



## A study on the role played by local self-governing bodies of SVEP in Tappal block (UP) to support beneficiaries of the scheme during covid and for the post pandemic recovery

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### Abstract

The COVID-19 pandemic brought unprecedented challenges to rural communities in India, especially for micro-entrepreneurs and small business owners. The Startup Village Entrepreneurship Programme (SVEP), an initiative under the Ministry of Rural Development, aims to support rural entrepreneurs in establishing and scaling up their businesses by providing financial assistance, skill development, and mentorship. In Tappal Block, Aligarh district, Uttar Pradesh, the local self-governing bodies of the program, played a crucial role in implementing SVEP and ensuring that the scheme's beneficiaries received the necessary support during the pandemic, and in the post-pandemic recovery phase.

This study evaluates the efforts taken by local self-governing institutions of the scheme, for economic recovery of enterprises during and after the pandemic. The research focuses on understanding the types of support extended, the effectiveness of the measures, and the challenges encountered in delivering aid to the rural entrepreneurs. Additionally, it assesses the strategies employed for facilitating sustainable business practices and rebuilding the local economy in Tappal Block.

**Keywords:** Local self-governance, Public policy, Government Program, Micro enterprise, Sustainability

### Introduction

The SVEP, initiated in 2015, is a flagship program aimed at enhancing rural entrepreneurship across India by promoting and supporting small businesses in villages. The scheme primarily targets women, youth, and marginalized communities to provide them with entrepreneurial opportunities and self-employment, ultimately contributing to rural poverty alleviation. Local self-governing bodies (LSGBs) of project i.e Block Resource Committee (BRC), Cluster Level Federations (CLFs), Village Organizations (Vos) and Self-Help Groups (SHGs), are integral to implementing SVEP at the grassroots level and play a pivotal role in identifying beneficiaries, monitoring program outcomes, and coordinating with support agencies. These local self-governing institutions act as facilitators and ensures that the beneficiaries receive the resources and necessary guidance to establish and sustain their enterprises. The Tappal Block in Aligarh district of Uttar Pradesh, is primarily an agrarian block with limited industrial development. During the COVID-19 pandemic, the local businesses of the block faced many challenges, including disrupted supply chain, reduced consumer demand, as well as limited access to markets. The role of local self-governing bodies in Tappal block became even more significant during this period of time, as they were responsible for ensuring that the scheme continued to support rural entrepreneurs amidst the crisis.

### Review of Literature

The study on the role played by local self-governing bodies, particularly in the implementation of the Startup Village Entrepreneurship Programme (SVEP) in Tappal Block, Uttar Pradesh, during the COVID-19 pandemic and its

recovery phase, draws on several interdisciplinary areas including rural entrepreneurship, governance, and crisis management. This literature review synthesizes key research and analyses on the local self-governance structure during COVID-19, and the support mechanisms developed for post-pandemic recovery, if any.

Kumar and Singh (2018) <sup>[9]</sup> found that governance through decentralized approach is effective for the implementation of schemes under National Rural Livelihoods Mission (NRLM). Along with this, it has been also observed that the model of local self-governance has potential to execute the government programs with the inclusive approach. Decentralized mechanism has potential to work as quick action point to support their beneficiaries in any crisis.

Patel (2020) <sup>[14]</sup> noted that, During the time of COVID-19 crisis, the adoption of digital tools is drastically increased in the administration and governance system. The same is observed in the implementation of SVEP that, the digital tools were used by local self-governing bodies (LSGBs) to handhold their beneficiaries during pandemic. It has been also found that the measures taken by LSGBs has continued the operations of the scheme during pandemic, however the progress is affected.

Agarwal and Singh (2020) <sup>[1, 2]</sup> observed that strengthening of local self-governing bodies is needed, so that they can face any challenges related to administration and execution in the difficult time. The training and capacity building can increase the efficiency of LSGBs and increase the effectiveness of the implementation of respective program.

Mahapatra & Panda (2021) noted that the COVID-19 pandemic has affected the economic activities at local level too. Due to the restricted mobility and obstacles in supply chain, the SVEP enterprises of rural India has struggled to sustain their business, and it has been largely affected. In

this situation, the role of local self-governing bodies was crucial to support the beneficiaries and their enterprises. It has been also highlighted that the support from LSGBs was extended at certain extent to their beneficiaries, for the post pandemic recovery of their enterprises.

