CHAPTER II
SIGNIFICANCE OF KVI IN MANIPUR

Manipur is described by Lord Irwin as the 'Switzerland of India'; this land is full of an exotic landscape with ranges of hills, green valleys, blue lakes and dense forests. Manipur, literally mean the land of jewel, is a paradise on earth.

Manipur is one of the most economically backward states in the country, since the contribution of industry to the Gross State Domestic Product during 1980-81, 1990-91 and 2000-01 are recorded at 10.39 per cent, 14.54 per cent and 19.29 per cent respectively. According to Prasad Lallan (1984), "The country in which at least 25 per cent of the GDP arises is considered as industrially backward". The topography and the natural resources available in the state explain itself that the state is not suitable for establishment of large scale industries.

2.1 LOCATION AND POPULATION

Manipur, described as a beautiful and mountainous state, is situated in the North-Eastern most border of India. This small state is known for its exquisite natural beauty, wholesome climate, colorful cultural dances, artistic handloom and handicraft works. The state is situated in a very strategic position. It is surrounded on the north by Nagaland, on the east by Upper Myanmar (Burma), on the south by Mizoram and Chin Hills of Myanmar and on the West by Cachar District of Assam. The state is located in a rectangular shape between 23.80°N and 25.68°N
latitudes and 93.03°E and 94.78°E longitudes. The area of the state is recorded as 22,327 sq. km. There are two natural divisions namely, the hilly region and the plain region. A peculiar feature of the state is its encircling the oval shaped central plain surrounded by various ranges of hills.

The central plain is known as Manipur Valley which has about 2238 sq. km., accounting for about 10 per cent of the total geographical area of the state as a whole. The valley is situated at about 790 meters above the mean sea level. It is very fertile and is the main field of agriculture. It is also known as the “rice bowl” of the state. The valley slopes down towards the south. The encircling hill ranges of Manipur cover about 90 per cent of the total geographical area of the state. The hill ranges stretch from north to south as its parallel fold. The elevation of the hill ranges lies between 1,500 to 1,800 meters.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Decadal Variation</th>
<th>Percentage of Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>2,84,465</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1911</td>
<td>3,46,222</td>
<td>61,757</td>
<td>21.71</td>
</tr>
<tr>
<td>1921</td>
<td>3,84,016</td>
<td>37,794</td>
<td>10.92</td>
</tr>
<tr>
<td>1931</td>
<td>4,45,606</td>
<td>61,590</td>
<td>16.04</td>
</tr>
<tr>
<td>1941</td>
<td>5,12,069</td>
<td>66,463</td>
<td>14.92</td>
</tr>
<tr>
<td>1951</td>
<td>5,77,635</td>
<td>65,566</td>
<td>12.80</td>
</tr>
<tr>
<td>Year</td>
<td>Total Population</td>
<td>Literates</td>
<td>Rate</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>-----------</td>
<td>------</td>
</tr>
<tr>
<td>1961</td>
<td>7,80,037</td>
<td>2,02,402</td>
<td>35.04</td>
</tr>
<tr>
<td>1971</td>
<td>10,72,753</td>
<td>2,92,716</td>
<td>37.53</td>
</tr>
<tr>
<td>1981</td>
<td>14,20,953</td>
<td>3,48,200</td>
<td>32.46</td>
</tr>
<tr>
<td>1991</td>
<td>18,37,149</td>
<td>4,16,196</td>
<td>29.29</td>
</tr>
<tr>
<td>2001</td>
<td>22,93,896</td>
<td>4,56,747</td>
<td>24.86</td>
</tr>
<tr>
<td>2011</td>
<td>27,21,756</td>
<td>4,27,860</td>
<td>18.65</td>
</tr>
</tbody>
</table>

Sources: Economic Survey Manipur 2010-11

2.2 LITERACY

Manipur was a late comer in modern education. It was started only in the later part of the 19th century. According to 1951 Census, the total numbers of literates were 65,895 of which 58,933 were males, and 6,962 were female. In 1961 rate of literacy was 30.40 percent of the total population and level of education increased to a great extent during the period from 1951 to 1961. The rate of literacy both for the males and females increased to 45.10 percent and 15.90 percent respectively.

