

ROLE OF MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) AS A CREDITOR OF COIR INDUSTRY IN KERALA

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Abstract : India is the largest coir producer in the world according for more than 80 percent of the total world production of coir fibre. The sector in India is very diverse and involves Households, Co-operatives, NGO's, Exporters and Manufactures. The coir industry employs more than 7 lakh persons whom a majority is from rural areas belonging weaker sections of the society. Nearly 80 percent of the coir workers in the fibre extraction and spinning sectors are women. The Coir Board is a statutory established under the Coir Industry Act, 1953 for promoting the overall development of coir industry and improvement of the living condition of the workers engaged in this traditional industry. In India coir industry started as a small and medium scale industries, MSME plays an important role for the development of coir industry in India and in Kerala.

Micro, Small and Medium Enterprises (MSME's) sector contributes significantly to the manufacturing output, employment and export of the country. It estimated that the MSME values account for 45 percent of the manufacturing output and 40 percent of the total exports of the country. The sector is estimated to employ about 595 lakh persons in over 261 lakh enterprises throughout the country. Further this sector has consistently registered a higher growth rate than the rest of the industrial sector.

Important credit facilities provided by MSME was credit Guarantee Scheme, Credit linked Capital Subsidy Scheme for Technology Upgradation, Micro and Small Enterprises Cluster Development Programme, Micro Finance Programme, SME Market Development Programme etc. The scheme provided training to the aspiring coir workers for capacity development and quality improvement under the plan are – Skill Upgradation and Quality Improvement, Mahila Coir Yojana, Development of Production Infrastructure Scheme, Scheme for Providing Insurance cover to coir workers under the plan etc also provided for the development of coir industry.

INTRODUCTION

MSME play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distributions of national income and wealth. On 9 May 2007, subsequent to an amendment of the Government of India (Allocation of Business) Rules, 1961, the erstwhile Ministry of Small Scale Industries and the Ministry of Agro and Rural In-

dustries were merging in to form the Ministry of Micro, Small and Medium Enterprises (M/o MSME). This Ministry now designs policies and promotes, facilitates programmers, projects and schemes and monitors their implementation with a view to assisting MSMEs and helps them to scale up.

MSME sector also promoting growth and development of Khadi, village and coir industries through providing support to existing enterprises and encouraging creation of new enterprises. Coir Industry is an agro-

based traditional industry, which originated in the state of Kerala and proliferated to the other coconut producing states like Tamil Nadu, Karnataka, Andhra Pradesh, Orissa, West Bengal, Maharashtra, Assam, Tripura, etc. It is an export oriented industry and has greater potential to enhance exports by value addition through technological interventions and diversified products like Coir Geo-textiles etc. The acceptability of Coir products has increased rapidly due to its 'environment friendly' image.

After India's independence, Cottage and Small scale sector was given prime importance in the economic and industrial policies for:

- a. Industrial dispersal: There we mention about whether the industries are started in rural areas or in urban areas. Small scale industries are located in urban centres and cottage industries are generally associated with agriculture and provide subsidiary employment in rural areas.
- b. Employment creation: given the acute unemployment problem in India, creation of employment opportunities will depend crucially on the development of small-scale and cottage industries. An important constituent of this sector is the manufacturing activity consisting mainly of textile base and agro based products and units producing construction materials.

OBJECTIVES OF THE STUDY

- To analyse the role of MSME as a Enterpriser of Small and Medium Industries in India.
- To analyse the role of Coir Board under MSME

scheme, as a Credit Institution of Coir Industry in Kerala.