Rao (2021) <sup>[18]</sup> examined the approach of local self-governing bodies of SVEP to respond to the challenges occurred due to the pandemic. In this study, it has been observed that the Block Resource Centres (BRCs) and Village Organizations (VOs) played an important role for their beneficiaries' safety measures as well as to ensure the sustainability of their business and livelihood. Their efforts helped to stabilize the rural economy during this crisis. These local self-governing bodies also played a vital role to identify the recovery plans into regular SVEP framework, including diversification of business and forward linkage of rural products.

Gupta (2021), noted that the local self-governing bodies of the scheme, including Self Help Groups, Block Resource Committee, and Community-Level Federations (CLFs), facilitated the execution of SVEP. These institutions assisted scheme beneficiaries, to explore the new avenues during pandemic. Along with that, the tailored capacity building programs for beneficiaries to develop new skill sets as per the changing market demands has helped beneficiaries.

The literature indicates that local self-governing bodies play a critical role in supporting SVEP beneficiaries during COVID-19 crisis and post pandemic recovery. However, challenges persist in the form of resource limitations, capacity gaps, and digital divides. Strengthening these institutions through targeted policy interventions, infrastructure investment, and capacity-building programs will be essential for sustaining rural entrepreneurship in future crisis.

### Research Gap

The available literature has showcased the limited role of local self-governing institutions of the program during the crisis of pandemic. It has also not focused on the specific support required by the beneficiaries, and then the steps taken by LSGBs. This study aims to fill this gap, by exploring the multifaceted role of LSGBs in supporting SVEP beneficiaries during COVID crisis and then their post pandemic recovery.

### Objectives of the Study

- To study the key challenges faced by beneficiaries, to survive their enterprises during pandemic.
- To study the interventions led by LSGBs, for the survival and growth of rural businesses during COVID, and recover after the COVID.

### Methodology

The study employs quantitative survey with all the 144 beneficiaries of the scheme in Tappal Block, whose enterprises have been affected during COVID and who were approached to local self-governing bodies of SVEP for the support.

Data was collected through structured questionnaires and a

review of secondary sources will also be undertaken such as government reports and program documentation. The study mainly focuses on two phases i.e. hurdles faced by enterprises during pandemic and efforts led by LSGBs for post-pandemic recovery.

### Interpretation and Analysis

The observations highlight the critical role of Local Self-Governing Bodies in supporting beneficiaries of the Startup Village Entrepreneurship Program (SVEP) during the COVID-19 pandemic and Post Pandemic recovery. The findings underscore the resilience and adaptability demonstrated by LSGB members, as well as the diverse forms of assistance provided to revive and sustain affected enterprises.

### Sector-Wise Distribution of Affected & Supported Enterprises

Among the supported enterprises, the sectoral distribution was as follows:

- **10% Manufacturing Enterprises:** These businesses required major assistance in restarting production and overcoming supply chain disruptions.
- **56% Trading Enterprises:** Representing the majority, trading businesses likely benefited from financial and logistical support to revive operations.
- **34% Service Sector Enterprises:** The service sector's reliance on customer interactions and operational continuity highlighted the need for diverse support mechanisms.

### Biggest Challenges of Enterprises to Recover from Pandemic

The findings indicate that rural enterprises under the Start-Up Village Entrepreneurship Program (SVEP) faced substantial challenges during the COVID-19 pandemic, significantly impacting their operational viability and profitability.

