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Entrepreneur development programmes and schemes of coir industry in India: An analysis

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Abstract

Coir Board, set up under the Coir Industry Act, 1953 by the Government of India, is engaged in sustainable development of Coir Industry through research and development, quality improvement, modernization and training, market promotion and welfare of all those who are engaged in the coir industry. Coir sector is rapidly developing in coconut growing states through mechanisation and modernisation.

The coir industry is getting better remuneration in account of zero wastage. All the products are used for value addition. The Minimum wages ensured in coir industry is as per concerned norms of the state government. Coir Udyami Yojana has been implemented by the Coir Board constituting 40% subsidy, 5% beneficiary contribution and 55% composite loan with working capital of around 25% of project cost pegged at INR 10 lakh. This scheme also helps in gearing towards modernisation through the adoption of new technologies developed by state governments and the Central Research Institute. This will enhance productivity and result in better remuneration for artisans. Coir Board is implementing numerous programmes in coconut growing states to ensure mechanisation and better productivity and improve price rates for coir products.

Keywords: Rare, Threatened, Plants, Shadhol division, Forest.

Introduction

The Coir Industry is a labour intensive and export oriented industry employing more than 6.5 lakh persons. The decentralized operations in the coir industry without adequate training of spinners and weavers have been posing problems particularly for ensuring the desired level of quality in the ultimate products. Inferior quality may ultimately turnout to be detrimental to the concerted efforts towards overall development of the industry and also its survival, particularly it being a traditional product, in the present context of unprecedented competition on account of cheap synthetic substitutes, globalization and liberalization. Skill development is, therefore, the most essential pre-requisite for the overall development of the industry and to accelerate the spread of the industry into non-traditional areas.

Development of skilled manpower in coir industry through appropriate training programmes is one of the major activities of the Coir Board. Continuous improvement in the quality of certain products is essential to sustain the demand for coir products and also for improvement in prospects of coir products in a world, which is becoming more and more quality conscious. In order to achieve the above objectives, the Board has been organizing, quality improvement camps and entrepreneurship development programmes. 80% of the workers employed in coir industry are women, particularly in the pre-product sectors. Mahila Coir Yojana (MCY) is the first woman oriented self-employment scheme implemented by the Coir Board since 1994. The scheme envisages provision of subsidy of 75% of the cost for purchase of rats to the trained women artisans.

Training and quality improvement programmes including MCY are part of ongoing central sector scheme and for its continuation from X to XI Plan, it has been go evaluated through independent agencies. Based on the recommendations in the Evaluation Reports and keeping in view the growing demand of skilled manpower, some parameters of the existing scheme have been modified. Details of the plan scheme 'Skill upgradation & Quality Improvement Scheme' to be implemented during remaining years of XI Plan are given in subsequent paras.

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Entrepreneur Development Programmes (Edps) Coir Sector

The coir industry is a labour-intensive and export-oriented industry. It uses coir husk, a by-product of coconut. India is the largest coir producer in the world accounting for or than 80% of the total world production of coir fiber. The coir sector in India is very inverse and involves households, co-operatives, NGOs, manufacturers and exporters. The Coir Board, a statutory body established under the Coir Industry Act 1953, looks after the promotion, growth and development of the coir industry, including export promotion and expansion of the domestic market. The Coir Board implements a number of schemes which include assistance for participation in exhibitions, training for skill development and assistance under Mahila Coir Yojana, training, financial assistance for modernization of existing units, undertaking R&D activities, etc.

The Ministry of Agro and Rural Industries (ARI) implements two nation-wide employment generation programmes, namely, Rural Employment Generation Programme (REGP) and Prime Minister's Rozgar Yojana (PMRY). Both these programmes are credit-linked capital subsidy schemes which are implemented through commercial banks. While the REGP is implemented by the KVIC, the PMRY is implemented by the State Governments through the District Industries Centers (DICs).

- The Prime Minister's Rozgar Yojana (PMRY) was launched on 2nd October 1993 to assist educated unemployed youth in setting up self-employment ventures.
- The main objectives of REGP are to generate employment in rural areas, develop entrepreneurial skills and aptitude among rural unemployed youth, achieve the goal of rural industrialization and facilitate participation of banks in the village industries sector so as to ensure higher credit flow to these industries.
- In the National Common Minimum Programme (NCMP), the UPA government has proposed to revamp the Khadi and Village Industries Commission (KVIC) and launch new programmes for the modernization of coir, handlooms, power-looms, garments, rubber, cashew, handicrafts, food processing, sericulture, wool development, leather, pottery and other cottage industries.
- In pursuance of the NCMP declaration and the announcement of Finance Minister in his Budget speech of July 2004, a scheme titled the "Scheme of Fund for Regeneration of Traditional Industries" (SFURTI) has been notified in October 2005 for the integrated development of traditional clusters of khadi, coir and village industries, including leather and pottery. Under SFURTI, Annual Report 2006-07 it has been proposed to develop around 100 clusters (25 clusters for khadi, 50 clusters for village industries and 25 clusters for coir industry) over a period of five years commencing 2005-06.