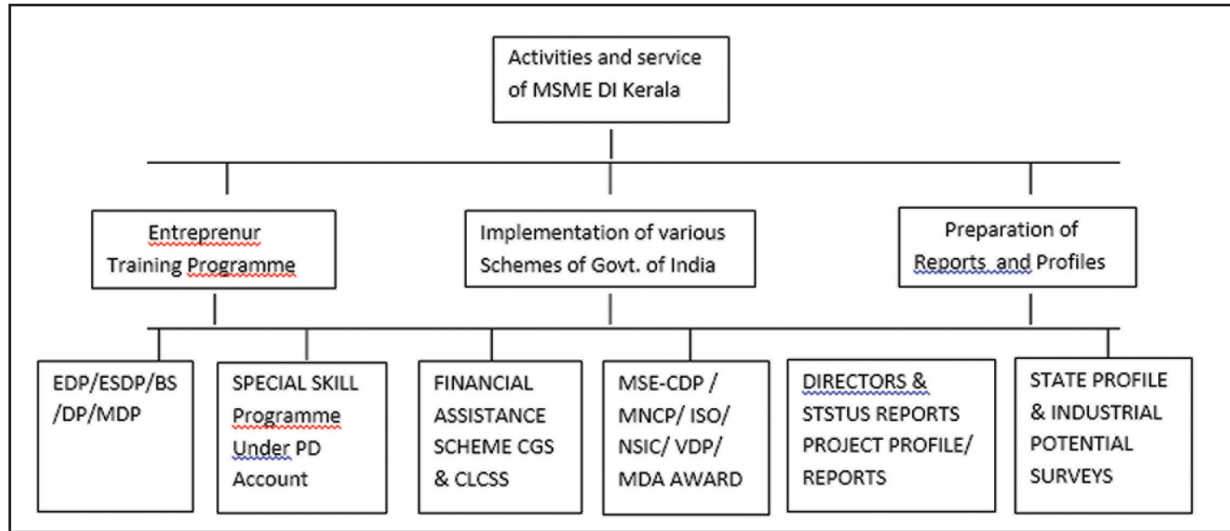
METHODOLOGY

Secondary data used for the study. Secondary data collected from various books published by MSME Departments, Annual Report of MSME, Annual Report of Coir Board, Data collected from Coir Directorate of TVM, Coir project offices of Allappuzha and Magazines etc.

MSME- DI KERALA:

The Micro, Small and Medium Enterprises Development Institute (MSME-DI), Kerala, situated at Ayyanthole, Thrissur is a field level agency of the Small Industries Development Organisation (SIDO) under the Ministry of the MSMEs, Government of India, to meet the needs of the MSMEs in the states of Kerala. It was started in the year 1956 as Small Industries Service Institutes (SISI); now it is renamed as the Micro, Small and Medium Enterprises Development Institute (MSME-DI). The jurisdiction of the MSME-DI, Kerala, extends to all the districts of Kerala and the Union Territory of Lakshadweep. It provides technical and managerial consultancy services. Further, it attends to the revival of the small scale sick units. It undertakes promotional and developmental activities, starting from the creation of awareness, motivation, instilling and identifying products and entrepreneurs. It sets up industrial establishments. It resorts to follow up measures in the context of a new era of liberalization and globalization. The activities of the Institute are extended through its extension centre's at Allappuzha, Shornur, Kozhikode and the Central workshop situated at the headquarters, Thrissur. The Nucleus Cell of the Institute is functioning at Cochin for the promotion and the development of the Small Scale units in the Lakshadweep Islands.

SIGNIFICANT ACTIVITIES OF MSME DI KERALA



THE MAJOR FUNCTIONS OF THE MSME ORGANIZATION ARE: -

1. Advising the Government in policy formulation for the promotion and development of MSME units
2. Providing techno-economic and managerial consultancy, common facilities and extension services to the MSME Sector;
3. Providing for technology upgradation, modernisation, quality improvement and infrastructure;
4. Developing Human Resources through training and skill upgradation;
5. Providing economic information services;
6. Maintaining a close liaison with the Central Ministries, Planning Commission, State Governments, Financial Institutions and other organisations concerned with development of MSME Sector and
7. Evolving and coordinating Policies and Programmes for development of the MSME as ancillaries to large industries.

MSME TECHNOLOGY CENTRES

1. Central Tool Room & Training Centre

(CTTC), Kolkata

2. Central Tool Room (CTR), Ludhiana
3. Indo German Tool Room (IGTR), Indore
4. Indo German Tool Room (IGTR), Ahmedabad
5. Indo German Tool Room (IDTR), Jamshedpur
6. Central Tool Room & Training Centre (TRTC), Guwahati
7. Central Institute of Hand Tools (CIHT), Jalandhar
8. Central Institute of Tool Design (CITD), Hyderabad
9. Electronics Service & Training Centre (ESTC), Ramnaga
10. Institute for Design of Electrical Measuring Instruments, Mumbai.
11. Fragrance & Flavour Development Centre (FFDC), Kannauj.
12. Centre for Development of Glass Industry (CDGI), Firozabad.
13. Process & Product Development Centre (PPDC), Agra.

