

# Empowering the Urban Poor: A Decade of DAY-NULM in India with Special Reference to Madhya Pradesh

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**Abstract:** *Urban poverty in India is a multi-dimensional challenge encompassing occupational precarity, residential vulnerability and social exclusion. Launched in September 2013 and expanded as the Deendayal Antyodaya Yojana–National Urban Livelihoods Mission (DAY-NULM) in 2014, the scheme represented India's most comprehensive effort to reduce poverty among urban poor households through skill development, self-employment support, Self-Help Group (SHG) mobilisation, street vendor formalisation and shelter provision. Operational across 4,041 statutory cities and towns, DAY-NULM mobilised over 1 crore urban women into 9.96 lakh SHGs, created 39.39 lakh livelihoods and built 1,994 permanent shelters before its conclusion in September 2024. This article examines DAY-NULM's policy architecture, national outcomes and implementation dynamics in Madhya Pradesh — a state with 406 urban local bodies across 52 districts, high urban poverty rates and a significant migrant labour population. The article concludes by assessing the transition to NULM 2.0 and the conditions required for a more inclusive successor framework.*

**Keywords:** *DAY-NULM, urban livelihoods, self-help groups, Madhya Pradesh, urban poverty, skill development, street vendors, SHG bank linkage, NULM 2.0, urban informal sector*

## 1. Introduction

India's urban transformation over the past three decades has been profound but deeply uneven. As cities expanded to absorb waves of rural–urban migration, a parallel informal city grew alongside the planned one — characterised by slum settlements, pavement dwelling and an enormous informal economy of street vendors, rag pickers, domestic workers, construction labour and rickshaw pullers. By 2011, over 65 million urban Indians lived in slums (Census of India, 2011). The National Commission for Enterprises in the Unorganised Sector (NCEUS, 2007) estimated that 92% of India's workforce was engaged in the informal economy, with urban informal workers among the most vulnerable — lacking job security, social protection and access to institutional credit.

The policy response to urban poverty evolved over two decades from the Nehru Rozgar Yojana (1989) through the Swarna Jayanti Shahari Rozgar Yojana (SJSRY, 1997) to the National Urban Livelihoods Mission (NULM, 2013) and its renamed avatar, the Deendayal Antyodaya Yojana–National Urban Livelihoods Mission (DAY-NULM, 2014–2024). Figure 4 maps this policy evolution. Each successive scheme deepened the institutional architecture, moved from capital subsidy to interest subvention and broadened geographic coverage — but DAY-NULM represented the most systemic attempt to address the multi-dimensional nature of urban poverty through a single convergent framework.

Madhya Pradesh offers a particularly instructive case for examining DAY-NULM's implementation. The state's urban

poverty rate of 31.65% in 2011–12 significantly exceeded the national average and its 406 urban local bodies span some of India's most rapidly urbanising secondary cities — Bhopal, Indore, Jabalpur, Gwalior — alongside hundreds of smaller towns with limited institutional capacity. Understanding how DAY-NULM operated in this diverse urban landscape, what it achieved and where it fell short, yields lessons of broad relevance for the successor NULM 2.0 framework now under development. This institutional foundation is best exemplified by the grassroots mobilization of women, as shown in Illustration 1, representing a typical SHG monthly meeting.

## 2. DAY-NULM: Policy Architecture and Component Framework

DAY-NULM was structured around six interlinked components, each targeting a distinct dimension of urban poverty. The scheme's central logic rested on the belief that the urban poor are inherently entrepreneurial and that the challenge lies in unlocking their capabilities through institutional support, skills and credit access (Ministry of Housing and Urban Affairs, 2016). The mission's scale is evident when comparing its decade-long targets against actual outcomes, a comparison visualized in Figure 1

The Social Mobilisation and Institution Development (SM&ID) component formed the foundation: it organised urban poor households into Self-Help Groups (SHGs) at the grassroots level, federating upward into Area Level Federations (ALFs) at the ward level and City Level Federations (CLFs) at

the city level. Each SHG received a revolving fund of ₹10,000 and ALFs received ₹50,000 to facilitate internal lending. Resource organisations were engaged to form and handhold SHGs for up to two years, at a cost not exceeding ₹10,000 per group (Ministry of Housing and Urban Affairs, 2016).