#### Supply Chain Disruptions

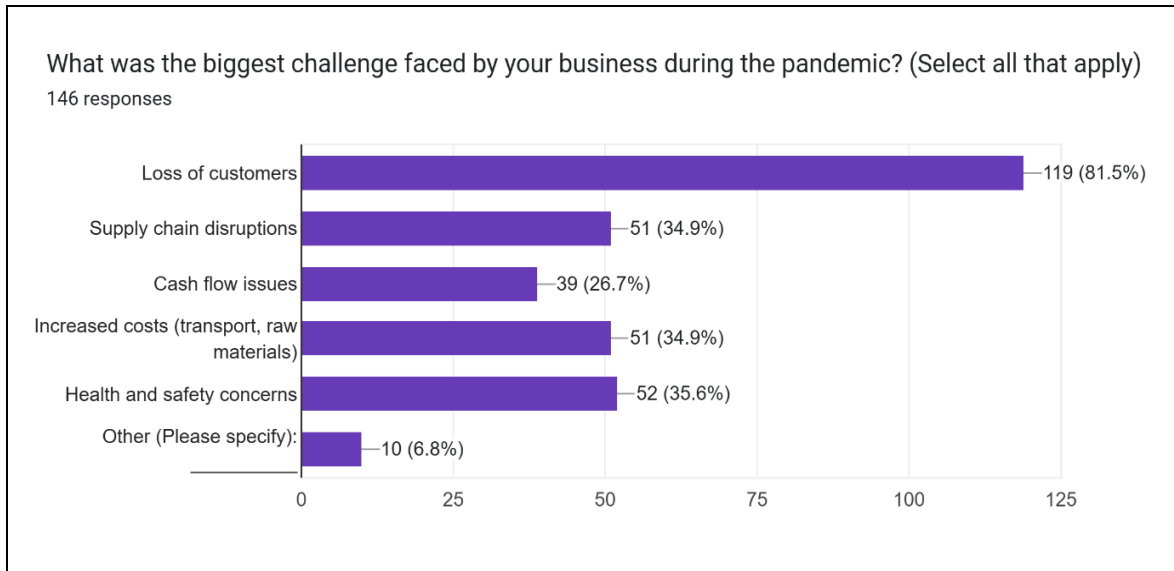
The pandemic has affected the operations of industries. This led to challenges in supply chain and 34.9% enterprises told that it has affected to their business.

#### Cost Escalation

Due to disturbances in regular supply chain, the demand-supply cycle has been affected, which led to the increase of cost and reduction in profitability. This has also created the challenge to maintain the working capital of the business and sustain the venture.

#### Customer Loss

During the pandemic, due to mobility issue and decrease in purchasing power at local level, the consumption pattern was changed, and it has adversely affected to local businesses. 81.5% enterprises reported that due to pandemic, they have lost their regular customers. This change led to the urgent need to diversify their business as per new consuming pattern.



**Type of Support Provided by LSGB Members for Post Pandemic Recovery**

The survey has captured the efforts made by the local self-governing bodies, as per the requirements raised by respective scheme beneficiaries. The efforts of the same is reflected in the below analysis.

▪ **Financial Assistance**

During the pandemic, the beneficiaries were not able to maintain their working capital due to cost escalation and customer loss and that made the difficulties for sustainability. At that time, more than 75.3% beneficiaries have received the financial support to sustain their business.

▪ **Business Diversification**

Due to new consumer pattern during pandemic, many businesses have been adversely affected and they need to diversify the business for their livelihood. As per the analysis, 34.2% beneficiaries responded that diversification approach advised by local self-governing bodies was very

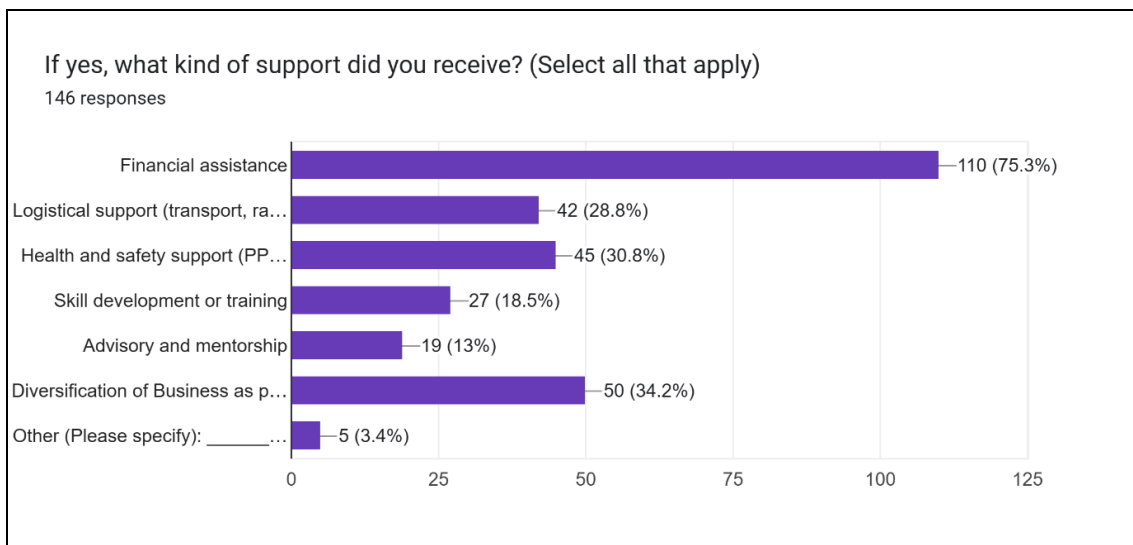
helpful to sustain their business during COVID and then grow after pandemic.

