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Promoting Micro-Enterprises through Micro-Enterprise Development Programs (MEDPs)

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Abstract: ***Micro-Enterprise Development Program (MEDPs) focuses on intensive training and handholding on various aspects for SHGs members into entrepreneurs. The aim of the study is to highlight the features, aims and benefits of the MEDP and analyze the performance of MEDPS. For achieving the objectives, researchers use the secondary data. The secondary data collected by NABARD annual reports, research articles, reports and websites. The data collected from the year MEDPs launch 2006 to 2020. Descriptive statistics can be used for analysis. The study. Found that the MEDP was a successful program of NABARD that enhanced the skill of SHGs who were already taking financial assistance from banks under SHG BLP. Nearly five lakh members of SHGs were trained under MEDPs and thousands of members successfully started their micro-enterprises and ran it.***

Keywords: SHG, MEDP, Skill, Micro-enterprise

I. INTRODUCTION

In India a significant role of micro enterprise in the Indian economy. In MSMEs, the largest proportion is captured by micro-enterprises in the number of enterprises. Micro enterprises are the enterprises who have less than ten employees, in many cases the family members run the micro enterprise. But other fact is that a large share of employed population is employed under a micro enterprises. Self Help Group Bank Linkage Program start by the National Bank for Agriculture and Rural Development (NABARD). SHG is a group of number of members that is small in nature. Under the SHGBLP, the banking institution provides financial assistance to the SHGs to start their work and contribute to the economy. The main objective of SHGBLP is to mobilize the savings, generate employment and make entrepreneurs. Micro-Enterprise Development Program (MEDPs) is also a program run under a SHG BLP. In this program the SHGs trained for getting skills or upgrading skills that are necessary for a micro entrepreneur.

A. Micro-Enterprise Development Program

In 2005-06, NABARD focused on intensive training and handholding on various aspects for SHGs members into entrepreneurs. These schemes provide skill development training for mature SHGs. Mature SHGs are those groups who already access financial benefit from banks (NABARD website, 2022). Under MEDPs grants are provided to the eligible institutions and SHPIs to Provide a training to the matured SHGS. The training is provided under MEDPS for skill development in non farm, farm and service sector activities. Those training helps SHGs to establish micro enterprises on an individual or group basis.

B. Features of MEDP

1) MEDP facilitates SHG members to get/acquire skills by attending training programs under MEDPs.
2) MEDP helps SHG members to increase their income from participating in different activities such as farm, non farm and service activities.
3) Upgrade or provide the management skills , knowledge of marketing practices and other entrepreneurship inputs.
4) MEDP is conducted by NGOs, Trusts and Voluntary agencies who are eligible for getting financial assistance from the NABARD.
5) Duration of training program 3 to 13 days. It depends on the nature of the training provided to the members of SHGs.
6) Maximum grant was Rs. 30000 to assist NGOs and other parties for conducting a 13 days training program with batch size of 25 to 30 members.
7) On location training provided to the members of SHGs. Location decided on the basis that the members can not bear any traveling cost.

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C. It Aims

1) Entrepreneurship management
2) Potential mapping
3) Market understanding
4) Fine-tuning of skills
5) Inputs on technical skills in micro-enterprises

MEDP focused on skill up-gradation and development of members of SHGs for sustainable livelihood. Microenterprise Development Program (MDEP) is the package of programs, institutions and services that are intended to develop micro-enterprises. These schemes provide skill development training for mature SHGs.

Projects under the MEDPs have important benefits as follows:

a) Poverty reduction
b) Empowerment of women
c) Employment generation
d) Upgradation of skill
e) Economic development
f) SHG members growth employer to entrepreneur
g) Enterprise Development

D. Micro-enterprise Training Activities

Under MEDPs, institutions and NGOs provide training for different activities to develop the skills of SHGs. The training for different activities such as:

1) Preparation of papad, Bee-keeping, Horticulture and floriculture, Organic manure preparation, Jute products making, Mushroom cultivation, Goat rearing, Candle and agarbatti making etc., location specific farm
2) Non-farm and service sector activities: - Plate making from Areca-nut, Beauty parlor, Screen painting, Chikan work, Lantana basket weaving and Mandap decoration

II. LITERATURE REVIEW

NABARD financial support program 'SHG BLP'. NABARD conducted training and capacity building programs through different agents such as NGOs, government agencies and banks (Mithu, 2014 and Vanishree,2012). NABARD introduced a training programs 'MEDP' for providing training to enhance the skills of SHGs. This helps to make him an entrepreneur. MEDP schemes provide support in capacity building, market- related support, entrepreneur skills and innovative ideas would be extended.

