

Evaluation of Start-up Village Entrepreneurship Programme (SVEP) Blocks in the State of Telangana

Chandrugonda, Bijinepally, Makthal and Devarakonda

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Sunkari Satyam



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Southern Regional Centre

5-6-151, Rajendranagar, Hyderabad-500030, Telangana, India
+91 40 24016395 | Email: director@csdhyd.org | www.csdhyd.org

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EXECUTIVE SUMMARY

The Government of Telangana has initiated the Start-up Village Entrepreneurship Programme (SVEP) in 2016 as part of the first programme in two blocks: Bijinepally and Eturnagaram of the districts of Nagar Kurnool and Mulugu respectively. The following blocks - Amangal of Rangareddy district, Chandrugonda of Bhadradi Kothagudem district, Devarakonda of Nalgonda district, Makthal of Mahabubnagar district and Narayankhed in the district of Narayankhed were part of phase two in the process of implementation. The first phase period stretched from 2016 to 2019 while the on-going second phase is between 2020 and 2023.

The main objective of the program is to support rural poor families of Self Help Groups (SHGs) ecosystem to come out of poverty by supporting such rural enterprises and to provide continuous support until the enterprises become dependent enough to establish entrepreneurship design.

The SVEP programme is designed to rural entrepreneurs to get access financial support from formal financial institutions. The beneficiaries of the project are exclusively selected from the Self-Help Groups' (SHGs) ecosystem of DAY-NRLM. The SVEP is implemented in a project mode through the State Rural Livelihoods Missions (SRLMs). The current pattern of central assistance for SVEP projects is 60:40 (centre-state).

Objectives of the Study

The broad objective of the study is to review and analyse the three rural ecosystems- Knowledge, Incubation and Finance which become the main barriers for entrepreneurs in establishing and managing enterprises in rural areas. The following are the specific objectives of the study, in brief:

- To understand the socio-economic profile of rural entrepreneurs
- To assess the knowledge of rural entrepreneurs on the business aspects associated with different trades (various manufacturing, services and trading related enterprises)
- To assess the knowledge of CRP-EPs on business aspects and rural enterprise development
- To understand the assistance extended by CRP-EPs to rural entrepreneurs on enterprise start-up and their development and to further comprehend the gap between rural entrepreneurs and CRP-EPs (if any)
- To understand the available loan sources for enterprise start-up and scale it up further
- To assess the net income of the entrepreneurs and compare these incomes with aspirational incomes as reported in the Detailed Project Report (DPR)
- To understand the performance of BRCs and revenue models set up by them to operate and manage the rural enterprises

- To understand the usefulness of E-learning modules developed in all the identified areas and enterprises
- To suggest a suitable revenue model for the sustainability of rural enterprises (SERP, Government of Telangana, 2022).

Methodology of Evaluation

The study team has followed the programme's outline in preparing the questionnaire and format for Focused Group Discussions (FGDs). The study team has basically identified the outcomes and outputs of the programme from MIS reports and DPRs to measure the end results in the present evaluation study. The study team had adopted a two-pronged strategy in preparing questionnaires (beneficiaries and CRPs-EP) and formats of FGDs during the first phase. In the initial phase, the study has adopted Pilot Testing using rough questionnaires and conducted detailed interviews with entrepreneurs and conducted FGDs. In the second stage, the revised tools (questionnaires and formats of FGDs) were further modified in accordance with the SVEP by specifying a list of indicators which were measured as part of the evaluation process.

Criteria for Selection of Villages

The study selected villages based on indicators using the MIS data at block level after due consultation with PD-DRDA, APD-DRDA, District Project Managers (DPMs), Block Project Managers (BPMs), Assistant Project Managers (APMs), Community Coordinators (CCs) and CRPs-EP. The study has selected villages based on specific criteria, which are: (i) minimum 10 numbers of SVEPs grounded in the village, (ii) Mixed social composition of the village, and (iii) Highest number of women showing interest during the initial meetings of VOs.

Findings

Socio-Economic Factors

- The proportion of female entrepreneurs in the Makthal block was reported to be 98.7 per cent, with a similar proportion reported from Narwa and Utkoor mandals, whereas Makthal represented cent per cent of female participation. In the Bijinepally block, cent per cent of female entrepreneurs reported, and in comparison, the proportion was found to be less in the Devarakonda block, as it accounts 96 per cent of female participation was reported from two mandals, Kondamallepally and Devarakonda. Moreover, 100 per cent of women entrepreneurs reported from the mandals of Chandrugonda and Annapureddipally of Chandrugonda block, and the block comprises of 98 per cent of women entrepreneurs.
- The age-wise distribution of SVEP entrepreneurs reveals that the majority of entrepreneurs (25.3 per cent) were between the age group of 36 and 40 years, followed by persons up to the age of 30 years (22 per cent). Persons between 31 and 35 years (20%), followed by those between 41 and 45 years (16.8%), fell next in the standings.

