Start-Up Village Entrepreneurship Programme

For Prelims: Start-up Village Entrepreneurship Programme, MUDRA.

For Mains: Significance of SVEP in Rural Development, SHGs, Government Policies and Interventions.

Why in News?

Recently, the National Institute of Entrepreneurship and Small Business Development (NIESBUD) has signed a Memorandum of Understanding (MoU) with the Ministry of Rural Development (MoRD) to develop a sustainable model for promoting entrepreneurship at the grass roots by initiating the Start-up Village Entrepreneurship Programme (SVEP).

What is the Significance of the Partnership?

- Rural entrepreneurs will be able to access banking systems for receiving financial support for starting their enterprises, including support from MUDRA bank.
- Integrated ICT techniques and tools will also be provided for training and capacity building along with enterprise advisory services to augment the entrepreneurship ecosystem in India’s villages.
- The beneficiaries of the project are from the Self-Help Group (SHG) ecosystem of DAY-NRLM and the scheme not only supports existing enterprises but new enterprises as well.
- The partnership will enable the rural community by helping them set up their trades and provide complete support till they are stabilised.
- This pragmatic intervention will provide knowledge, advisory and financial support to the public and will help create village-level community cadre.

What are the Key Points Related to SVEP?

- About:
  - SVEP is a sub-scheme of the Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM), Ministry of Rural Development and has been implemented since 2016.
- Aim:
  - Support the rural poor to come out of poverty.
  - Providing self-employment opportunities with financial assistance and training in business management and soft skills.
  - Create local community cadres for promotion of enterprises.
- Features:
  - It addresses three major pillars of rural start-ups namely finances, incubation and skill ecosystems.
  - It promotes both individual and group enterprises, majorly in manufacturing, trading and service sectors.
  - It invests on building the capacities of the entrepreneurs to run the businesses profitably based on the local demand and ecosystem.
  - Investments are also made on the use of the Information and Communication
**Technology (ICT)** to create standard E-learning modules for minimizing the transmission loss in technical aspects like a business plan and profit and loss account preparations.

**Activities:** Activities under SVEP are strategically designed to promote rural enterprises with a few key areas.
- One of the key areas is **to develop a pool of Community Resource Persons-Enterprise Promotion (CRP-EP)** who are local and support entrepreneurs setting-up rural enterprises.
- Another key area is **to promote the Block Resource Center (BRC)** in SVEP blocks, to monitor and manage the community resource persons, appraise SVEP loan applications and act as the repository of enterprise-related information in the concerned block.
  - BRCs **play the role to support a sustainable revenue model** to operate effectively and independently.
- **SVEP established local markets/rural haat** which motivated entrepreneurs to take up demand-based production, advertise their enterprise and increase earning opportunities.
  - A typical rural haat is mostly indigenous, flexible and multi-layered structure which accommodates the economic activities of various nature.
  - Local market/haat/bazaar serves as an important economic platform where a range of products is traded.

**Achievements:**
- **A mid-term review of SVEP which was conducted in September 2019 by Quality Council of India** shows about 82% of the sampled entrepreneurs across the blocks reported being from SC, ST and OBC categories which signifies social inclusion - one of the pillars of NRLM.
- 75% of the enterprises were owned and managed by women and average monthly revenue of enterprises was Rs.39,000 - Rs.47,800 in case of manufacturing, Rs. 41,700 in case of services and Rs.36,000 in case of trading.
- The study also shows that about 57% of the total household income of the entrepreneurs is through SVEP enterprises.

**PYQ**

How does the National Rural Livelihood Mission seek to improve livelihood options of rural poor? (2012)

1. By setting up a large number of new manufacturing industries and agribusiness centres in rural areas
2. By strengthening ‘self-help groups’ and providing skill development
3. By supplying seeds, fertilizers, diesel pump-sets and micro-irrigation equipment free of cost to farmers

Select the correct answer using the codes given below:

(a) 1 and 2 only
(b) 2 only
(c) 1 and 3 only
(d) 1, 2 and 3

Ans: (b)

**Source:** PIB