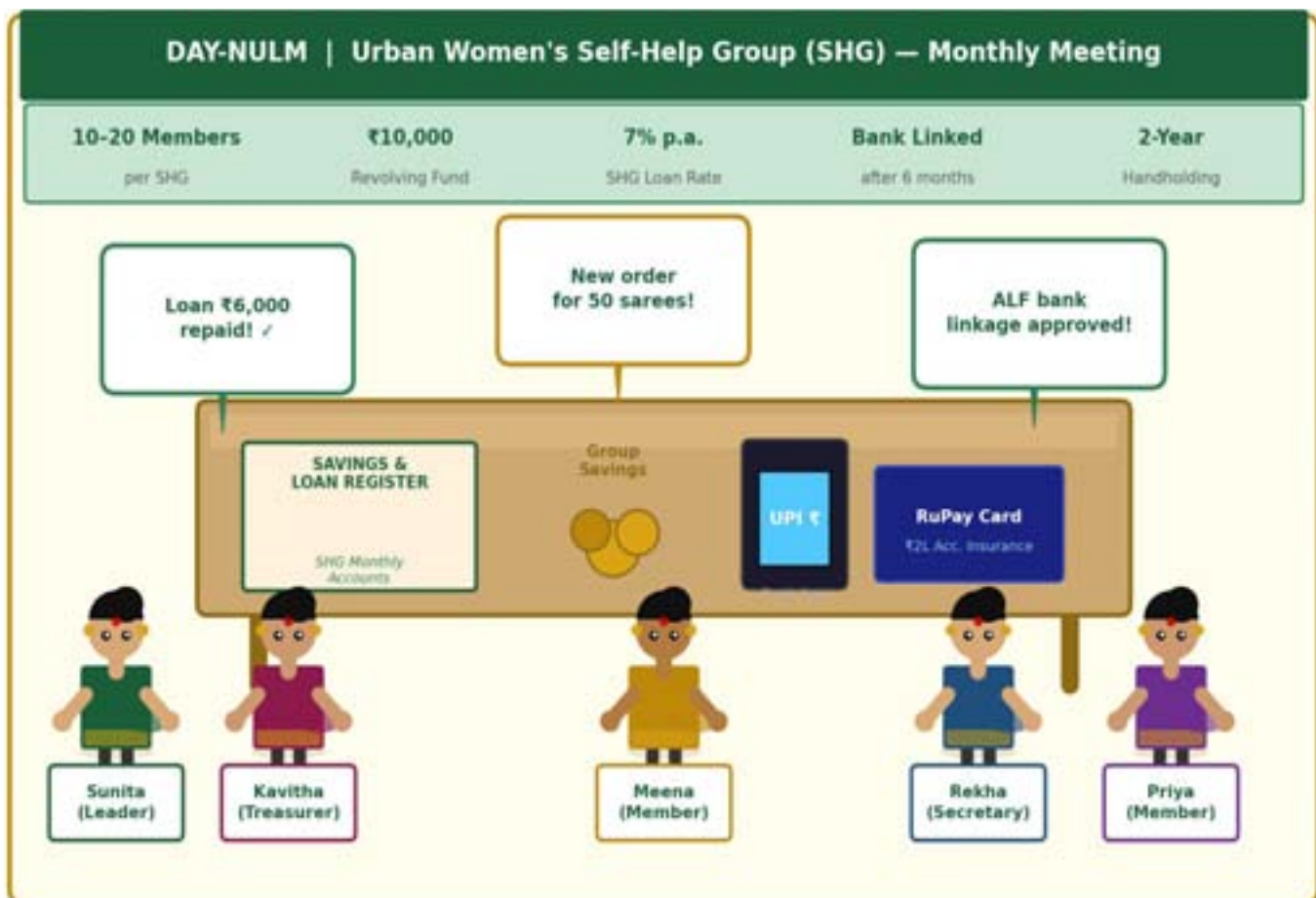
The Self-Employment Programme (SEP) provided interest-subsidised bank loans to individual entrepreneurs (up to ₹2 lakh) and group enterprises (up to ₹10 lakh), with an effective interest rate of 7% and an additional 3% subvention for women's SHGs that repaid on time. The Employment through Skill Training and Placement (EST&P) component funded market-oriented training at ₹15,000 per trainee. The Support to Urban Street Vendors (SUSV) component addressed the livelihoods of surveyed vendors through ID cards, vending certificates and credit linkages. The Shelter for Urban Homeless (SUH) component mandated permanent 24×7 shelters for every 1 lakh urban population, with construction costs shared 90:10 (Centre:State). Funding across all components was shared at 75:25 (Ministry of Housing and Urban Affairs, 2016). For a comprehensive overview of the financial features and primary targets of these components, refer to the summary provided in Table 1.