NABARD mission to develop the off farm and service sector. (Shukla, 2019,) SHG BLP starts with the Motive of mobilizing the small savings of peoples and providing them financial assistance to fulfill their needs. In 2006, the MEDP scheme started under SHBLP. In this programs authorized agencies provide training to the mature SHG members to upgrade their skills in farm, non farm and service sector activities. This training helps members to start their own micro enterprise. MEDP continues to train the SHG members and its positive impact is shown on micro enterprises. Lakh of peoples trained under it and thousands start their micro enterprises (Chatterji, 2010).

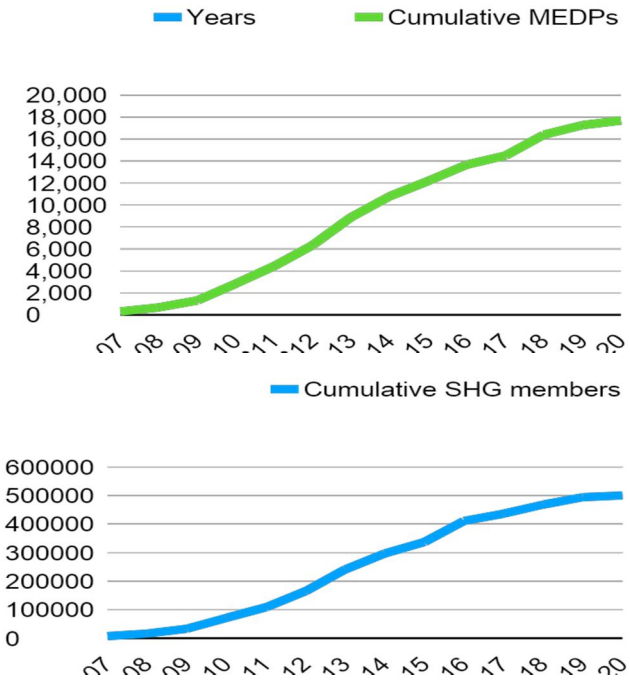
III. RESEARCH METHODOLOGY

The nature of the current study is descriptive. For achieving the objectives of the study, researchers use the secondary data. The secondary data collected by the researcher from the NABARD annual reports, research articles, reports and websites. The data collected from the year MEDPs launch 2006 to 2020. Descriptive statistics can be used for analysis. I know about MEDP and its contribution in making entrepreneurs.

The study have two objectives as follows:

1) To highlight the features, aims and benefits of the MEDPs
2) To analyze the performance of MEDPS

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IV. PERFORMANCE OF MEDPS

In 2005-06, NABARD focused on intensive training and handholding on various aspects for SHGs members into entrepreneurs. It started with training 7579 SHG members under 297 MEDPS. Every year the number of SHG members was increased with the increase of MEDPs. NABARD provides grants to the NGOS and Financial institutions to run MEDPs. Before the year 2014-15 the maximum grant limit was Rs. 39000. But in 2014-15 maximum grant limit increased from Rs.39000 to Rs. 50000. In 2015-16, maximum settlement rate was 67 percent and average monthly incremental income was Rs. 6900 per trainee. From 2006-07 to 2012-13, the number of MEDP was continuously increasing. It starts from three digits and reaches four digits in the year 2009-10. After that every year upto 2012-13 the growth rate continues growing. But after the year 2012-13, the growth of MEDPs goes down every year. In the year 2016-17 the MEDPs program again in three digits in 2016-17. In the year 2019-20, only 425 new MEDPS can run. But the cumulative MEDPS continue to grow and reach 17,700 MEDPs.

Table 1:- MEDPs and Beneficiary SHGs

	SHG members	Cumulative SHG members	MEDPS	Cumulative MEDPs
2006-07	7579	7579	297	297
2007-08	9182	16761	394	674
2008-09	14030	33205	564	1313
2009-10	38313	71518	1530	2843
2010-2011	37138	108656	1606	4449
2011-2012	56292	164948	1914	6363
2012-13	52509	2.41 lakh	2047	8911
2013-14	56473	2.97 lakh	1898	10809
2014-15	46579	3.37 lakh	1651	12200
2015-16	74000	4.11 lakh	1482	13682

	SHG members	Cumulative SHG members	MEDPS	Cumulative MEDPs
2016-17	24491	4.36 lakh	817	14499
2017-18	27872	4.68 lakh	854	16406
2018-19	26452	4.94 lakh	870	17276
2019-20	12719	5 lakh	425	17700

