand, Rajasthan, Uttar Pradesh, Andhra Pradesh, Bihar, and Madhya Pradesh	May, July, and September 2020 (three rounds)
A phone-based survey of 423 SHG members in two districts (four blocks) in Odisha, conducted with the support of the Odisha Livelihoods Mission (Sanyal et al., 2021). Authors noted challenges with the length of interviews and that not all women had access to their own phone. The survey was also not representative and results from Odisha may not generalize to other states.	Odisha	July 2020

Box 2: Data Sources (continued)

Data source and description	Coverage (geography)	Time
A phone-based survey of 411 SHG women trained on a digital tool (Haqdarshak) to inform households about entitlement schemes conducted by LEAD at Krea University. The goal of the survey was to understand factors that influence retention and dropout from the Haqdarshak program in Chhattisgarh. The study findings may not be generalizable beyond Chhattisgarh. In addition, 93% of the respondents surveyed owned an individual smartphone, indicating that the sample is also not representative of the state of Chhattisgarh.	Chhattisgarh	September and October 2020
A phone-based survey conducted by LEAD at Krea University of SHG women who participated in online trainings to identify advantages and challenges of digital trainings. The women were trained on a digital tool (Haqdarshak) to inform households about entitlement schemes. The study findings were based on a very small sample of 63 women in one state (Chhattisgarh).	Chhattisgarh	September and October 2020
A phone-based survey of 14,912 women and 2,340 men conducted by Dalberg to understand the economic and health impacts of COVID-19 on women in India (Dalberg, in press). The authors note that the pool of respondents was limited to a convenience sample of respondents who owned or had access to a mobile phone. The women in the study (roughly half of whom owned their own phone) were, on average, better off than low-income woman in general. In addition, the authors only conducted bivariate analyses.	Gujarat, Maharashtra, Odisha, West Bengal, Uttar Pradesh, Bihar, Madhya Pradesh, Karnataka, Kerala, and Telangana	September and October 2020
A phone-based survey of more than 3,000 women enrolled in <i>Mor Awaaz</i> , a phone-based service that sends women information about good health practices and government services via prerecorded "push" phone calls (Evidence for Policy Design, in press). Of the 10,498 <i>Mor Awaaz</i> enrollees targeted for the survey, 3,317 women (32% of the original sample) completed the phone survey, which lasted approximately 15 minutes on average, suggesting that non-response was relatively high, and surveys were relatively short.	Chhattisgarh	November and December 2020

Economic Shocks and Social Protection Provided by Self-Help Groups

Self-Help Group Resources After COVID-19

Previous evidence on the effects of acute covariate shocks on women's groups, such as Ebola and cyclones, suggests that these shocks consistently had negative impacts on women's group resources and activities. Most commonly, women's groups were unable to meet as frequently, ceased certain activities and services, and sometimes dissolved (Walcott et al., 2021).

We found evidence of similar patterns, including reduced SHG savings, during COVID-19. Although SHGs started to meet in person again after the initial lockdown—and SHG members may have relied on previous savings in the short term—groups could face longer term challenges due to the limited ability of members to contribute to collective savings. Monthly progress reports (MPR) on the DAY-NRLM MIS suggest that monthly savings mobilized per member declined by almost 30% after February 2020 [(from approximately Rs 123 (\$ 1.65) to Rs 90 (\$ 1.21)) Siwach et al., 2021]. This decline increased to 85% after controlling for monthly and annual trends derived from longitudinal data in a study that combined an event-study design with difference-in-difference analyses. The impact was more severe in blocks that had a higher number of COVID-19 cases and higher restrictions on mobility and economic activity. After controlling for monthly and annual trends, the study found savings declines of almost 100% in areas with more severe restrictions, and 83% outside of these areas between March and July 2020 (Siwach et al., 2021).

We need to exercise caution in interpreting the results because many states are in the process of moving away from the MPR system that was used for this analysis. Although the MPR module offers an advantage because of the availability of longitudinal data on monthly savings going back to pre-pandemic periods, MPR data also face limitations due to significant measurement error caused by the reliance on block-level staff to enter aggregate data on a monthly basis. The study accounted for these challenges by restricting the final analysis to 1,841 blocks (from 25 states) that became a part of the DAY-NRLM before 2018 and had an approved monthly progress report in every month between April 2018 and June 2020 (Siwach et al., 2021).²

Evidence suggests that disbursement of Revolving Funds, Community Investment Funds, and Vulnerability Reduction Funds may have partially mitigated some of the challenges caused by reductions in collective savings, but we found only limited evidence for increases in the disbursement of funds despite government guidelines to increase disbursements (Siwach et al., 2021). Data from the selected sample of 1,841 blocks indicate that only 6% of these blocks reported any fund disbursement between March and July 2020.³ Declines in SHG savings were much slower in blocks with fund disbursements than in blocks without fund disbursements. Specifically, blocks with any fund disbursement after the start of COVID-19 did not see a statistically significant decline in savings mobilized per member, while blocks with no fund disbursement saw a statistically significant decline of almost 35% (from almost Rs 140 [\$ 1.89] to Rs 91 [\$ 1.23]). Banks also stepped in to provide financial support to SHGs in some cases. For instance, the Bank of Baroda has offered financial assistance (cash credit, overdraft facilities, or term loans) of up to Rs 1 lakh (\$ 1,349) to SHGs to help mitigate the negative consequences of COVID-19 and the lockdown ([Financial Express, 2020](#)). Such financial support is important because without access to credit, women may have to rely on selling their assets. Agarwal (2021) reported that, in the short term, only a few women have had to sell assets and most draw on savings or take loans from relatives, friends, and moneylenders. However, forced selling of assets may seriously jeopardize their economic recovery (Agarwal, 2021).