**Table 1: DAY-NULM — Components, Beneficiaries and Financial Features**

Component	Full Name	Primary Target	Financial Feature	Revolving Fund/Loan
SM & ID	Social Mobilisation & Institution Development	Urban poor households; women priority	₹10,000 per SHG formation	₹10,000 (SHG); ₹50,000 (ALF)
SEP	Self-Employment Programme	Individual & group micro-entrepreneurs	Interest subsidy to 7% effective rate	Up to ₹2 L (individual); ₹10 L (group)
EST & P	Employment through Skill Training & Placement	Unskilled urban poor, BPL households	₹15,000 per trainee	Skill cert. + placement support
SUSV	Support to Urban Street Vendors	Street vendors & hawkers	ID Cards, CoV, Credit linkage	PM SVANidhi: ₹10K–₹50K loans
SUH	Shelter for Urban Homeless	Urban homeless individuals	90:10 Centre: State construction cost	1 shelter/lakh population (50–100 persons)
CB & T	Capacity Building and Training	Mission management units (NMMU/SMMU/CMMU)	Technical support contracts funding	State & city-level institutional

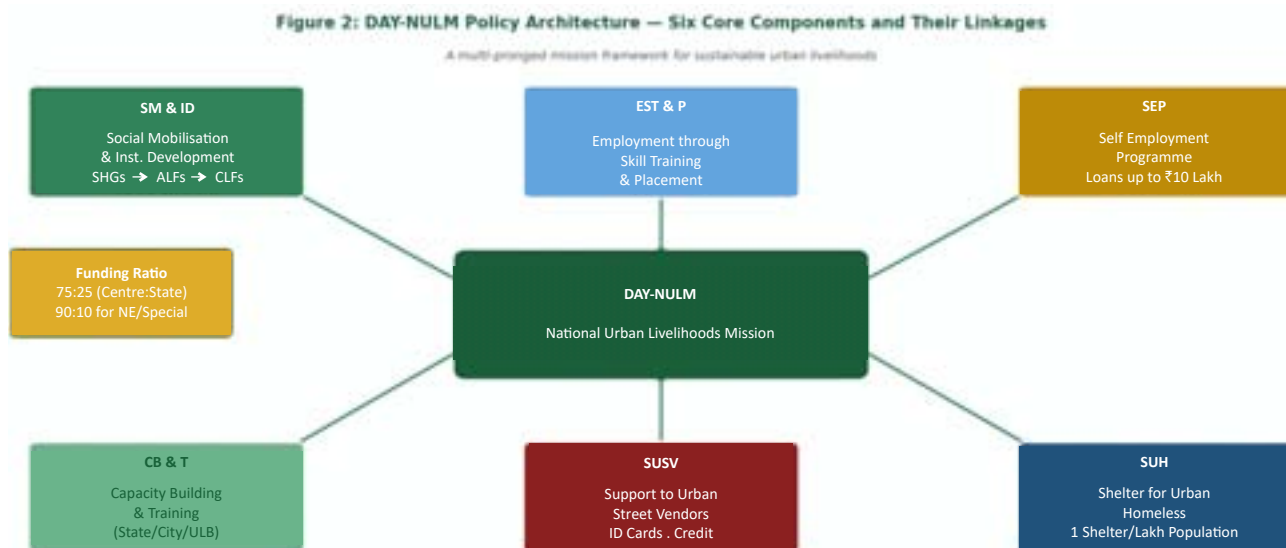
Source: Ministry of Housing and Urban Affairs — DAY-NULM Mission Document (2016); [nulm.gov.in](http://nulm.gov.in)