The above initiatives of the Indian Government have been designed to facilitate the farmer to think beyond his fields and farms. Although, the policies have been formulated taking into consideration the rural scene in India, the pertinent question that remains is – Is rural India aware of these policies.

- (i) The EDPs will be organised by the Regional/ Sub-regional Officers according to the targeted programmes. The Regional/ Sub-regional Officer of Coir Board will

select a professional agency, which has expertise in the field of coir activity, for conducting the EDP. The Regional/ Sub-regional Officer will enter into an agreement with the agency for organizing the EDPs.

- (ii) The agency shall invite prospective entrepreneurs through regional level press advertisement. The agency will prepare all the necessary study materials in consultation with the Regional/ Sub-regional Officers. The agency will outsource faculty for conducting technical sessions as per the norms prescribed by Coir Board.
- (iii) A field visit to a nearby coir processing centre will be organized at the end of EDP. It will be funded with 50% assistance on Traveling expenses.
- (iv) Onbus/train II Class and rest to be organized by the agency from the participants or other sources.
- (v) The duration of the EDP will be 3 days covering the following sessions:
 - a. Entrepreneur Motivation
 - b. Setting up of Industry
 - c. Coir Based Industries
 - d. Mobilization of Finance and Finance Management
 - e. Domestic Market requirements
 - f. Salesmanship
 - g. Industrial Rules and Regulations
 - h. Consortium approach and cluster networking in coir
 - i. Project preparation and cost analysis
 - j. Zero wastage concept in coir industry
 - k. Export Market Analysis
 - l. Personality Development and Confidence Building Experience
 - m. Awareness of Schemes implemented by Coir Board and Ministry of MS & ME viz. PMEGP, RGUMY, REMOT, DPI, etc.

Quality Improvement Programmes (Qip)

- (i) QIP will be organized by the Regional/ Sub-regional Officers of Coir Board at places where industry has already taken root.
- (ii) The programme will include technical sessions, practical demonstrations, workshop, seminar, etc. The duration of the programme will be three days.
- (iii) The workers will be paid an honorarium at the uniform rate of Rs. 50/- per day against loss of their wages for the days they are attending QIP.
- (iv) Expenditure for conducting each QIP will be limited to Rs.20, 000/-

Exposure Tours and Awareness Programmes

An Exposure Tour will be organized for the benefit of prospective entrepreneurs and artisans of coir processing centres to visit other coir producing centres engaged in the production of value added products and the functioning of the unit engaged in coir industry. In the case of entrepreneurs, 50% of the actual travel cost subject to II Class train fare and in the case of artisans engaged in the coir processing activities under cooperative society/SHG/NGOs and sponsored by the State Government 90% of the actual travel cost / subject to II Class train fare will be reimbursed by the Board. The duration of the Exposure Tour will be five working days excluding travel time. The expenditure for conducting an Exposure Tour including to and fro bus/train fare, service tax, permit for entering neighboring States, toll tax etc. will be limited to Rs.75,000/-. An Awareness

Programme will be organized for the general public for their introduction to the Plan Schemes of the Coir Board. The expenditure for conducting an awareness programme will be limited to Rs. 26,000/-.

Entrepreneur Scheme of Coir Industry Mahila Coir Yojana

This scheme is intended to provide self-employment to rural women artisans in regions producing coir fibre. Over the last two decades, production of coir fibre has substantially increased in India. Conversion of coir fibre into yarn on motorized rat sin rural households provides scope for large scale employment, improvement in productivity and quality of coir fibre, better working conditions and higher income, which ultimately leads to the improvement of standard of living of rural woman artisans. The scheme envisages distribution of motorized rats/ motorized traditional rats in the ratio of 40:60 respectively for spinning coir yarn to trained women artisans. Not more than one artisan per household would be eligible to receive assistance under the scheme.

In the event of implementation of the Mahila Coir Yojana Scheme by State Government sponsoring agency, apex body of the coir industrial co-operatives, Coir Workers' Welfare Fund Board, Government PSUs etc., the grant amount limited to the maximum ceiling of 75% of the cost of the equipment selected by the beneficiary with an undertaking by the concerned State Government will be passed on to the organization under intimation of the respective State Government. The Utilisation Certificate for the subsidy amount passed on to the organization with the valid certification by the respective State Government will be obtained by the Board with the list of beneficiaries and other documents viz. Performance Certificate of the Equipment, invoice from the registered machinery manufacturers, etc.