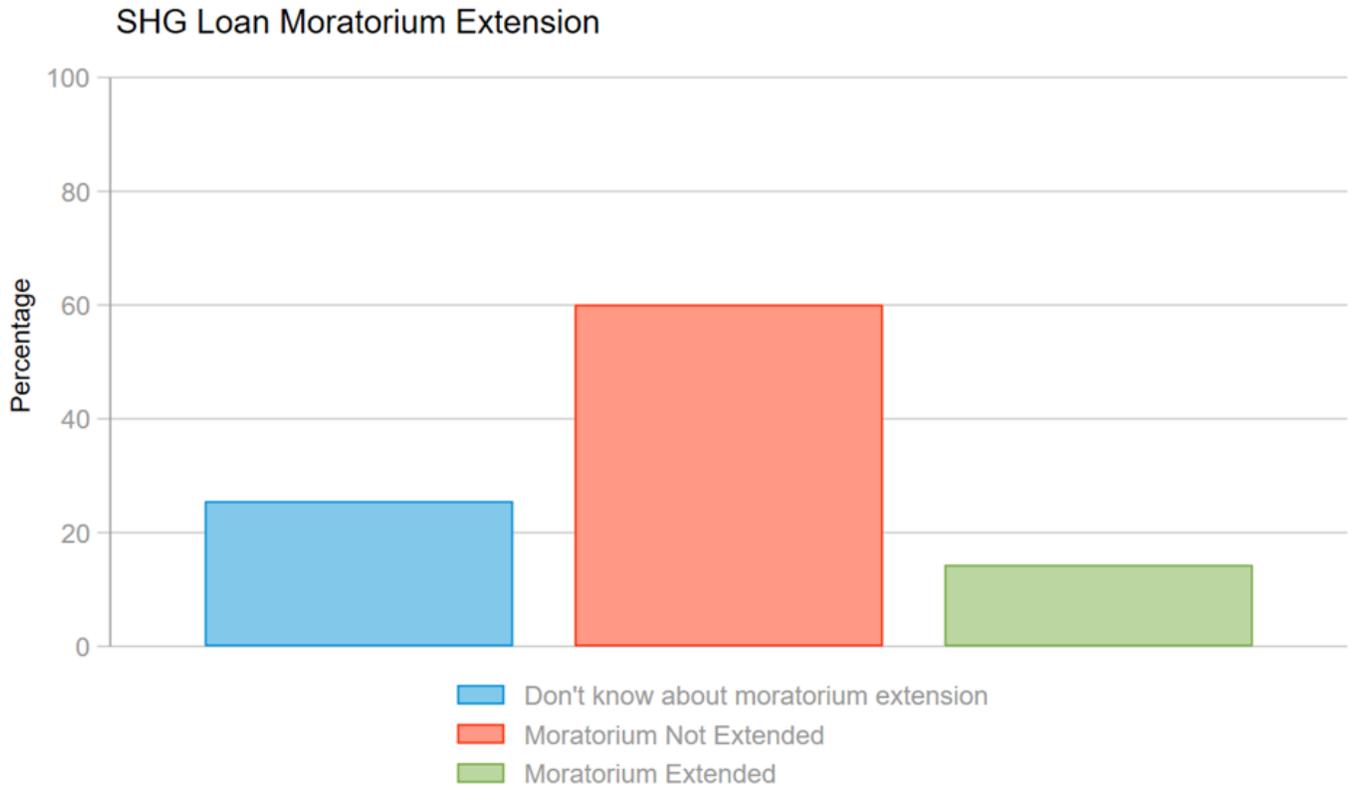
Phone-based survey data from September 2020 also indicated that only a small percentage of households with SHG members took advantage of the offer on moratorium extension on loans (World Bank, 2020). Of the households with SHG members in a survey across six Indian states, less than 20% of the households with

² This approach may have limited the external validity of the findings, but it significantly reduces the risk of bias from systematic measurement error in the MPR reports.

³ The low rates of fund disbursement are not completely surprising, given that these blocks had joined the NRLM before 2018. With each fiscal year, different blocks (usually newer blocks) are prioritized for fund disbursement. However, the pandemic may have resulted in an increased need for funds, including for SHGs that joined the NRLM before 2018.

SHG members availed moratorium extension on loans, more than 20% were not aware of the extension, and 60% did not receive an extension (see Figure 2). The government did not strictly mandate the moratorium extension, which may have contributed to the relatively low take-up and limited awareness about the moratorium extension of SHG members. SHGs and SHG federations had the option to comply with the government advice to extend the moratorium to their members.

Figure 2: Awareness of Moratorium on Loans



Note: This question was asked only to SHG Households
 Source: World Bank India Survey

Resilience of Self-Help Group Members

Previous evidence suggests that women’s groups can contribute to members’ resilience during covariate shocks (Walcott et al., 2021). Compulsory savings and flexible credit conditions may contribute to the ability of groups to mitigate the negative economic consequences of shocks, although with potentially differential consequences across members (Demont, 2013, 2020; Karlan et al., 2017).

Women's Groups and Past Shocks in South Asia

Recurrent rainfall shocks in India and Bangladesh have adversely affected SHGs and other women's groups over the past decade. For example, during a cyclone in Odisha, producer groups lost raw material and finished goods, while SHGs lost land-based assets that had been created for agriculture and allied activities (Pallikutam, 2020). However, linkages to formal financial institutions such as commercial banks helped mitigate some of these adverse effects on groups (Christian, et al., 2019; Demont, 2013). In addition, women's groups created a new, banked resilience fund (Ghosh, 2019).

Women's groups have also actively participated in rebuilding and rehabilitating their community following large natural disasters by setting up relief camps (Nambiar, 2016), taking charge of large community kitchens for the displaced (Shaji, 2020), holding household cleaning drives after floods (Anandan, 2018), providing psychological counselling to the bereaved (Anandan, 2018), and contributing significant sums of money from their savings toward rebuilding their communities (Anandan, 2018).

In India, we found mixed evidence concerning the positive contributions of SHGs to the resilience of members during COVID-19 up until March 2021 (see Figures 3 and 4). Analyses of data collected in three rounds from six Indian states indicate that between May and July 2020, SHG households had a statistically significantly smaller decline in consumption than non-SHG households after controlling for various demographic characteristics (a difference of Rs. 2,000 or 26.9 USD per month, which is equivalent to almost 38%; World Bank, 2020). SHG households also had a statistically significantly smaller decline in consumption than non-SHG households after controlling for various demographic characteristics between May and September, but the difference declined relative to the period between May and July (a difference of Rs. 1,200 or 16.19 USD per month, which is equivalent to almost 20%). However, after controlling for various demographic characteristics, we did not find evidence for statistically significant differences in food security between SHG members and non-members in either July or September 2020. In addition, we did not find statistically significant differences between SHG members and non-members in changes in daily wages for non-agricultural households between May and July 2020 or July and September 2020 after controlling for various demographic characteristics. The same data showed a statistically significantly larger decline in the likelihood of receiving government transfers for SHG members between May and July 2020. However, SHG households had significantly higher rates of government transfers in May 2020 (World Bank, 2020).⁴ Together, the findings suggest that SHG members were more likely to receive government transfers in May 2020, but non-SHG households saw a greater increase in government transfers between May and July 2020. Finally, a report by the World Bank, IDinsight, and the Development Data Lab (2021) indicates that SHG members reported better access to food rations, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) work, and cash transfers than non-SHG members.