**Illustration 1: Urban Women's Self-Help Group (SHG) — Monthly Meeting under DAY-NULM SM&ID Component**



Source: Ministry of Housing and Urban Affairs — DAY-NULM SM&ID Guidelines (2016); [nulm.gov.in](http://nulm.gov.in). Representative illustration

**Figure 1: DAY-NULM Policy Architecture — Six Core Components and Their Linkages**



Source: Ministry of Housing and Urban Affairs — DAY-NULM Mission Document (2016); [nulm.gov.in](http://nulm.gov.in)

### 3. A Decade of Implementation: National Outcomes (2014–2024)

Over its operational decade, DAY-NULM generated outcomes

of significant scale across all components. Figure 2 presents a target-versus-achievement comparison across the six key performance dimensions at the national level.

**Figure 2: DAY-NULM National Targets vs. Achievements Across Key Components (2014–2024)**

### The Decade of Implementation of DAY-NULM 2014-2024 Snapshot of official cumulative progress

DAY-NULM aims to reduce poverty and vulnerability among urban poor household through self-employment, skilled wage employment, skilled wage employment, grassroots, institutions, shelters for the urban homeless and support for street vendors.

**1+ crore**

urban poor women mobilised into SHGs and federations

**9.96 Lakh+**

SHGs and federations mobilised under the mission

**39.39 Lakh**

livelihoods created via skills and bank linkage

**1,994**

permanent shelters built capacity: 1.41 lakh urban homeless

Source

1. Ministry of Housing and Urban Affairs, Government of India, DAY-NULM official portal (Scheme objective and common)
2. Press Information Bureau, Government of India, Year End Preview 2024. Ministry of Housing and Urban Affairs,
3. PIB note 'DAY-NULM & New Mission on Urban Poverty Alleviation' (10 December 2024)

Source: Ministry of Housing and Urban Affairs, Year End Review 2024 (PIB, 2024); Centre for Financial Accountability (2025)

#### 3.1 Self-Help Group Mobilisation

The SM&ID component's signature achievement was the mobilisation of over 1 crore urban poor women into 9.96 lakh SHGs — representing 99.6% of the 10 lakh target. These SHGs federated into ALFs and CLFs, creating a three-tiered institutional structure for community-driven financial services. Bank linkage under the NULM SHG-Bank Linkage Programme disbursed 8,11,253 loans by July 2024. The predominance of women in the SHG network — exceeding 92% of enrollees — reflects the scheme's deliberate gender focus

(IMPRI India, 2025; Ministry of Housing and Urban Affairs, 2024).

#### 3.2 Livelihoods, Skills and Self-Employment

Across skill training, placement and self-employment support, DAY-NULM created 39.39 lakh livelihoods against a target of 40 lakh — 98.5% achievement. Of these, 15.39 lakh individuals received formal skill training (102.6% of target), with 8.20 lakh successfully placed in wage employment (Physics Wallah, 2025). The SEP component facilitated self-employment for 8.83 lakh individual and group entrepreneurs.

### 3.3 Street Vendor Formalisation and Homeless Shelters

A total of 71.65 lakh street vendors were identified in 3,471 cities, with 38.87 lakh receiving Certificates of Vending and 32.59 lakh receiving identity cards (Ministry of Housing and Urban Affairs, 2024). The PM SVANidhi scheme extended working capital loans to 57.83 lakh street vendors within 43 months of its 2020 launch. By the conclusion of DAY-NULM, 1,994 permanent shelters had been constructed with capacity for 1.41 lakh urban homeless persons — 99.7% of the 2,000-shelter mandate. The final status of these indicators as of September 2024, including achievement percentages and remarks, is detailed in Table 2.

