



# IMPACT OF SUPPORTIVE MEASURES ON THE GROWTH OF MICRO ENTERPRISES UNDER KUDUMBASHREE MISSION

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## ABSTRACT:

Kudumbashree , the state poverty eradication mission of Kerala. The mission targets the poor women and assists them in establishing micro enterprises. The mission imparts need based training and services to the micro entrepreneurs under Kudumbashree , and also Kerala Government take the effort to support the micro entrepreneurs through subsidies, ARISE skill training and other schemes (Interest free loans).

The major objective of this study, to evaluate the impact of supportive measures (subsidies, training programs) for promoting micro enterprises of Kudumbashree members given by the Kerala Government, For this purpose 10 top micro units in Mattannur Municipality from Kannur district of Kerala are selected . The entrepreneurs responded that the training and financial support given by mission helped them to take up their entrepreneurial activities. Kudumbashree mission and its schemes, financial assistance, other supportive measures create a great influence on the growth of micro units of Kudumbashree members.

**Keywords:** Kudumbashree mission, subsidies, Training programs.

## INTRODUCTION:

Kudumbashree was conceived as a joint programme of the Government of Kerala and NABARD (National Bank for Agriculture and Rural Development). It was implemented through community Development Societies (CDS) of poor women , serving as the community wing of local Governments. Micro enterprise promotion and development is one of the significant strategies of Kudumbashree mission to facilitate economic empowerment of the poor. The mission developed specific strategies analyzing the requirements of

enterprises. This constitutes training, partial financial support, marketing support, and hand holding support to the enterprises. These kind of support are applicable for both existing micro entrepreneurs and new ones. The Mission gives priority on the concept of local economic (LED)- Local production , catering to local consumption to increase the economic activity within the local areas for micro enterprise development . In order to facilitate this concept Kudumbashree ensures the community and LSGs to analyze the market demand and the development of products and services accordingly.

Kerala Government recently launched hand loan scheme (CMHLS) or Sahayahastam scheme 2022 for Kudumbashree women, In this chief minister's loan scheme, interest free loans are provided to women neighbourhood groups. Around 22.77 lakh women in the state have already been benefited from this scheme with an allocation of Rs 2000cr.

The scheme was launched with an aim to help women SHGs who lost their livelihood due to the covid-19 pandemic outbreak. All the beneficiaries within neighbourhood group can get a maximum amount of Rs 20,000 as loan.

Kudumbashree views Micro enterprises as an opportunity for providing gainful employment to the people and thereby improving their income and living standards. As per the data more than 15000 non-farm based micro enterprises are spread across the state of Kerala.

## RESEARCH PROBLEM

Kudumbashree views Micro enterprise development as an opportunity for providing gainful employment to the people below poverty line and thereby improving their income and living standard . Micro enterprise development is an emerging process which will start with low capital, low risk and low profit at the initial stage which will gain momentum and later switch on to low to medium capital and then low to medium risk. Kudumbashree pitched its efforts at three levels to support the enterprises. Policy support (Rural micro enterprises- for promoting micro enterprises in rural areas), Yuvashree (Scheme offers employment opportunity to educated youth only) and provision of a range of funds suited to different stages of the enterprise. (Subsidy support) and establishment of support structure (Micro enterprise consultants), and recently Kerala Government introduced Helping Hand Loan Scheme (CMHLS) or Sahayahastam 2022 . And there is NULM scheme ( Bank loan), ARISE training of jilla mission, So there is a need to analyse the impact of supporting measures provided by Kerala Government for micro enterprises working under Kudumbashree mission.

## OBJECTIVES OF THE STUDY

- To determine the impact of subsidy on the growth of micro units of kudumbashree members.
- To evaluate the role of supportive services provided by different agencies for the success of micro enterprises.

## POPULATION

The target population for the study were the people who are carrying small business units under Kudumbashree mission in Mattannur municipality from Kannur district in the state of Kerala.

## SAMPLE SIZE

Ten small business units working under Kudumbashree mission were selected as the sample for this study.

## SOURCES OF DATA

Details about ten micro units of Kudumbashree are collected by directly through interview (primary data) and some data is collected from website of Kudumbashree (secondary data) .

## DATA ANALYSIS AND INTERPRETATION

### 1)Financial assistance

Source	Nagara chantha	Agri keosk	Auto taxi	Home shop	Paper Bag unit	Prisom press	Happy kids care	CDS hotel	CDS canteen	Tution center
<b>Bank loan(NULM)</b>	1 lakh		5 lakh	60000	4 lakh	6 lakh	4 lakh	150000	3 lakh	
<b>Subsidy</b>	50000		4%		2 lakh	3 lakh	163000		150000	
<b>Own fund</b>								150000		30000
<b>Jilla mission</b>		2 lakh								

It is seen that six micro enterprises out of ten got the benefit of subsidy and seven units borrow money from bank through NULM scheme, with interest benefits. Jilla mission helped them for raising loan, for earning subsidy and give support in their whole procedure for the establishment.

### NULM loan scheme

This scheme provide interest subsidy for Self Help Groups, accessing bank loan . The interest subsidy will be the difference between the prevailing rate of interest charged by the bank and 7% per annum on all loans to SHGs of urban poor.

## 2) Other supporting services

Micro units under Kudumbashree	Name of agency approached	Type of service provided by agency
Nagarachantha	Jilla mission	Advice and promotional service
Agri kiosk	Jilla mission	Financial assistance
Auto taxi	Jilla mission	Training
Home shop	Jilla mission	Training for marketing
Paper bag	CDS and Jilla mission	Training for production process
Prisom press	Jilla mission	Free training about press technology
Happy kids care	Kudumbashree	ARISE training
CDS hotel	Jilla mission	Supporting services
CDS canteen	Jilla mission	Training for cooking
Tution center	Kudumbashree	Supporting services

Majority of the micro entrepreneurs come forward for starting their units through ARISE training provided by Jilla mission.

ARISE (Acquiring Resilience and Identity through Sustainable Employment). The skill campaign of Kudumbashree started from 15<sup>th</sup> Dec 2018 to 31<sup>st</sup> March 2019. The aim of this programme is to provide skill training to 50000 candidates in 10 selected areas. It includes housekeeping, house maid, plumbing, Electronic Repair, Electrical work, Day care, Agriculture labour, sales, Data entry, and laundry & ironing.

### FINDINGS

- Majority of the micro entrepreneurs of Kudumbashree in the sample got the financial assistance through NULM scheme, and also got the benefit of subsidy.
- ARISE skill training was helped majority of the micro entrepreneurs for their development of units.

### CONCLUSION

Formation of micro enterprise under Kudumbashree consists of several stages begins with training. It includes awareness creation of enterprises opportunities through one day general orientation training, three days entrepreneurial development program for developing essential skills for enterprise, identification of activity and expression of training needs, technical training arranged by CDS, preparation of detailed project report, appraisal of the project by CDS before submission to banks, Performance Improvement Program (PIP) after completion of six month operation in respect of similarly placed enterprises – direct marketing, catering, waste management, Nutrimix.

The study shows that supporting measures (ARISE training, NULM bank loan, subsidy, Jilla mission training) created a great development for the success of micro units of Kudumbashree. Because majority of the micro units in this category got all training and subsidies from the concerned authorities.