Source: NABARD report 2006, 2007, 2008 to 2020

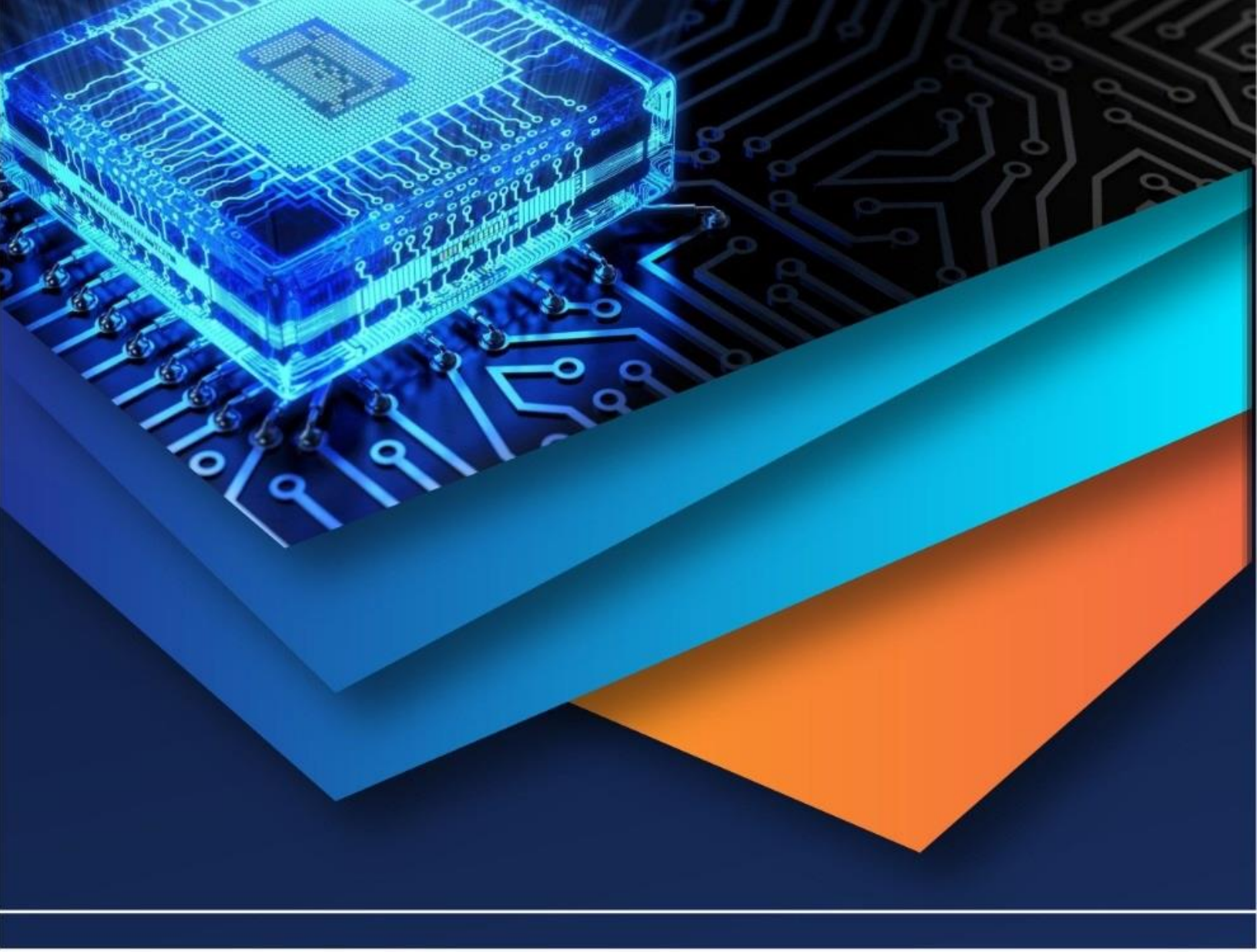
On the other hand the number of beneficiaries or SHG members was also increased every year and in 2015-16 it reached the highest number of trained members in a year was 74000 members. But after that the growth rate of members declines. But every year the cumulative beneficiaries can increase. In the year 2019-20, 5 lakhs members of SHGs will get training under the 17,700 MEDPs. The following data shows that the MEDPs trained the 5 lakh members. It means 5 lakh members were trained and they are now able to start their own micro-enterprises.

V. CONCLUSION

MEDP plays a significant role in the development of SHG members by providing training and enhancing their skills. These skills help to make him an entrepreneur by starting their own micro-enterprises. The beneficiaries SHG members are grown every year and cumulative beneficiaries cross the five lakh and number of MEDP touches the seventeen thousand seven hundred. Members of SHGs after taking the training under the MEDPs can utilize their funds efficiently to start their own micro enterprise. Micro-enterprise have a significant contribution in employment generation and economic development of the nation. These types of programs have a significant impact on the removal of poverty, increase income, create jobs, improve living standards and nation development.

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