**Table 2: DAY-NULM — National Key Performance Indicators at Conclusion (September 2024)**

Indicator	Target	Achievement	Remarks
SHGs Formed	10.00 Lakh	9.96 Lakh	99.6% achievement; over 1 crore women enrolled
Livelihoods Created (Total)	40.00 Lakh	39.39 Lakh	98.5%; includes training, SEP & bank linkage
Skill Training (EST&P)	15.00 Lakh	15.39 Lakh	102.6% — exceeded target; 8.20 lakh placed in jobs
Street Vendors Surveyed	70.00 Lakh	71.65 Lakh	3,471 cities; IDs 32.59 lakh; CoVs 38.87 lakh
Shelters for Urban Homeless	2,000	1,994	99.7% of target; capacity for 1.41 lakh persons
SHG Bank Loans Disbursed	—	8,11,253	Under NULM SHG-Bank Linkage Programme (up to July 2024)
Central Budget Released	₹6,404 Crore	₹5,387 Crore	84.1% of Central share; state utilisation variable
Cities / Towns Covered	4,041	4,041	Universal statutory coverage achieved

Source: Ministry of Housing and Urban Affairs, Year End Review 2024 (PIB, 2024); Centre for Financial Accountability (2025); Universal School of Administration (2024).

## 4. Madhya Pradesh: A Case Study in Urban Livelihood Implementation

The national aggregates presented above conceal substantial variation in implementation quality, institutional capacity and poverty context across India's states and union territories. Madhya Pradesh offers a particularly instructive case: it combines exceptionally high urban poverty, a large and

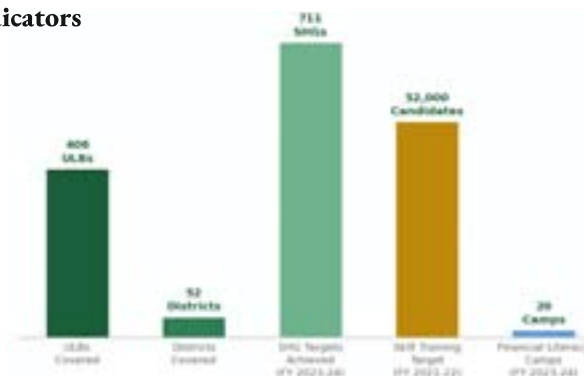
geographically dispersed network of urban local bodies and active civil society engagement, making it a microcosm of the challenges facing DAY-NULM's successor framework.

### 4.1 Urban Poverty Context

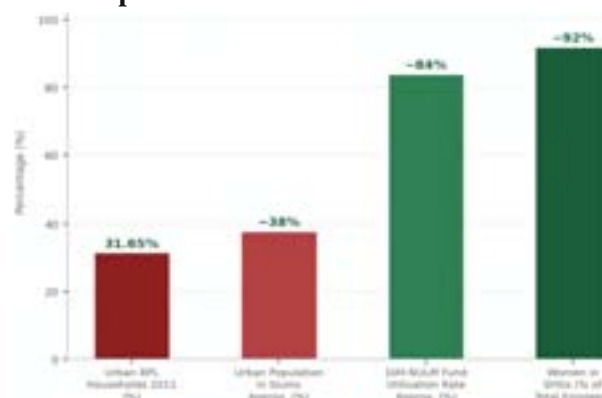
Madhya Pradesh presents a challenging but representative context for urban poverty alleviation in central India. In 2011–12, 31.65% of the state's urban population lived below the poverty line — well above the national urban poverty rate of 13.7% for the same period (UN-Habitat, 2021). Approximately 38% of the urban population resided in slum settlements and the state's urban economy remained dominated by the informal sector. Continuous rural–urban migration to Bhopal, Indore, Jabalpur and Gwalior expanded the urban poor population throughout the DAY-NULM period. Figure 3 highlights the specific implementation scale in Madhya Pradesh alongside the challenging urban poverty context the state faced.

**Figure 3: DAY-NULM in Madhya Pradesh — Implementation Scale and Urban Poverty**

#### A: Madhya Pradesh - DAY-NULM Implementation Scale Indicators



#### B: Madhya Pradesh - Urban Poverty Context and Scheme Response Indicators



Source: Govt. of MP/DAY-NULM MP RFP (2021); Indiatat (2023); UN-Habitat Bhopal City Profile (2021)

### 4.2 Institutional Structure and SHG Formation

The State Urban Livelihoods Mission (SULM) in Madhya Pradesh functioned as the nodal agency for DAY-NULM, operating through 406 urban local bodies across all 52 districts, with a State Mission Management Unit (SMMU) providing technical oversight. Resource organisations were empanelled

statewide to undertake SHG formation, financial literacy training and bank linkage. In the Bhopal–Vidisha–Raisen–Sehore–Guna–Seoni corridor, the Vidisha Social Welfare Organisation achieved a fresh SHG formation target of 711 groups in FY 2023–24, including formation, training in account management and business practices and bank linkage with nationalised banks. Financial literacy camps reaching 4,000 women across six districts were organised along with exposure visits to successful SHGs (Vidisha Social Welfare Organisation, 2024).