- 14. Process cum Product Development Centre (PPDC), Agra.
- 15. Central Footwear Training Institute (CFTI), Agra.
- 16. Central Footwear Training Institute (CFTI), Chennai

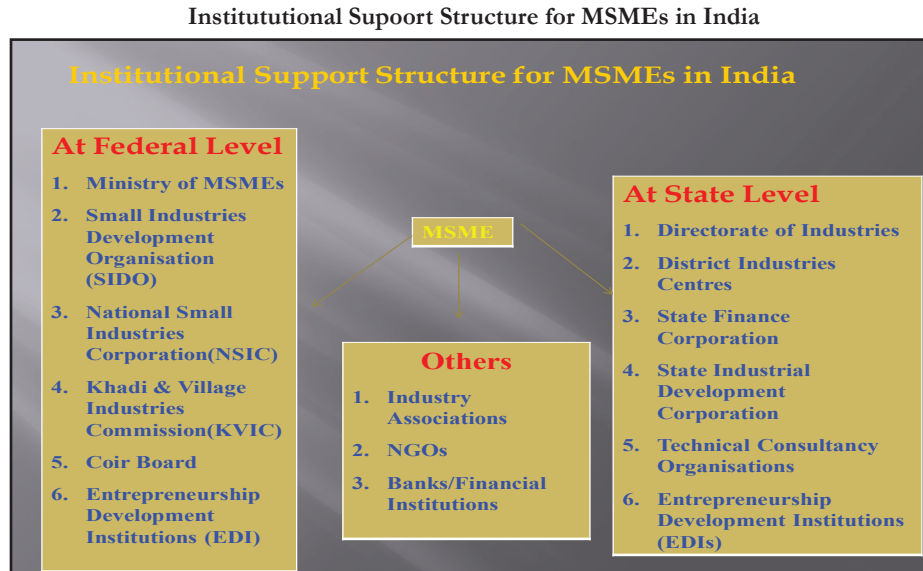


Table 1.1 PERFORMANCE OF MSME EMLPOYMENT AND INVESTMENT

Sl.No.	year	Total working Experience(in lakhs)	Employment (in Lakh)	Market Value of Fixed Assets (Rs. in Crore)
1	2006-07	805.23	805.23	868,543.79
2	2007-08	377.36	842.00	920,459.84
3	2008-09	393.70	880.84	977,114.72
4	2009-10	410.80	921.79	1,038,546.08
5	2010-11	428.73	965.15	1,105,934.09
6	2011-12	447.64	1,011.69	1,182,757.64
7	2012-13	447.54	1,061.40	1,268,763.67
8	2013-14	488.46	1,114.29	1,363,700.54

- Including activities of wholesale/retail trade, legal, education & social services, hotel & restaurants, transports and storage & warehousing (except cold storage) for which data were extracted Economic Census 2005, Central Statistics Office, MOSPI.

- - Estimated on the basis of per enterprises value obtained from sample survey of unregistered sector for activities wholesale/retail trade, legal, education & social services, hotel & restaurants, transports and storage & warehousing(except cold storage) which were excluded

The following diagram and table, shows that there are 13 millions of MSME units are there in India. They are producing 8000 varieties of products. under MSME units they were give directly and indirectly gives 31 millions of people getting employment. In which industrial production contributes 45 percent and 40 percent of export.