- The study found that the overall social composition of rural entrepreneurs in the four blocks showed that the social group of BCs (46.3 per cent) dominated their counterparts: SCs (16.6 per cent), STs (15.9 per cent), minorities (12.8 per cent), and OCs (8.3 per cent) across all the blocks.
- The religious status revealed that the majority of entrepreneurs followed Hinduism as their religion, followed by Islam and Christianity, and it can also be inferred that the program has covered all major religious groups and in its field survey as well.
- The majority of the entrepreneurs reported being illiterate across the blocks, followed by high schooling, primary schooling, formal education, secondary, intermediate, and degree and above. It can be observed that the majority of rural entrepreneurs reported to be illiterates while the proportion of high schooling was considerably evident along with intermediate and degree and above qualifications.
- With regard to housing, in Makthal block, cent per cent own housing was reported in the mandals of Narwa and Makthal; in Bijinepally block, Thimmajipet, and in Devarakonda block, 96.7 per cent of rural entrepreneurs from Kondamallepally, 98.3 per cent from Neredugommu, 95 per cent from Gundlapally, 91 per cent from Chandampet, 98.3 per cent from Devarakonda mandals of Devarakonda block; 98.7 per cent of Mulakapally, 98.7 per cent of Chandrugonda, 98.7 per cent of Annapureddipally, and 97.3 per cent of Julurupadu mandals of Chandrugonda block reported to have their own houses.
- Regarding Individual toilets, it was reported that the majority of households had individual toilets across the blocks.
- The field data has observed a very common finding: the formation of small families immediately after post-marriage in rural areas is common.
- The size of the family is also observed as a constraint in maintaining the status of living standards, as it was observed by people (selected) that more family members became a problem for the head of the household to provide basic necessities to the members of the household adequately.
- The field data has been collected on landholdings and presented by categorising the land into acres of land holdings based on the size of the land holding of households covered in the study. In regard to landholdings, of the total 300 families in the Makthal block, 40.9 per cent had land between 2.51 and 5 acres of land followed by 21.9 per cent of landless, 18.9 per cent had land in the range of 1.01- 2.50 acres and 8 per cent had only up to 1.00 acre of land while 5 per cent had more than 5 acres.
- In the Bijinepally block, 22.4 per cent of the families had 1.01 to 2.50 acres of land, followed by 22.1 per cent who had land between 2.51 to 5.00 acres, 19.3 per cent up to 1 acre, 4.7 per cent owned land in the range of 5.01 to 7.50 acres, and only 4 per cent of families had more than 7.50 acres of land. In a shocking contrast, 27.4 per cent of families were landless in the block (Annexure B Table 3.13 and Figure 3.14).

- In Devarakonda block, 34.6 per cent of families had no land, while 24.9 per cent had land in the range of 1.01- 2.50 acres, and 19.6 per cent had land in the range of 2.51 to 5.00 acres. It is obvious that only 1 per cent had land between the range of 5.01 to 7.50 acres, while very few had more than 7.51 acres of land (Annexure B Table 3.13 and Figure 3.14).
- The proportion of marginal farmers among BCs and minorities was high, followed by SCs and STs (Table 3.14). Concerning social category-wise land holdings, 17.8 per cent of the families of SCs had land and 14.4 per cent were landless; similarly about 17.2 per cent of STs had landholdings and 13.7 per cent were landless; likewise 47.7 per cent of BCs had landholdings and 44.1 per cent were landless; 8.1 per cent of minorities had landholdings and 21 per cent were landless; and 9.2 per cent of OCs had landholdings and 6.8 per cent of families were landless.