### 4.3 Skill Training and Self-Employment

Under the EST&P component, Madhya Pradesh issued a Request for Proposal in 2021 seeking empanelled Skill Training Providers across all 406 urban local bodies, with a target of training 52,000 candidates across 52 districts by end of FY 2021–22. Trades covered included retail management, beauty and wellness, food processing, apparel manufacture, electrical work, plumbing and mobile repair. Selected providers were empanelled for three years (2021–2024) with performance-based renewal (Government of Madhya Pradesh, 2021).

### 4.4 Street Vendor Support: The Bhopal Experience

The Bhopal Municipal Corporation’s implementation of the SUSV component included city-wide vendor surveys, vending identity card issuance and the development of dedicated Hawkers’ Corners in major markets — including Number 07 Market. These interventions, documented in the UN-Habitat Bhopal City Profile (2021), provided vendors with designated spaces, credit access through PM SVANidhi and integration into the formal urban economy. The physical impact of these formalization efforts is visible in Illustration 2, showcasing a designated Hawkers’ Corner developed under the SUSV component. Table 3 below summarises the full state-level implementation snapshot.

#### Illustration 2: Formalised Hawkers’ Corner under DAY-NULM SUSV Component — Bhopal Municipal Corporation



Source: UN-Habitat Bhopal City Profile (2021); BMC SUSV Records; DAY-NULM Mission Document (2016) | Representative illustration

**Table 3: DAY-NULM in Madhya Pradesh — State Implementation Snapshot**

Parameter	Value/Status	Source/Note
Urban Local Bodies (ULBs) Covered	406 ULBs	All 52 districts of Madhya Pradesh
Districts Covered	52 Districts	Full state coverage including tribal districts
Urban BPL Population(2011-12)	31.65%	Above national urban average of 13.7%; UN-Habitat (2021)
Urban Slum Population(Approx.)	~38%	UN-Habitat Bhopal City Profile (2021)
SHG Formation Target Achieved (FY 2023-24)	711 SHGs	Bhopal–Vidisha–Raisen–Sehore–Guna–Seoni corridor; Vidisha SWO (2024) Achieved (FY 2023-24)
EST&P Skill Training Target (FY 2021-22)	52,000 Candidates	Across all 406 ULBs; 52 districts; Govt. of MP RFP (2021)
Financial Literacy Camps (FY 2023-24)	20 Camps / 4,000 Women	Bhopal, Vidisha, Raisen, Sehore, Guna, Seoni; Vidisha SWO (2024)
Hawkers’ Corners Developed (Bhopal)	Multiple locations	Incl. Number 07 Market; UN-Habitat (2021)
Fund Utilisation (Approx.)	~84%	Based on state share of central budget released; Indiatat (2023)

Source: Govt. of MP — DAY-NULM RFP (2021); Vidisha Social Welfare Organisation (2024); UN-Habitat Bhopal City Profile (2021); Indiatat.com (2025).

## 5. Critical Assessment: Achievements and Structural Limitations

### 5.1 The Institutional Legacy

DAY-NULM’s most enduring contribution is the institutional network it built. The SHG–ALF–CLF structure, once established and bank-linked, has demonstrated resilience beyond the mission period. In states like Tamil Nadu and Kerala, analogous urban SHG networks continued to function after predecessor schemes concluded. The fundamental challenge in Madhya Pradesh and across several states, however, was sustaining group dynamism once Resource Organisation support was withdrawn after the two-year handholding period (Centre for Financial Accountability, 2025).