Diagram 1.2 Performance and contribution of MSMEs in India

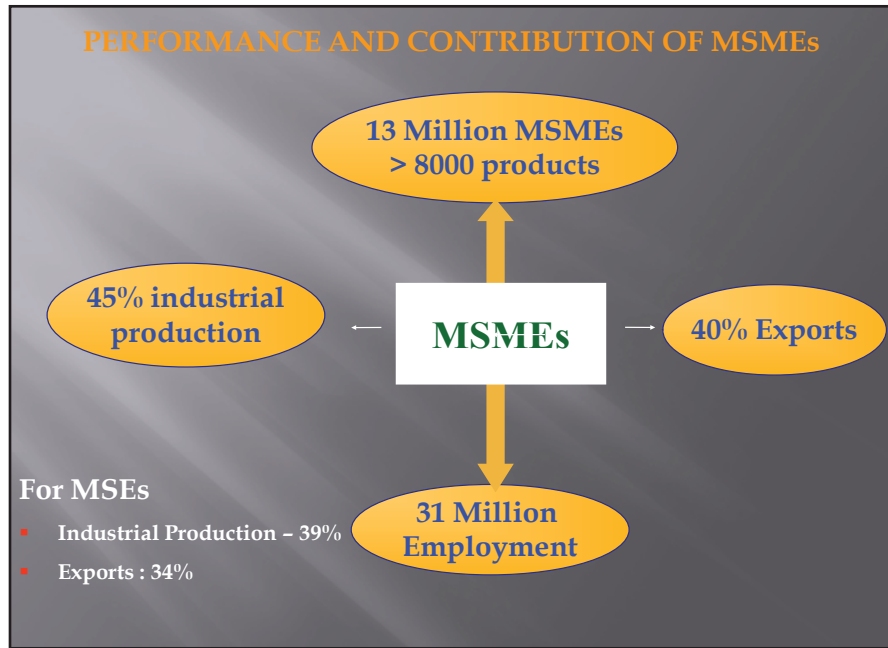


TABLE 2.2: CONTRIBUTION OF MANUFACTURING OUTPUT OF MSME IN GDP (at 2004-05 prices)

Year	Gross Value of Output of MSME Manufacturing Sector (in crore)	Share of MSME sector in total GDP (%)			Share of MSME Manufacturing output in total Manufacturing Output (%)
		Manufacturing Sector MSME	Service sector MSME	Total	
2006-07	1198818	7.73	27.40	35.13	42.02
2007-08	1322777	7.81	27.60	35.41	41.98
2008-09	1375589	7.52	28.60	36.12	40.79
2009-10	1488352	7.45	28.60	36.05	39.63
2010-11	1653622	7.39	29.30	36.69	38.50
2011-12	1788584	7.27	30.70	37.97	37.47
2012-13	1809976	7.04	30.50	37.54	37.33

Source: Annual Report of MSME 2013-14.

COIR BOARD:

The Coir Board is a statutory body established under the Coir Board Industry Act, 1953 (NO. 45 of 1953) for promoting overall development of the coir industry and improving the living conditions of the workers engaged in this traditional industry. The Coir Board consists of a full-time Chairman and 39 part-time Members. The

activities of the Board for development of coir industries, inter-alia include undertaking scientific, technological and economic research and development activities; collecting statistics relating to exports and internal consumption of coir and coir products; developing new products and designs; organizing publicity for promotion of exports and internal sales; marketing of coir and

coir products in India and abroad; preventing unfair competition between producers and exporters; assisting the establishment of units for manufacture of the products; promoting co-operative organization among producers of husks, coir fibre, coir yarn and manufactures of coir products; ensuring remunerative returns to producers and manufacturers, etc.

The following table we can see that in 2011-12

central government's budget allocation is Rs36.48 crore for planned expenditure, but actual spending was only Rs28.55 crore. In 2014-15 it was Rs68.04 for budget allocation and 25.50 was actual allocation of funds. This shows that there is a decline allocation of funds in government department level. The new entrepreneurs are not come in this field, because of lack of workers in this field, low wages, low mechanization etc.

Table 1.3 Details of budgetary support to the Coir Board

year	BUDGET ALLOCATION (RE)		ACTUAL ALLOCATION (RE)	
	Plan	Non plan	Plan	Non plan
2011-12	36.48	20.00	28.55	15.24
2012-13	35.51	15.24	20.07	15.07
2013-14	57.07	19.02	45.10	19.17
2014-15	68.04	20.42	25.50	15.58

Annual Report of Coir Board 2015-16.