Although the analysis cannot make causal claims, the data suggest that the difference between households with and without SHG members was small and insignificant in May 2020 but decreases in consumption (between May and July 2020 and May and September 2020) were statistically significantly smaller for SHG members than for non-members. These findings indicate that SHG membership may have mitigated some of the negative economic consequences of COVID-19. However, we do not find strong evidence for statistically significant differences in trends between SHG members and non-members for food security or other economic outcomes after controlling for various demographic characteristics. In Figures 3 and 4, we present associations between economic outcomes (differences between the second and first round of data collection and third and first round of data collection) and SHG membership of at least one individual in a household (in standard

⁴ We unfortunately do not have more detailed information about the specifics of the government transfers and the eligibility of SHG members and non-members.

deviations). The findings could indicate that both groups may have been equally affected by the pandemic in its initial months, with SHG households displaying capacity for resilience through consumption over time (after May 2020). This interpretation resonates with findings from emerging studies on women's enterprises and collectives, such as those supported by the Self-Employed Women's Association (Agarwal, 2021; Gupta & Jha Kingra, 2020). However, we found no evidence for resilience in other domains. To a small extent, the lack of difference in some outcomes, such as food security, may also reflect non-SHG households benefiting from community kitchens or other services provided by SHGs, but more research is needed to establish the extent of such spillover benefits.

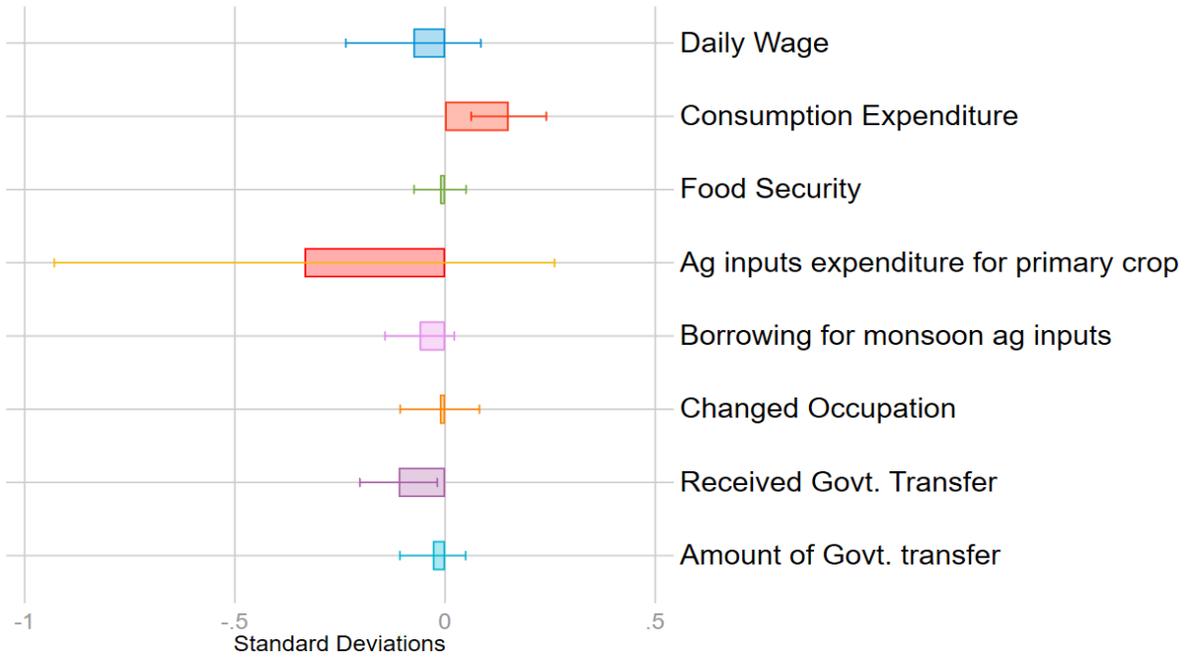
Preliminary findings from a phone-based survey by Dalberg (2021) of 15,000 women from SHGs also show mixed evidence on the resilience of SHG members relative to non-members. The survey results indicate that SHG members had statistically significantly higher access to credit than non-SHG members during COVID-19. In addition, SHG members were statistically significantly more likely to lose paid work and to lose a high share of income than non-SHG members. However, this evidence is based on bivariate correlations and does not control for other variables while trends were estimated based on recall data. It is not clear whether the findings are robust to controlling for other variables, which makes interpreting the findings challenging, especially because the data were not representative.⁵

A phone-based survey with SHG members in Odisha, which was conducted in July 2020 by the Initiative for What Works to Advance Women and Girls in the Economy (IWWAGE) and Project Concern International with support from the OLM, indicated that 54% of SHG households continued to find it difficult to assess how the lockdown had affected their income. Specifically, 30% of households believed that they would be able to recover from the economic shocks in less than a year while 11% of households reported that they would not be able to recover (Sanyal et al., 2021). Responses from SHG members in Odisha demonstrated that women-led sources of income, such as daily wage work (collecting tendu leaves, construction, and farm labor), cattle rearing, domestic work, and small businesses such as tailoring shops showed a sharper decline than men-led sources of income. When asked to describe the impact of the COVID-19 pandemic on their own sources of income, only 11% of women in SHGs who were interviewed for the study said that there had been no impact; around 18% reported that they had completely stopped earning, 45% said they were earning less than the subsistence level, and the remaining 26% reported that they were earning at about the subsistence level.

Group farming in joint liability groups may also have mitigated some of the negative economic consequences of the COVID-19 pandemic in Kerala. Evidence from this state indicates that, of the 48,940 joint liability groups that cultivated during the lockdown, 87% managed to get a fair return and only 13% suffered serious losses caused by harvesting delays or other challenges (Agarwal, 2021; Kudumbashree State Mission, 2020a).