### 5.2 Bank Linkage Gaps and the Credit Challenge

One of the most significant shortfalls at the national level was in SHG bank linkage. An analysis by the Centre for Financial Accountability (2025) noted that for India’s largest bank, SHG loans under NULM showed zero disbursements for multiple major states. In Madhya Pradesh, while performance was relatively stronger, systematic reluctance among commercial banks to lend to urban SHGs without collateral remained a limiting factor. The interest subvention model, while an improvement over capital subsidy, required active bank engagement that was not uniformly forthcoming.

### 5.3 The Quiet Closure

DAY-NULM's conclusion on 30 September 2024 was notably low-profile. The Reserve Bank of India's notification withdrawing the associated master circular (RBI/2025-26/39) was the primary public signal of the mission's end. No parliamentary announcement or formal achievement audit accompanied the closure. Critics argued this absence — without credible account of tens of lakh urban poor households still awaiting inclusion — represented a failure of governmental accountability (Centre for Financial Accountability, 2025).

### 5.4 Implementation Unevenness

Across India and within Madhya Pradesh, implementation

quality varied enormously by city size. Larger cities — Bhopal, Indore, Jabalpur — had functional CMMUs and visible outputs. Smaller ULBs, particularly towns below 50,000 population, often lacked institutional capacity to manage the scheme's multi-component complexity, resulting in SHG formation on paper without functional group activity and skill certificates without genuine employment outcomes.

## 6. Policy Evolution and the NULM 2.0 Framework

Figure 4 maps the full arc of India's urban livelihoods policy from SJSRY through to the proposed NULM 2.0, illustrating the progressive deepening of institutional architecture across each iteration.

**Figure 4: Evolution of Urban Livelihoods Policy in India (1997–2025+) — From SJSRY to NULM 2.0**



Source: Centre for Financial Accountability (2025); Ministry of Housing and Urban Affairs (2024); Swarajya Mag (2023)

In June 2023, the Ministry of Housing and Urban Affairs signed a three-year MoU with the UNDP for collaboration on DAY-NULM, focusing on women's entrepreneurship in sectors including the care economy, digital economy, electric mobility and waste management. The partnership developed 'Biz-Sakhis' — community business mentors — in eight pilot cities, building a cadre of women able to support enterprise formation (UNDP India, 2023).

The proposed NULM 2.0, piloted across 25 cities, targets six previously underserved occupational groups: construction workers, gig workers, waste management workers, care workers, domestic workers and transport workers. Eligible individuals will be facilitated to access microcredit of up to ₹4 lakh and groups up to ₹20 lakh, at a 5% subsidised interest rate — a significant enhancement over DAY-NULM's SEP limits (Physics Wallah, 2025). For Madhya Pradesh, NULM 2.0's occupational focus offers particular promise, as the state's construction and waste management sectors employ tens of thousands of unprotected migrant workers entirely outside the formal economy.

## 7. Conclusion: Lessons from a Decade of Urban Livelihood Mission

DAY-NULM's decade represents a significant, if incomplete, chapter in India's engagement with urban poverty. Its achievements — 1 crore women organised, 39.39 lakh livelihoods created, 1,994 shelters built and 71.65 lakh street vendors identified — are real and consequential. In Madhya Pradesh, the mission left a visible institutional legacy in the SHG networks of the Bhopal–Vidisha corridor, the Hawkers' Corners of the state capital and the skill certifications of thousands of young urban poor.

Yet the mission's quiet conclusion, without adequate account of what remained unfinished, points to structural challenges that any successor framework must address. Bank linkage must be made non-discretionary, with accountability placed on financial institutions. Implementation support cannot be withdrawn without transition planning. Municipal cadres for urban poverty alleviation must be built and sustained. And coverage must extend to the genuinely invisible urban poor: the gig worker, the construction migrant, the domestic helper — whose livelihoods are essential to the urban

economy but whose vulnerability remains unaddressed by SHG-centred approaches.

The Madhya Pradesh experience, with its combination of high urban poverty, large ULB network, active civil society partners and rapid urbanisation, offers a microcosm of the broader Indian challenge. The state's trajectory over the NULM 2.0 period will be an important indicator of whether India's urban livelihood policy has moved from mission-mode intervention to systemic transformation.

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