▪ **Logistic, Marketing and Forward Linkage**

As mentioned, at the time of pandemic, existing market has collapsed, and many beneficiaries have diversified their businesses which leads the requirement to capture the new market to enhance their business. 28.8% beneficiaries felt that the various efforts from LSGBs to address this issue has helped them for post pandemic recovery.

▪ **Digital Skill Training**

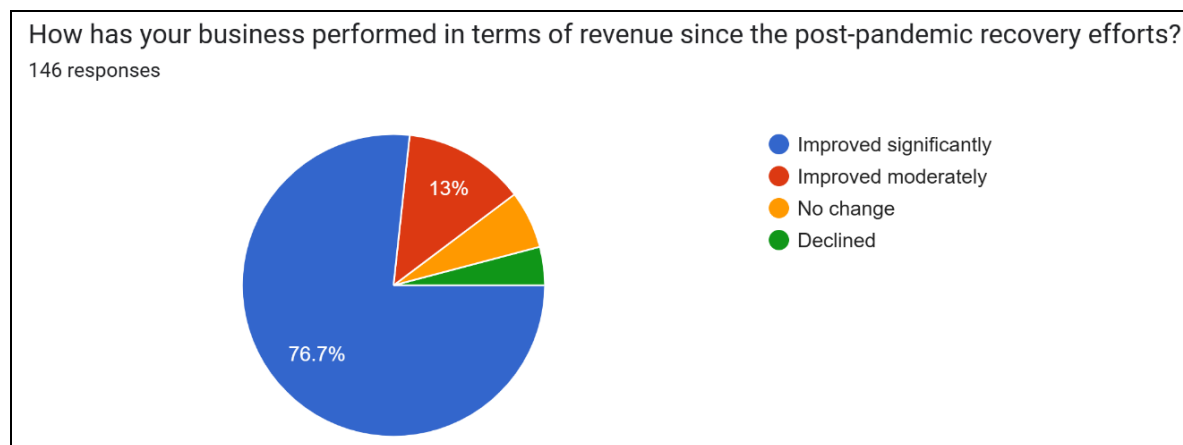
At the time of restricted mobility, the digital approach was new normal for service sector as well as for manufacturing and trading sector. To get the online order and for the financial transactions, the digital skill training was organized by LSGBs. 18.5% beneficiaries felt that this was a strategic step to revive their business during COVID and after COVID.



**Post Pandemic Recovery of Supported Beneficiaries/Enterprises**

The study found that the various efforts made by LSGBs have built capacity of beneficiaries/rural entrepreneurs to sustain their enterprises in crisis, and initiatives i.e. financial assistance, business diversification, Marketing & Forward

linkage as well as business diversification has helped them in post pandemic recovery to their businesses. 76.7% beneficiaries felt that their efforts helped significantly, and 13% felt that their efforts have moderately helped to survive their businesses.



### Conclusion

The study reflects that the local self-governing institutions under Start-up Village Entrepreneurship Program has contributed well to support the beneficiaries of the scheme and their enterprises during the pandemic and for post pandemic recovery. As per the requirement of enterprises, the financial support, business diversification support, digital skill training and supply chain support was provided to beneficiaries.

The feedback also highlights the area of improvement, like continuous handholding to enterprises and training support should be provided to beneficiaries so that they can sustain their business during any crisis.

### Key Recommendations

- **Focus on Supply Chain Resilience:** Develop localized supply chain networks and logistics hubs to minimize disruptions and ensure business continuity during emergencies.
- **Sector-Specific Strategies:** Introduce targeted initiatives for manufacturing enterprises to address their unique challenges and foster growth.
- **Capacity Building for LSG Members:** Conduct regular training sessions for LSG members on crisis management, financial planning, and digital tools to enhance their effectiveness in supporting beneficiaries.
- **Encouraging Business Diversification:** Provide mentorship and resources to beneficiaries for exploring new business opportunities and diversifying their revenue streams.

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