In 1971 Census also, the rate of literacy continued to increase to 32.90 percent and it increased from 41.40 percent in 1981 to 59.90 percent in 1991. In the year 2001 the rate of literacy is increased to 70.50 percent (*excluding Mao, Maram, Paomata and Purul Sub Division). It is again increased to 79.85 percent in the year 2011.
Table No. 2.2

LITERACY RATE IN MANIPUR (1951-2011)

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of Literacy</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1951</td>
<td>20.80</td>
<td>2.40</td>
</tr>
<tr>
<td>1961</td>
<td>45.10</td>
<td>15.90</td>
</tr>
<tr>
<td>1971</td>
<td>46.00</td>
<td>19.50</td>
</tr>
<tr>
<td>1981</td>
<td>53.30</td>
<td>29.10</td>
</tr>
<tr>
<td>1991</td>
<td>71.60</td>
<td>47.60</td>
</tr>
<tr>
<td>2001</td>
<td>80.30</td>
<td>60.50</td>
</tr>
<tr>
<td>2011</td>
<td>86.49</td>
<td>73.17</td>
</tr>
</tbody>
</table>

Source: Economic Survey Manipur 2010-11

2.3 URBANIZATION

According to the World Development Report (1999-2000), urban areas are defined as the concentration of non-agricultural workers and non-agricultural production sectors. Under the Manipur Municipalities Act 1994, an urban area means the areas in the state of Manipur which are not rural areas. Under this Act, the areas in Nagar Panchayat, Municipal Council and Municipal Corporation, if any shall be taken as urban. The impact due to Urbanization, which is the process of shifting rural people to urban areas, and it involves an increase in the number of population in the urban during a particular period, cannot be hidden since it should be accompanied with good infrastructure, environment protection, development of commercial activities.

Urbanization also poses a formidable challenge in many developing countries, since the growth of cities are associated with problems of unemployment, poverty, inadequate health, poor sanitation, urban slums and environmental degradation.
Urban areas in developing countries and their inhabitants face the highest population growth and suffer due to the lack of sufficient infrastructure and urban development control.

In view of E. Nixon (2012), the significant feature of the urbanization process in Manipur is that, unlike other cities of India, much of the growth is taking place in the absence of significant industrial expansion. Rural urban migration is an inevitable socio-economic phenomenon as a result there is a high standard of living in the urban areas when compared to rural areas. It is for better living condition, harnessing loans, provision of basic amenities and skill development programmes as short term action plan in the rural, to prevent rural urban migration (Ramesh D, 2007). It may be said that the basic cause of migration is low level of income and lack of job opportunities at the native place. The actual degree of migration is positively related to the earnings at the place of migration (N. Tejmani, 2012). He further added that the rural to urban migration and urbanization are associated with a vertical shift in the labour force from agriculture sector to the urbanized industrial sector. Seasonal migration are also evident in the state on the other hand, villages in the state face lack of infrastructure, employment and income opportunities.

Thus, it is evident from the above discussion that, rural industrialization will prevent the rural urban migration in search of employment and creates congestion at the urban areas, which may lead to certain problems like creation of slum areas, poor sanitation, degradation of environment and using crimes as a means of livelihood. Development of informal market and uncontrolled traffic is also a consequence of unplanned urbanization.
2.4 EMPLOYMENT

The generation of employment opportunities in the state is one of the main objectives of economic planning, as the ever increasing number of educated job seekers including technical and professional are continued to be matter of serious concern to the economy of the state. The record of economic survey reflect that, the estimated employment in public and private sectors of Manipur are 97 percent and 3 percent respectively as compared to 71 percent and 29 percent of all India records. Thus the participation of private sectors in employment generation is very low. Presently, the government undertaking has less number of vacancies and fails to provide employment to the registered unemployed persons in the state. The following table shows the total number of registered unemployed and placement provide to them.

Table NO. 2.3:

UNEMPLOYMENT AND PLACEMENT THROUGH EMPLOYMENT EXCHANGES IN MANIPUR

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Unemployed Persons</th>
<th>No. of Vacancy Notified</th>
<th>No. of Job Applied</th>
<th>No. of Persons Appointed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>491476</td>
<td>1019</td>
<td>20984</td>
<td>-</td>
</tr>
<tr>
<td>2005-06</td>
<td>548704</td>
<td>3273</td>
<td>105882</td>
<td>489</td>
</tr>
<tr>
<td>2006-07</td>
<td>583653</td>
<td>3011</td>
<td>74339</td>
<td>357</td>
</tr>
<tr>
<td>2007-08</td>
<td>605840</td>
<td>3170</td>
<td>52707</td>
<td>2</td>
</tr>
<tr>
<td>2008-09</td>
<td>642247</td>
<td>4667</td>
<td>61923</td>
<td>210</td>
</tr>
</tbody>
</table>

Sources: Directorate of Employment, Govt. of Manipur
2.5 CLIMATIC CONDITION

Manipur is considered to have a very wholesome moderate climate. The climate of the state is sub-tropical to temperate depending on elevation. Annual rainfall of Manipur as recorded in 2007 was 1522 mm, 2008 was 1200.9 mm, 2009 was 1173.7 mm and 2010 was 1725.7 mm as against annual rainfall of 1769.34 mm in 2001. Hill areas receive more rains than the valley. The seasonal rain comes normally from the beginning of the spring season as sprinkling of water. Rain in the months of March is stormy. Normal rainy season with heavy rains mainly starts in the months from June and continues till September every year, which provides the main source of water for all purposes. The temperature of the state varies from 24°C to 35°C as recorded at Wangbal in 2001.