ACTIVITIES OF THE COIR BOARD

- Research and Development in Coir Technology
- ❖ Central Coir Research Institute (CCRI), Kalamangal, Alleppey.
- ❖ Central Institute of Coir Technology (CICT), Bangalore.
- ❖ National Research and Development Corporation (NRDC).
- Mahila Coir Yojana:- It is the first women oriented self employment programme in the coir industry. The scheme envisages that distribution of 4,000 motorised coir yarn spinning ratts to women workers who are trained to operate the motorized ratt and are able to raise the beneficiary contribution by means of own resources or loan. The Coir Board will provide one time subsidy of 75 percent of the cost of ratt subject to maximum Rs7,500/-. The remaining 25 percent of the cost has to be raised by the beneficiary through voluntary organization or own source.
- Model Coir Village Programme:- To improve the quality of coir products and provide basic amenities and improved working conditions for coir workers in village which had a predominant coir activity, Coir Board implemented the programme of Model Coir Village. Under this programme,

amenities such as houses for SC/ST coir workers, sanitary latrines, smokeless choolas, workshed for ratt and ratt beating shed, bunding of retting site, community hall, drinking water scheme, rest rooms, godowns electrification of houses, provision of approach roads and construction of foot bridge across the canal to work site etc are provided.

- State Development Scheme:- Government of Kerala formulated an yearly programme known as "Coir Development Scheme", with the objective of modernization of coir industry. Through this scheme it provide assistance to coir co-operatives, formation of coir project investment, investment on Kerala State Coir Corporation & Foam Mattings (India) Ltd, investment in Coir Fed, state share for centre scheme of co-operation, loan for coir development, setting up of raw material banks implementation of ICDP etc.
- Raw Material Bank:- The Raw Material Bank set up by the Coir-Fed in August 2000, were purchased the dyes and chemicals in bulk and these raw materials were supplied to member societies at subsidized rates throughout the years. The service of this bank can also be availed by the entire coir industry. The government of Kerala spent one crore for the Raw Material Bank facilities.

- **Common Faculty Centre:-** It is being implemented to provide modern facilities for bleaching and dyeing coir fibre and yarn to the small scale units engaged in the manufacture of export quality coir product supply. The scheme provides for grants of one time assistance to among small scale coir manufacturing co-operatives (Alappuzha, Aryard Block, Trivandrum, Cherthala, Ambalapuzha thaluk). Rs.24.98 lakhs have already been spend under this scheme.

EXPORT MARKET PROMOTION

The export of coir and coir products from India for the year 2010-2011 reached an all time high level of 321016.02 tonnes valued at Rs.807.07 crores. This recorded an increase of 9% in quantity and a marginal increase of 0.4% in terms of value over the export achieved during 2009-2010. During 2009-2010, the export of coir and coir products was to the tune of 294508.05 tonnes valued at Rs.804.05 crores. The export during the year under report has surpassed the target set forth at Rs.800 crores fixed by the Ministry of Micro Small & Medium Enterprises, Govt. of India, for coir and coir products for the year 2010-2011. In 2014-15 it was Rs.935.04 crores. This can be seen the following table.

Table 1.4 Exports of coir and coir Products

Year	Quantity metric tones	Value (Rs. Crore)
2011-12	410854	1052.62
2012-13	429501	1116.03
2013-14	531108	1425.77
2014-15	377566	934.04

Annual Report of coir board 2013-14

MSME SCHEME FOR IMPROVING THE COIR INDUSTRY

1. R&D activities of Coir Board under the Central Sector Plan scheme of Science & Technology (S&T) of the Coir Board
2. Scheme for providing financial assistance to coir units for export under plan (General)
3. Scheme for providing financial assistance to

Coir units under REMOT

4. Scheme for providing training to the aspiring coir workers for capacity development and quality improvement under the plan (General)
5. Assistance to coir units for infrastructure development under plan (General)
6. Scheme for providing insurance cover to coir workers under the plan (General)

CONCLUSION

In India like other developing nations, the business climate is more informal in nature. The entrepreneurs are not interested to register their businesses, the society is conservative and never “doing business” had been seen with a great value, though culturally we had been rich for several hundred years with many intellectual capabilities. We always preferred doing jobs over businesses, India is burgeoning as the neo youth power which needs lots of job opportunities.

REFERENCE

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2. **Annual Report of MSME**
3. **Project report of Coir Directorate**
4. **Keralas Development Issues in the New Millenium, B.A.Prakash, U.R.Prabhakaran Nair, pp no.136-142**