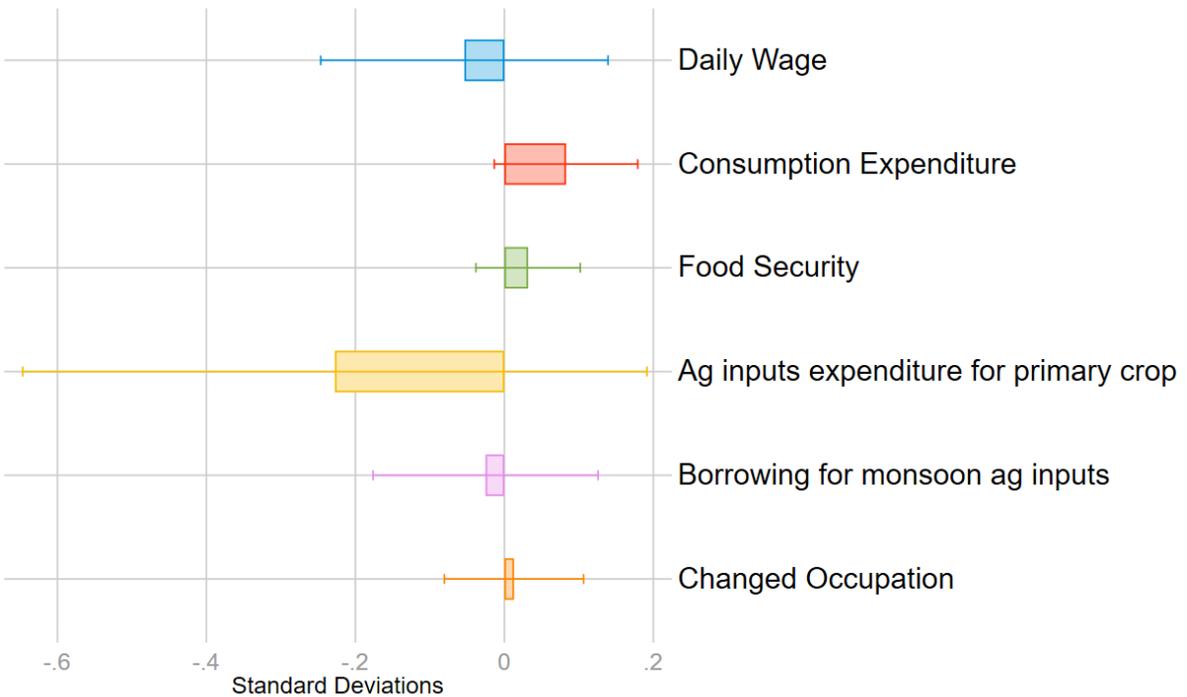
⁵ The survey was also conducted among a convenience sample of households for which the data collection firm, Kantar Group, had phone numbers available, limiting the representativeness of the sample.

Figure 3: Differences in Changes in Outcomes Between May and July for SHG Members and Non-Members



Note 1: Values on the x-axis indicate association between SHG membership and the outcomes on the y-axis.
 Note 2: The length of the bar indicates the magnitude of the association. The capped spikes indicate the 95% confidence interval.
 Note 3: If the capped spike crosses 0, it indicates that the coefficient is not statistically significant.
 Data Source: World Bank High-Frequency Phone Surveys, May and July 2020

Figure 4: Differences in Changes in Outcomes Between May and September for SHG Members and Non-Members



Note 1: Values on the x-axis indicate association between SHG membership and the outcomes on the y-axis.
 Note 2: The length of the bar indicates the magnitude of the association. The capped spikes indicate the 95% confidence interval.
 Note 3: If the capped spike crosses 0, it indicates that the coefficient is not statistically significant.
 Data Source: World Bank High-Frequency Phone Surveys, May and September 2020

Functioning and Implementation of SHGs Under Social Distancing Guidelines

Following the onset of the COVID-19 pandemic, DAY-NRLM issued several guidelines that outlined a departure from the “business-as-usual” functions of SHGs. These guidelines focused on the use of social distancing and using digital platforms for group activities, resulting in limited physical interaction between group members.

The DAY-NRLM also advised SRLMs to provide accident and life insurance to SHG member households and safety kits to SHG members and CRPs involved in the containment of COVID-19, and to consider providing ex gratia payments for CRPs and cadres who died as a result of performing COVID-19 response work (MoRD, 2020a). No further official DAY-NRLM advisory on conducting meetings has been issued since May 2020. Civil society partners under the DAY-NRLM-IWWAGE’s Strengthening Women’s Institutions for Agency And Empowerment (SWAYAM) project⁶ in the states of Chhattisgarh, Jharkhand, Madhya Pradesh, and Odisha report that SHG meetings have resumed using social distancing and other guidelines to minimize the risk of COVID-19 transmission, including the use of masks, handwashing, and sanitizer.

Social Distancing

DAY-NRLM initially restricted physical meetings of groups to ensure the safety of SHG members, with new guidelines issued once meetings resumed. In mid-March 2020 after the start of the nationwide lockdown, village organizations and cluster-level federations (CLFs) suspended their meetings. Starting in mid-May 2020, the lockdown was gradually relaxed, and groups and federations began holding meetings again in areas with limited spread of the virus, in accordance with MoRD’s social distancing and other health guidelines. These guidelines included (1) VO/CLFs conducting meetings with office bearers and bookkeepers or accountants (with no more than five or six persons present); (2) conducting SHG meetings only on a fortnightly or monthly basis; (3) adhering to social distancing norms and maintaining proper seating arrangements during meetings; and (4) using soap and washing hands before and after meetings. Additional steps to minimize risk for the most vulnerable included advising the elderly, pregnant women, and those with co-morbidities to avoid participating in meetings (MoRD 2020a, 2020c, 2020d).

SHG members in a survey in Odisha (Sanyal et al., 2021) reported that physical SHG meetings have important, non-economic benefits and that social distancing may have limited some of these achievements. Group meetings are socially acceptable, local platforms that give women the opportunity to explore peer networking and gain knowledge and information. Missing SHG meetings because of the lockdown may have affected women’s access to social solidarity and support. Due to the cessation of meetings, SHG members reported missing different types of support, such as having a space to talk to other women (53%); meeting their friends (15%); saving weekly (11%); and having a place to share problems with others (8%).

⁶ SWAYAM—Strengthening Women’s institutions for Agency and Empowerment for the National Rural Livelihoods Mission (NRLM)—is a pilot project housed within the Initiative for What Works to Advance Women and Girls in the Economy (IWWAGE). For more details, see <https://iwwage.org/swayam/>. Pilot blocks under the SWAYAM project are as follows: (1) Chhattisgarh—Kurud and Dhamtari blocks (Dhamtari district); Kanker and Charama blocks (Kanker district); Keshkar and Baderajapur blocks (Kondagaon district); (2) Madhya Pradesh - Karhal and Sheopur blocks (Sheopur district); (3) Jharkhand -Thethaitangar block (Simdega district) and Dhu`i block (Giridih district); and (4) Odisha - Barakote and Reamal blocks (Deogarh district) and Kujang and Tirtol blocks (Jagatsinghpur district).