2.6 NATURAL RESOURCES

The natural resources of Manipur are mainly confined to the land, forest and water only. The state is not in the map of mineral resources of India. However the survey made by the Geological survey of India has discovered deposits of certain minerals in the state. Their survey, reports that a few deposits of limestone, lignite, chromites, Nickel, Copper, clay, cobalt etc. but in large scale.

Land Resources: The total surface land area of the state covers 22,327 sq. km. of which the valley occupies only 2238 sq. km. which is only about one tenth of the whole area of the state while the remaining area spread over the hill regions. The available land area in the state may be divided into forest land, cultivable land, crop land, jhum land, waste land etc. According to the Census Report 2011, density of the state is 122 per sq. km. which is lower than National average of 382 per sq. km. In 2001, density of the state was 103 sq. km. while national average was 324 sq. km.
**Water Resources:** The main sources of water from Manipur are its rivers, lakes, streams, marshes, swamps, etc. which are abundantly found in the state. The two most important rivers are the Barak and the Imphal River. In addition, there are a number of small rivers and their tributaries. Imphal River is the most important as its flows passing through almost the valley. Along with this, the Loktak Lake, the biggest fresh water lake in the North Eastern region of India also serves as a great source of water which is to be used for various purposes like water supply, irrigation, generation of hydro-electric projects etc. The Thoubal Project, Singda Dam Project and Khuga Project are the other multi-purpose projects while the Loktak Lift Irrigation Project is a major project and the Imphal Barrage Project, the Khoupum Dam Project and the Sekmai River Project are the medium projects. Besides, another medium irrigation project is the Dolaithabi Project which was started in the year 1992-93. In such a way, the importance of the potential water resources of the state is very great.

**Forest Resources:** In Manipur Forest products are not only the most important natural resources but also playing an important role in environmental protection and maintaining ecological balance. According to Forest Report, 2009 by Forest Survey of India, Dehradun, the forest cover of Manipur is 17,280 sq. km. as against 17,219 sq. km. in 2003 and 17086 sq. km. in 2005. The total forest of the state is classified as Very Dense (701 sq. km.), Moderately Dense (5,474 sq. km.), Open Forest (11,105 sq. km.).
Table No. 2.4

REVENUE COLLECTED FROM FOREST PRODUCTS

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Year</th>
<th>Revenue Collected (Rs. In Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2001-02</td>
<td>73.44</td>
</tr>
<tr>
<td>2</td>
<td>2002-03</td>
<td>77.53</td>
</tr>
<tr>
<td>3</td>
<td>2003-04</td>
<td>95.30</td>
</tr>
<tr>
<td>4</td>
<td>2004-05</td>
<td>69.42</td>
</tr>
<tr>
<td>5</td>
<td>2005-06</td>
<td>145.28</td>
</tr>
<tr>
<td>6</td>
<td>2006-07</td>
<td>144.14</td>
</tr>
<tr>
<td>7</td>
<td>2007-08</td>
<td>135.29</td>
</tr>
<tr>
<td>8</td>
<td>2008-09</td>
<td>102.29</td>
</tr>
<tr>
<td>9</td>
<td>2009-10</td>
<td>202.65</td>
</tr>
</tbody>
</table>

Sources: Annual Administrative Report, Department of Forest 2009-10

Since there are varieties of valuable species of trees like teak, oak, pine, phechahansiana-bonsom (uningthou), cedrelatonna (Tairel), leihao etc. found abundantly in the forest of Manipur, forest play an important role in the economy of the state. In other words, forests are source of supply of timber, round wood, fuel wood etc. which provide source of income and means of living to a large number of people and also revenue to the government of the state. Cane and
Bamboo which are available in plenty particularly in the hilly region provide scope for development of industries related to these products. Besides, resin, lac, medicinal plants, fruits etc are also said to be abundantly found in the forest of the state. Among the village industries Forest Based Industries are viable one in the state.

Mineral Resources: The productions of mineral resources in the state are very limited and have taken no substantial role in the economic progress. Since the year 2000-01, no mining has so far been reported.