Development of Production Infrastructure Scheme

Financial assistance for setting up of coir units and modernisation of existing units. Under the Scheme the Board is extending subsidy to the tune of 25 % of the cost of equipments and other infrastructural facilities subject to a maximum of Rs. 6 lakhs for setting up of de-fibering unit, Rs.4 lakh for Automatic Spinning Unit and Rs. 5 lakh for others. For a composite or a multiple unit the maximum ceiling of assistance would be Rs. 9 lakh. In the case of modernisation of existing unit the subsidy will be limited to 25 % of the cost of modernisation equipments and infrastructural facilities subject to a maximum of Rs. 2 lakh

Coir Udyami Yojana

This is a credit linked subsidy scheme for setting up of coir units with project cost upto Rs.10 lakhs plus one cycle of working capital, which shall not exceed 25% of the project cost. Working capital will not be considered for subsidy. Maximum admissible cost of the project is 10 lakhs plus working capital, which shall not exceed 25% of the project cost. Beneficiary's contribution 5% of the project cost Bank credit 55% Rate of Subsidy 40% of the project

Export Market Promotion scheme

Coir Board is implementing the Central Sector Scheme of Export Market Promotion with a view to improve the export performance of Indian Coir Sector through various export market promotion activities such as sponsoring delegations,

participation in seminars and conferences, organising participation in international fairs, undertaking generic publicity abroad, extending financial assistance to Micro, Small and Medium Enterprises and Exporters, presenting Coir Industry Awards on an annual basis to recognize the outstanding performance in the areas of export, domestic trade, R&D, functioning of units & societies etc.,

Domestic Market Promotion SCHEME

Domestic Market Promotion is one of the major functions envisaged under the Coir Industry Act 1953, Under the Scheme the Board is undertaking various measures for popularizing coir and coir products and expanding the domestic market. The following activities are undertaken by the Board for the purpose.

I. Establishment and Maintenance of Showrooms & Sales Depots.

II. Participation in Domestic Exhibitions

The Scheme proposes to provide financial assistance to the Apex Co-operative Societies, Central Co-op. Societies, Primary Co-operative Societies, Public Sector Enterprises in the coir industry and the Showroom and Sales Depots of the Coir Board. The MDA is granted at the rate of 10% of their average annual sales turnover of coir products including coir yarn and rubberized coir goods during the preceding three financial years. This Assistance will be shared on 1:1 basis between the Central Government and the concerned State/Union Territory Government. The disbursement of Central share of MDA will be subject to the budgetary outlay available with the Coir Board under the relevant schemes.

Skill Upgradation AND Quality Improvement scheme

Under the scheme the Board is conducting various programmes like Entrepreneurship Development Programme, Awareness Programme, Workshop, Quality Improvement Programme, Seminar, Exposure Tour, etc. for attracting more entrepreneurs to start coir processing units. In order to create skilled man power required for the coir industry the board is implementing various training programmes such as extension of training, spinning weaving and other product diversification process.

Coir workers / entrepreneurs will get awareness on modern technologies developed by Coir Board. Skill upgradation through training programs for producing different quality of coir and Coir products. Management skills can also be acquired by attending EDP program to the entrepreneurs to run the Coir units more effectively and efficiently. The women Coir workers are eligible for availing subsidy @75% of the cost of Rats subject to the maximum of Rs. 3200/- in the case of Motorised Traditional Ratt and Rs.7500 in the case of Motorised Ratt.

Science and Technology Scheme

The Scheme envisages extension of the fruit of the research at the laboratory level for application at the field level and extension of testing and service facility. The Research and Development activities of the Board are carried out through the twin research institutes; the Central Coir Research Institute, Kalavoor and Central Institute of Coir Technology, Bangalore.

The Group Personal Accident Insurance Scheme for Coir Workers is aimed at providing insurance coverage against accidental death, permanent total disability and permanent partial disability to the coir workers in all coir producing

states in India. Considering welfare of the women who form majority of the group proposed, the accident in their case will include death and disablement arising out of and traceable to sterilization and consequent complications, arising out of pregnancy, child birth, caesarian hysterectomy, removal of breast as well as murder and rape etc

Conclusion

Even though coconut production and coir industry developed in all other states, Kerala still remains the major producer and exporter of coir and coir products. In an economy like that of Kerala with huge backlog of unemployment, the coir industry is still important. This is because no other industry creates as much employment in the various processes of production with a limited amount of capital investment.

The performance of coir industry in terms of various growth indices and also in terms of average productivity of labour and capital and capital intensity, majority of coir production units are households, cottage and small scale units and these are not covered by ASI.

The growth performance of coir fibre sector is better for Tamilnadu. The 'process' of technological changes in coir industry of Tamilnadu is that there occurred tremendous progress in R&D, training, innovation and diffusion of modern technology in the coir industry of Tamil Nadu.

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