Leveraging Digital Technologies

Several activities promoted the use of digital technology to support the continued functioning of groups. During the lockdown, DAY-NRLM advised SHG members to use mobile phones or technology to approve loan requests; it also eased disbursement procedures compared with the usual approvals required (MoRD 2020a). The MoRD also recommended that SRLMs promote digital transactions in SHG, VO, and CLF meetings as much as possible and that SRLMs conduct trainings and meetings using virtual platforms (MoRD, 2020c). However, the scale of outreach of these digitally provided activities is not yet known. In 2015–16, only 42% of rural women in India had access to mobile phones (International Institute for Population Sciences & ICF, 2017), and recent surveys of SHG members have shown limited ownership of smartphones. Specifically, a 2020 survey in Odisha showed that only 8% of SHG members had a smartphone (Sanyal et al., 2021), while another survey of SHG members in the Raipur district of Chhattisgarh indicated that 23% of SHG women owned a mobile phone, and 61% of mobile phone owners owned a smartphone (EPoD, 2021). The latter survey did show, however, that SHG members are more likely to own mobile phones and are more likely to be tech-savvy than non-SHG members.

The same survey suggested that, despite access to mobile phones, it may continue to be challenging to substitute in-person meetings with virtual meetings. Despite the higher likelihood of phone ownership among SHG members, members reported that they almost exclusively met in person, rather than over the phone when maintaining contact with other SHG members and discussing SHG activities during the pandemic (EPoD, 2021).

Despite these challenges, some evidence indicates that digital training of SHG women on a digital tool is feasible and may be effective, although the latter requires more rigorous evidence. In Chhattisgarh, selected SHG women were trained on Haqdarshak, a mobile application that serves as a reference on central and state government entitlements.⁷ SHG women who were trained in Haqdarshak then provided rural citizens with information and support on COVID-19 relief programs such as the availability of free rations at public distribution system (PDS) shops, cash transfers to women Pradhan Mantri Jan Dhan Yojana (PMJDY) account holders, distribution of free food packets for children enrolled in government anganwadis, and the availability of free gas cylinders under the Ujjwala Yojana (LEAD at Krea University, 2021a, b). However, the Haqdarshak trainings were specifically designed for “high-capacity” SHG women, who owned a smartphone and had a minimum level of digital literacy. Overall, it seems that leveraging digital technologies may be feasible and effective in some cases, but they are also challenging to implement at scale without complementary in-person activities.

Partnering in Community Responses

Production of Personal Protective Equipment

In response to the COVID-19 pandemic, SHGs produced masks and personal protective equipment (PPE). As of July 2020, the MoRD reported that 296,396 members of 58,581 SHGs across 29 states produced a total of 224.65 million masks; 6,565 SHG members across 13 states produced 35.6 lakhs PPE; 13,662 members across 17 states produced 4.8 lakhs sanitizer; 1,790 women across 10 states produced 104,521 liters of hand wash; and SHGs served 5.72 crore vulnerable persons across four states through community kitchens (MoRD

⁷ For more information on IWWAGE’s work in Chhattisgarh on Digital Solutions, visit iwwage.org/digital-solutions/

2020e).⁸ Kerala and Odisha were the first two states to start engaging SHGs in producing masks and running community kitchens (both began these activities on March 15, 2020). In the initial months of the pandemic (by June 2020), women from SHGs in Kerala, Gujarat, Bihar, Uttarakhand, and Andhra Pradesh produced more than 1,000 masks per SHG member producing masks.

Overall, however, evidence suggests that only a relatively limited proportion of the total number of SHGs were involved in producing masks and PPE. For example, less than 60,000 SHGs across the country were involved in mask production (MoRD 2020e). It is likely that SHG productivity during the community response was closely connected to the strength and scale of SHGs, as well as overall local and state governance. For example, Kerala, Andhra Pradesh, and Bihar have among the highest rates of DAY-NRLM SHG mobilization per capita in the country (at approximately 11% each).

Studies showed that SHGs faced many challenges in engaging groups in production (Tankha, 2020b; Siwach et al., 2021). Kerala's Kudumbashree, which has been lauded for its efforts in mobilizing Neighborhood Groups (NHGs), reported that, while engaged in providing a community response to COVID-19, many of its NHG members were also among the worst affected. For example, women's microenterprises, which invested their savings into small businesses for mask production, suffered due to inventory loss, the cancellation of orders, lack of transportation facilities and raw materials, and delayed payments for goods produced on credit ([Kudumbashree State Mission, 2020b](#)). Nonetheless, women who farm in joint liability groups may have faced smaller negative economic consequences than women who participate in Kerala's non-farm group enterprises (Agarwal, 2021; Kudumbashree State Mission, 2020a).

DAY-NRLM's Community Resource Persons

During the pandemic, DAY-NRLM's CRPs provided services on specific thematic focus areas. Business Correspondent Sakhis (BC Sakhis) provided access to banking services at the doorstep of SHG households (Press Information Bureau, 2020b). They facilitated the disbursement of cash payments announced as part of the national relief package for COVID-19 (Pradhan Mantri Gareeb Kalyan Yojana). This included cash transfers to women bank account holders under the Pradhan Mantri Jan Dhan Yojana (PMJDY), expected to be credited to beneficiary accounts through direct benefit transfer (DBT). Around 6934 BC Sakhis from 15 states completed 83.63 lakh transactions for the national COVID-19 relief package (PMGKY) and other DBT disbursement and other transactions of Rs. 1845.76 crore (\$ 249.07 million) between 25 March and 31 July 2020 (MORD 2020e). DAY-NRLM transferred Rs 30,957 crore (\$ 4.17 billion) under PMJDY during the months of April, May, and June 2020, which benefitted 20.65 crore women account holders (Sinha, 2020).

However, analyses of the World Bank survey data from six states indicated that, among households that reported withdrawing any money from bank accounts, only 4.31% of SHG households and 3.85% of non-SHG households reported withdrawing money with the help of Bank Sakhis, suggesting the untapped potential to leverage Bank Sakhis on the ground.