Performance of SVEP Entrepreneurs

- Across the blocks, female participation is high in service units, while male participation is high in production and trade units.
- The Block-wise data shows that the proportion of Scheduled Castes is largely evident in Narwa of the Makthal Block, Thimmajipet of the Bijinepally Block, Neredugommu, Chandampet and Devarakonda of Devarakonda Block, and Chandrugonda mandal of Chandrugonda Block, while Scheduled Tribes are more common in the Thimmaji pet *mandal* of the Bijinepally Block, Kondamallepally, Chandampet and Devarakonda mandals of Devarakonda Block and Mulakapally, Chandrugonda, Annapureddipally and Julurupadu mandals of Chandrugonda Block.
- The data shows that the proportion of new SVEPs is comparatively higher than the existing ones. The proportion of new SVEPs is predominant across the blocks. Within the block, a majority of new units were formed by females in the Devarakonda block, whereas the majority of new units formed by men reported in Devarakonda block.
- The data on income patterns of pre-SVEP and post-SVEP units shows that the ranges of income have reportedly increased, as the data presents, 10 per cent of pre-SVEP units reported income patterns in the range of income below Rs.10,000, while the range of incomes reported by 33.9 per cent of Post-SVEP.
- The study found that some units have employed local people on a regular work basis while others were partially employed. The data shows the overall employment status of SVEPs as per the data, in Makthal Block, 62.5 per cent of units have created additional employment to one person, in Bijinepally block, 51 per cent of units created additional employment to one person, 37.2 per cent of units for two persons and 11.6 per cent units for three persons. Similar observations were found in the Chandrugonda Block, whereas

61.5 per cent of units in the Devarakonda block created an additional employment for one person, about 37 per cent of units have created additional employment to two persons, and 1.5 per cent for more than three persons.

- The types of units include Service, Production and Trade. It was found that the majority of units have been established under the Service units (59 per cent), followed by Trade (31.8 per cent), but the Production Unit's proportion was found to be very low.
- The repayment status is very obvious, as 100 per cent reported that their repayment is regular AND 64.7 per cent of SVEP beneficiaries have reported cent per cent of repayment of loans in the Bijinepally Block followed by Devarakonda (31.2 per cent) while 19.5 per cent in Makthal and only 2.3 per cent of beneficiaries totally paid in Chandrugonda Block.
- The proportion of various loans under the SVEP program is evident which include CIF (pre-SVEP), CEF loans and Stree Nidhi loans, and as well as from moneylenders and relatives.
- The study observed that SVEPs have changed the idea of business and built confidence levels among rural families, especially women of SHGs members. The study observed a number of incidences in which women from marginal communities, Adivasis, and economically weaker sections have taken up challenge to establish units under the program.

Functional Aspects of SVEP: BRCS, NROS, CBOS AND CRP-EPs

- The SVEP program has its own system to strengthen self-reliant and self-managed community based organizations for the rural entrepreneurs in the form of creating new enterprises through village level Village Organisations (VOs) of SHGs and the setting up of Mandal and Block level functionaries.
- The program created trained cadre (CRP-EPs) in the local area to guide the rural entrepreneurs by taking the support of the Project Implementing Agencies (PIAs) in the respective Blocks.
- A Block Resource Centre – Enterprise Promotion (BRC-EP) is created at Block level to promote enterprises and it was observed in the field that the proper set up of BRCs were functional in all four Blocks with appropriate administrative and management committees.
- National Resource Agencies are involved in strengthening the capacities of BRC-EP to utilize the services of CRP-EP and develop business plans for successful and effective micro enterprises.

- The system of CRP-EPs has proved to be effective liaising personals between entrepreneurs, community leaders of SHGs, VOs and BRCs, Bank Mitra in respective local areas.
- The BRC-Management Committee (BRC-MC) is also observed in four Blocks which functions under the Zilla Samakhya (ZS) of the district.
- It was observed that the livelihoods sub-committee of ZS reviews and monitors BRC-MC and submits their reports to the ZS. BRC-MC comprises of members of all the Mandal Samakhyas (MS) which were covered in the Block. President, Secretary, Treasurer and Members from MS-OB are in the BRC Committee.
- It was evident that SHGs have played a key role in supporting the BRC in the process of implementation. In the beginning, CBOs have helped in the identification of CRP-EPs from respective communities and in the next stage; SHGs and VOs have supported CRP-EPs in the identification of potential entrepreneurs and extended their support in CEF mobilisation from VOs to entrepreneurs in the selected villages.
- Both quantitative and qualitative analysis indicates that CRP-EPs provide support for enterprise-based activities of selected rural entrepreneurs.

Conclusion

The impact of the program was largely visible, particularly, in the areas of strengthening of livelihoods, substantially higher income generation, improvement in savings and asset creation, increase in net income, increase in business assets, and creation of additional employment. Across all the blocks, it is observed that there is a huge cry of insufficiency of the honorarium paid to the CRP-EPs for the volume of the work they are doing. Therefore, the CRP-EPs are requesting an increased honorarium and the release of honorarium in time. The undue delay in the release of honorarium is sometimes de-motivating them to continue.

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