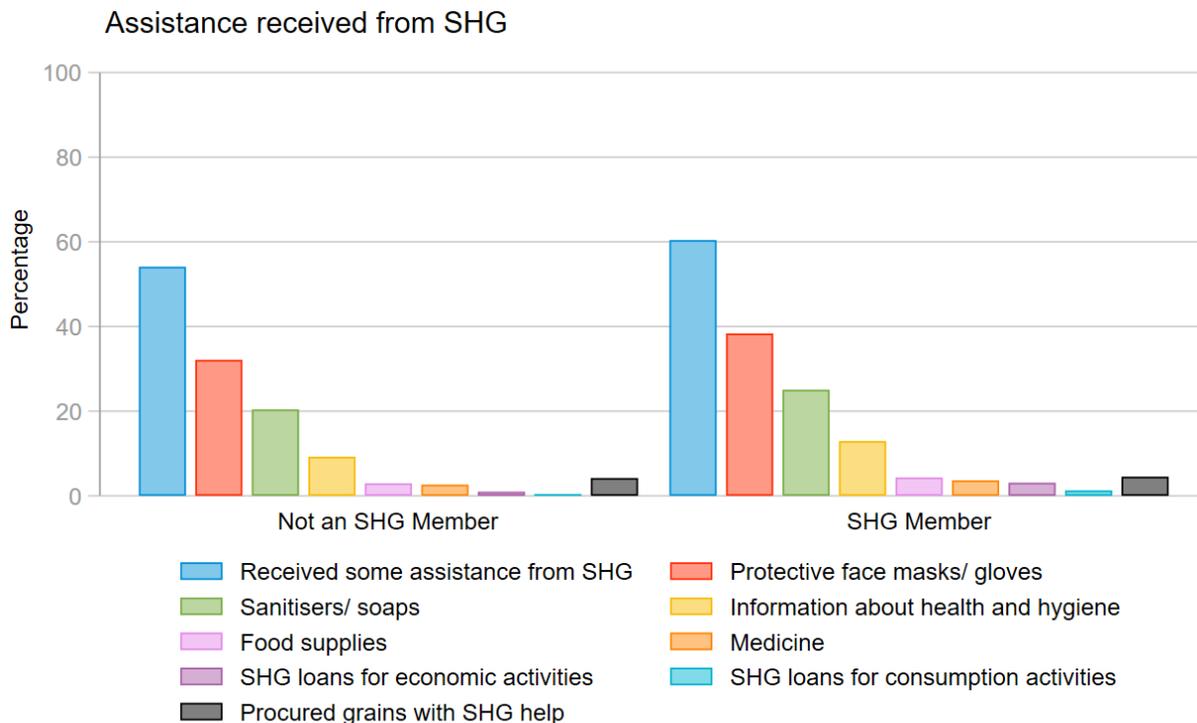
Under the DAY-NRLM-IWWAGE SWAYAM project, in selected pilot blocks and districts of the states of Chhattisgarh, Madhya Pradesh, Jharkhand, and Odisha, CRPs trained on gender-facilitated access to rights and entitlements responded to violence, dispelled myths related to the COVID-19 virus, and assisted migrant workers, in addition to taking a leadership role in crisis response activities. Also, Poshan Sakhis (cadres working on nutrition) promoted nutrition gardens for pregnant women and mothers of children in Odisha and conducted home visits for counselling at-risk groups on nutrition in Chhattisgarh (MoRD, 2020e).

⁸ The MIS reported a lower figure of 168 million masks and 0.5 million protective equipment pieces, as well as more than 0.5 million liters of hand sanitizer, by December 2020. This may reflect different reporting systems or uneven use of the MIS across states (NRLM MIS, 2020).

Meeting Essential Needs

Women’s leadership in the provision of essential goods and services during the lockdown was also prominent. DAY-NRLM reports that SHG members undertook doorstep delivery of dry rations and essentials for women-headed households, disabled persons, elderly, and widows in Madhya Pradesh and Maharashtra, and distributed sanitary napkins in Chhattisgarh and Maharashtra (MoRD, 2020e). SHG members contributed to efforts to address food security through various mechanisms. As of December 2020, SHG members had set up and were running and managing more than 100,000 community kitchens across India. SHG members also contributed to the distribution of take-home rations for children in states such as Odisha and Chhattisgarh (Press Information Bureau, 2020a) and through catering services for the quarantined in selected locations in Bihar and Kerala. Using data from World Bank surveys (World Bank, 2020), we further explored the extent to which households reported receiving assistance from SHGs in the form of essential supplies in Rajasthan, Jharkhand, and Andhra Pradesh. Specifically, respondents were asked if they had either purchased items highlighted in Figure 5 or received them for free from SHGs in their village in the month of June. While 60.4% of SHG households reported receiving some assistance from SHGs, the data summarized in Figure 5 suggest that only a relatively small proportion of SHG households reported purchasing items or receiving them for free from SHGs.⁹ Unsurprisingly, SHG members reported more support compared to non-members, but a small percentage of non-members did receive support from SHGs (especially through the receipt of protective face masks/gloves and information about health hygiene) again suggesting some spillover effects caused by interactions between SHG members and non-members.

Figure 5: Assistance Received From SHGs



Note: 'Received some assistance from SHG' indicates having received at least one of the benefits

⁹ We did not find significant variation across the six states.

Preventive Health Information

DAY-NRLM, in association with the National Institute of Rural Development and Panchayati Raj (NIRDPR) and DAY-NRLM's partner organization Project Concern International, conducted large-scale digital/online trainings for SRLM staff, community cadres, and SHG members on "Risk Communication for Prevention of Spread of COVID-19 in Rural Areas." The trainings used a cascade approach to reach staff and cadres across SRLMs of 28 states and 8 Union Territories (MoRD, 2020b). As of August 2020, the DAY-NRLM digital app reported that trainings had reached 20,065 mission staff and district and block resource persons; more than 500,000 CRPs, cadres, and community workers; and had potentially reached more than 50 million SHG members and household members (MoRD, 2020e).

SHG members also demonstrated creative ways to spread information on and increase awareness of COVID-19 prevention. For example, SHGs used WhatsApp, wall writings, and rangolis (art forms) or placed a microphone on top of a community vehicle, which was made available under a subprogram of DAY-NRLM (Aajeevika Grameen Express Yojana) (Tankha, 2020a). In Odisha, 60% of SHG respondents reported gaining knowledge about social distancing, handwashing, and mask use from the CRPs while 50% reported receiving this information from SHG, VO, and CLF leaders (Sanyal et al., 2021). However, it is likely that these numbers vary widely by state. Data from the World Bank survey (World Bank, 2020) show that 13% of SHG households and 9% of non-SHG households reported receiving information about health and hygiene from SHGs; we found no statistically significant differences in knowledge about COVID-19 between SHG members and non-members. However, another survey in Raipur district of Chhattisgarh indicated that SHG members were better informed about the main symptoms of COVID-19 compared with non-SHG members (EpOD, 2021).

Role of Institutional Investments and Partnerships

Although the DAY-NRLM issued selected advisories and circulars to respond to COVID-19 in the initial months of the pandemic, secondary sources suggest that SRLM-led local responses varied across states. For example, some SRLMs had prior experience mobilizing women's collectives for disaster response, such as in Kerala or Odisha, or a history of public action, decentralization, and convergence with local self-governments, such as in Kerala (Agarwal, 2021; Patnaik, 2020; Philip, 2020). In some states, past investments made in institutional mechanisms under SRLMs were leveraged, with further tweaks for additional support during COVID-19 (e.g., existing strategies and mechanisms for the most vulnerable in Bihar and Kerala¹⁰), while new mechanisms of support were activated in other states (e.g., support for migrants by SRLMs of Bihar and Jharkhand). Further, in selected blocks and districts under DAY-NRLM pilot projects, existing partnerships with technical resource organizations proved to be critical. Civil society partners under the DAY-NRLM-IWWAGE-supported SWAYAM project provided on-the-ground support to communities during the pandemic and collaborated with SRLMs on research on COVID-19-related impacts. Selected innovations also demonstrate the

¹⁰ For instance, in Bihar, under JEEVIKA, community-run rural retail shops run by SHG members remained open and made essential services and daily provisions available during the lockdown. In addition, Custom Hiring Centers (CHCs) facilitated access to farm implements, helping to overcome a shortage of agricultural labor during the pandemic. All village organizations (VOs) were extended support through JEEVIKA's existing Food Security Fund (FSF) and Health Risk Mitigation Fund (HRF), with FSF being prioritized for households with lactating mothers and infants, and no rate of interest being applicable for HRF loans until September 2020 (JEEVIKA, 2020). An existing information-sharing platform based on Interactive Voice Response System (IVRS)—Mobile Vaani—was leveraged to develop voice messages and address community queries on COVID-19. Under an ongoing JEEVIKA project aimed at graduating the poorest out of poverty (Satat Jeevikoparjan Yojna), a one-time cash grant of Rs. 2,000 (\$ 26.98) was given to ultra-poor households at the time of COVID-19. Similarly, in Kerala, during COVID, institutional mechanisms such as the Snehitha Gender Desk provided psychological and mental support to women and children in distress. For more details, see Tankha (2020a).

potential of convergence, across verticals of DAY-NRLM (e.g., the production of masks or the activation of community kitchens demonstrate possibilities of convergence across the Food, Nutrition, Health, WASH vertical and the Non-Farm Enterprises vertical of DAY-NRLM), as well as for DAY-NRLM with other programs implemented by the MoRD (such as MGNREGS¹¹) (Tankha, 2020a).

Shifts in DAY-NRLM's Programmatic Focus

Documentation also demonstrated some shifts in the overall implementation and programming of DAY-NRLM after March 2020:

- In June 2020, the DAY-NRLM organized large-scale digital trainings on risk communication for SRLM staff, community cadres, and SHG members about the prevention of COVID-19. This training also included modules about domestic violence and child sexual abuse, recognizing rising instances of these cases during the lockdown (MoRD, 2020a; Tankha, 2020a¹²) The DAY-NRLM also mainstreamed these modules as part of its gender curriculum.
- Some SRLMs also launched initiatives to support previously overlooked vulnerable groups such as internal migrants, who were disproportionately affected by the lockdown and faced major challenges in returning to their native villages. For example, Jharkhand instituted a migrant helpline and a state control room for assisting stranded migrants. Bihar conducted a mapping of return migrants to identify skill gaps to inform training priorities for future employment. DAY-NRLM also suggested that states could submit proposals for new pilot projects under DAY-NRLM's Innovation Fund to address issues related to migrants (Tankha, 2020a). Most recently, such projects aimed at comprehensive development of migrant households in states such as Jharkhand and Chhattisgarh have been approved and sanctioned.

Responding to Gender-Based Vulnerabilities

Amid the COVID-19 pandemic, community-managed Gender Justice Centers (GJCs) and Gender Resource Centers (GRCs) were activated under the DAY-NRLM-IWWAGE supported SWAYAM project, with the aim of helping women voice their concerns and access rights and entitlements and grievance redressal in cases of violence against women. In Karhal and Sheopur blocks of Sheopur district in Madhya Pradesh, GJCs were established with the support of ANANDI, an NGO. Thus far, they have helped address cases related to communities' access to government entitlements, such as Public Distribution System (PDS) rations and social security pensions. In pilot blocks in Odisha, to overcome difficulties in establishing a physical help center during COVID-19, Project Concern International launched a telephone-based Gender Facilitation Centre that provided tele-counseling services to SHG women, similarly addressing community grievances related to access to government programs and cases of violence against women.

¹¹ For instance, innovative cases were seen of masks made by SHG members being provided to MGNREGS workers; SHG members being appointed as MGNREGS mates (supervisors) at work sites; SHG members helping return migrants to get MGNREGS Job Cards; DAY-NRLM's Business Correspondent Sakhis disbursing MGNREGS payments to workers and selected livelihoods activities being undertaken by SRLMs with labor cost being absorbed by MGNREGS (e.g., nutrition garden and nurseries, etc.).

¹² As outlined in a DAY-NRLM advisory, it was anticipated that SHG leaders, CRPs, and cadres would intervene through counseling or telephone counseling with family members, facilitating access to helplines, police, and NGOs in the vicinity, and through referrals to police stations in instances of child sexual abuse as per the Protection of Children from Sexual Offences (POSCO) Act (MoRD, 2020a).

Implications for Policy and Future Research

Several implications for policy and research emerge from the available evidence.

Implications for the DAY-NRLM and Policymakers

- Although the DAY-NRLM suggested that states disburse Vulnerability Reduction Funds for emergency response, our analysis of the MIS data from selected blocks across 25 states suggests that these funds were not consistently disbursed at higher rates. Further, we found a need to ensure **flexibility in loan repayments and/or provide cash transfers to group members** through a **dedicated crisis amelioration fund** during the crisis. Ensuring flexibility in loan repayments and/or providing cash transfers could help women and households cope with the pandemic (Walcott et al., 2021). In response to the COVID-19 pandemic, the Reserve Bank of India provided an option for one-time restructuring to borrowers in August 2020. This option included SHG loans for which the account was classified as “standard” as of March 1, 2020, and where defaults were not over 30 days. Reports suggest that by the deadline of December 31, 2020, banks had received restructuring requests for about 2% of the loan book. In addition, survey data from six Indian states indicate that less than 20% of the households with SHG members received the government-mandated moratorium extension on loans and more than 20% of households were not aware of the extension (World Bank, 2020)—indicating the importance of an increased emphasis on the implementation of this policy and a specific focus on the communication of the policy to SHG members. We suggest that the DAY-NRLM examine this question to assess the extent of credit support required to SHGs and how to effectively implement such support in more detail. The DAY-NRLM may also consider facilitating access to or exploring convergence with the central government’s Emergency Credit Line Guarantee Scheme offered as part of the COVID-19 relief package to Micro, Small & Medium Enterprises (MSMEs)—notwithstanding the fact that the scale of both individual and collective enterprises of SHG households is a lot smaller than for other MSMEs.
- In the longer term, the DAY-NRLM could introduce policies that ensure the recovery of the institutional framework of the SHG federation. These policies should emphasize savings, but also ensure greater velocity of fund circulation for all SHG members. As discussed by Kochar et al. (2020), such longer term policies could include a stronger emphasis on establishing an SHG platform with an effective working relationship with Panchayati Raj institutions to stimulate linkages with social security schemes (convergence) and investments in income-generating activities, including off-farm and non-agricultural employment.
- The growing penetration of SHGs and the BC network, along with the expansion of PMJDY bank accounts, indicates the need for greater linkages between SHGs and the mainstream banking system, and a concerted effort to increase SHG-BC network penetration. While there are calls to increase the limit of SHG bank linkages, the current inability of SHGs to lift even available sanctioned amounts of bank funding is likely relevant to these considerations.
- Updating and tracking DAY-NRLM MIS data, either through MPRs or through the now instituted transactions-based system may be critical to identify SHGs or SHG members in need of cash or other support. Almost half of all DAY-NRLM blocks had delays in updating the monthly progress reports in the centralized MIS, making it challenging to track real-time data on savings and group mobilization after COVID-19. Analyzing such trends as well as district-wide variation in the trends can help VOs, CLFs, and SRLMs to identify SHGs and SHG members that require cash or other support to continue functioning.

While collective savings would understandably be halted during a period of severe economic crisis, identifying SHGs that are facing sustained challenges is an important step for determining optimal resource allocation. For example, federations may establish a tracking system with a threshold of collective savings or other vulnerability indicators (e.g., food security) below which SHGs will receive a revolving fund or SHG members will receive an unconditional cash transfer, with appropriate monitoring.

- Supporting **community resource persons and cadres** to be effective bridges to SHG members on a wide range of information, entitlements, and services. Although COVID-19 has demonstrated CRPs' capacity as strong leaders and their ability to share information on health communication in some cases, our analysis of survey data from three states shows that the role of CRPs could be further strengthened and leveraged at a wider scale. For example, there may be a need for greater capacity building of CRPs or alignment of tasks with time available.
- Although SHGs were involved in the production of basic health equipment like masks and protective gear, challenges related to sales and payment delays indicate a need to strengthen and support **public procurement through SHGs** in general, assuring sales and marketing at guaranteed minimum prices with **timely payment**. Dedicated investments and market linkages for engaging SHGs in food-, health-, nutrition-, and sanitation-related enterprises during the crisis, or a broader range post-crisis, is likely important if long-run sustainability is a priority. Utilizing community enterprise funds could be further examined with a view to supporting SHG-led enterprises toward improved viability.
- In line with DAY-NRLM's mission to build grassroots institutions, we suggest exploring **alternative means to organizing the poor into groups** to address populations particularly affected by crises such as the COVID-19 pandemic. Expanding on or further investing in pilot approaches to reach women, new groups may focus more intensively on organizing women based on social identity, such as creating SHGs for the elderly, persons with disabilities, particularly vulnerable tribal groups, more productive/livelihoods type groups (e.g., farmer/producer groups), and groups focusing on single women or returning migrants. These groups may also provide a forum for mental health support.

Implications for Future Research

Although SHGs may be able to provide resilience against economic and health shocks such as COVID-19—primarily because of past savings accumulated in groups with financial objectives and access to credit with flexible conditions—rigorous evidence on the impact of COVID-19 on DAY-NRLM functioning and the resilience of SHG members is lacking. We propose the following areas for future research:

- **Effectiveness of SHGs in addressing adverse covariate shocks.** The economic shock induced by the COVID-19 pandemic and the associated lockdown was of an unprecedented scale. Although it appears that the SHGs helped in offering some resilience to members (particularly in terms of consumption expenditures), the extent to which larger state-level support to SHGs contributed to the resilience of members and communities remains unclear. In addition, it is critical to assess the balance between supporting individual women and the larger institutional architecture of SHGs and federations developed by the DAY-NRLM. Research could focus on the effects of temporary relief measures, such as a moratorium, on longer term financial discipline or the longer term consequences of COVID-19 and short-term policy responses for the institutional framework of SHGs and federations, including consequences for social inclusion and democratic institutions.

- **Continued research on long-term resilience.** We need a deeper understanding of the source of differences in outcomes between SHG and non-SHG households after the COVID-19 pandemic. By design, SHGs under the DAY-NRLM have a primary focus on group savings. In-depth primary research is needed to understand whether (1) group membership has effects on individual and household outcomes during economic shocks; (2) accumulated savings or other features of SHGs are the primary channel for this impact; and (3) the role of SHGs in reducing informal interest rates, which may have increased during the COVID-19 pandemic. Further, more research is needed on the impact of different responses by the DAY-NRLM and SRLMs, including disbursement of VRFs by VOs.
- **How SHGs and members' livelihoods are affected by policy responses to the pandemic.** Although SHG members were involved in the crisis response in multiple ways, in-depth primary research is needed to understand the proportion of total members who participated in such activities; whether and what quantum of monetary or economic benefits accrued to members; and implications for members' health or threats to bodily integrity when engaging in such work at the frontlines. For instance, soon after the COVID-19 outbreak, during preliminary conversations (Tankha, 2020b) with IWWAGE's civil society partners and project teams engaging with SHG members, it came to light that limited numbers of members were engaged in such activities, and that they faced payment delays in addition to having to balance crisis response work with unpaid work such as domestic chores and care responsibilities. Research is also needed to examine how SHGs and CRPs can be better supported to raise awareness on preventive health services, such as vaccine registration, which require one-time inputs, rather than more intensive behavior change strategies.
- DAY-NRLM guidance has driven a movement toward **digital communication** amongst members, as well as about the take-up of schemes and services. However, the success of digitization depends both on mobile phone access and digital literacy, which continues to be low, with considerable variation by state. Building on initial studies conducted by BBC Media Action in select states, and LEAD at Krea University on the effects of Haqdarshak in Chhattisgarh, future research can examine the extent to which digitization of SHGs improves programs and how these efforts can ensure the inclusion of women and greater equity.
- Although the DAY-NRLM MIS provides detailed quantitative data on SHG engagement and collective savings, more **quasi-experimental, qualitative, and mixed-methods research** is needed to determine the effects of the COVID-19 pandemic on women SHG members and their livelihoods, as well as how SHG membership may have mitigated the consequences of COVID-19. For example, Kudumbashree State Mission (2020a, 2020b) [conducted research](#) and documented challenges faced by women's collective enterprises because of COVID-19. Other SRLMs could consider conducting similar studies to guide evidence-based policy.
- **Identifying members' needs.** The pandemic raised a variety of concerns regarding members' health and security—as well as examples of demand from members for services such as gender-based violence counselling—that require more systematic research to identify and develop interventions within existing SHGs. The present responses have been in reaction to the crisis, but research on identifying members' needs for support related to health and gender-based vulnerabilities is limited or nonexistent.

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