Table No. 2.5

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (mt)</th>
<th>Internal Consumption</th>
<th>Quantity of Export (mt.)</th>
<th>Royalty (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980-81</td>
<td>792.870</td>
<td>792.870</td>
<td>-</td>
<td>9,000</td>
</tr>
<tr>
<td>1985-86</td>
<td>179.929</td>
<td>179.929</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>1990-91</td>
<td>55.802</td>
<td>55.802</td>
<td>-</td>
<td>3,000</td>
</tr>
<tr>
<td>1991-92</td>
<td>231.279</td>
<td>231.279</td>
<td>-</td>
<td>9,000</td>
</tr>
<tr>
<td>1992-93</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1993-94</td>
<td>567.630</td>
<td>567.630</td>
<td>-</td>
<td>1,27,500</td>
</tr>
<tr>
<td>1994-95</td>
<td>336.272</td>
<td>336.272</td>
<td>-</td>
<td>76,500</td>
</tr>
<tr>
<td>1995-96</td>
<td>152.578</td>
<td>152.578</td>
<td>-</td>
<td>38,250</td>
</tr>
<tr>
<td>1996-97</td>
<td>396.555</td>
<td>396.555</td>
<td>-</td>
<td>1,02,000</td>
</tr>
<tr>
<td>Year</td>
<td>Value 1</td>
<td>Value 2</td>
<td>Value 3</td>
<td>Total</td>
</tr>
<tr>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>--------</td>
</tr>
<tr>
<td>1997-98</td>
<td>1135.130</td>
<td>1135.130</td>
<td>-</td>
<td>1,09,830</td>
</tr>
<tr>
<td>1998-99</td>
<td>355.440</td>
<td>355.440</td>
<td>-</td>
<td>1,09,830</td>
</tr>
</tbody>
</table>

Sources: Directorate of Commerce and Industries Manipur

2.7 ECONOMIC PROFILE:

Agriculture continues to be the main occupation for the people of the state. 52.19 percent of the workers in the state are engaged as cultivators and agricultural labourers. Horticulture in the state is very suitable and the main fruits grown in the state are pineapples, orange, lemon, banana, guava, peaches etc. In spite of available resources, industrialization is very backward. Lack of capital investment, acute transport bottleneck, shortage of power and lack of entrepreneurial and technical skills may be considered as the main reasons for industrial backwardness. Various policies and programme with the provisions of packages of incentives and concessions could do little in this regard. Almost all the public undertaking industries of the state were facing financial problems and there was paucity of fund for maintenance. So, the government has decided to wind up at least five of its loss making industries as the proposals for privatization also fails.

Manipur Cycle Corporation Ltd., Manipur Cement Ltd., Manipur Spinning Mills Corporation Ltd., Manipur Pulp and Allied Products Ltd. And Manipur Drugs and Pharmaceutical Ltd are the public undertaking industries to be wind up.

The only industrial activity feasible in the state is handloom and handicrafts. Small Scale Industries are contributing substantially in the form of production, employment and export, thus playing a vital role in fulfilling the socio economic objectives.
Table No. 2.6
REGISTERED INDUSTRIAL UNITS IN MANIPUR

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Units</th>
<th>No. of Employment</th>
<th>Investment (Rs. In Crores)</th>
<th>Average Investment per Unit (Rs. In thousand)</th>
<th>Production (Rs. In Crores)</th>
<th>Average per unit Production (Rs. In lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>9744</td>
<td>50364</td>
<td>36.07</td>
<td>37.02</td>
<td>162.30</td>
<td>1.67</td>
</tr>
<tr>
<td>2002-03</td>
<td>9867</td>
<td>51123</td>
<td>37.7</td>
<td>38.21</td>
<td>168.80</td>
<td>1.71</td>
</tr>
<tr>
<td>2003-04</td>
<td>9993</td>
<td>51842</td>
<td>39.37</td>
<td>39.39</td>
<td>173.08</td>
<td>1.73</td>
</tr>
<tr>
<td>2004-05</td>
<td>10151</td>
<td>52857</td>
<td>41.38</td>
<td>40.76</td>
<td>177.79</td>
<td>1.75</td>
</tr>
<tr>
<td>2005-06</td>
<td>10264</td>
<td>53719</td>
<td>43.27</td>
<td>42.16</td>
<td>183.72</td>
<td>1.79</td>
</tr>
</tbody>
</table>

Sources: Directorate of Economics & Statistics, Govt. of Manipur

2.8 INDUSTRIAL POLICY IN MANIPUR

The government of Manipur announced the first industrial policy of the state in 1982 during the 6th Five year Plan. Since then, a series of industrial policies have been announced in 1989, 1990, 1996 and 2002. Development of large and medium industries was the main emphasis of the first two industrial policies i.e., the industrial policies of 1982 and 1989. But the centre focus of the subsequent policies since the industrial policy of 1990 was shifted to the development of the small scale and cottage industries. The development of the industries which could be set up and managed with the utilization of the locally available resources and raw materials was also one of the main priorities of these policies.
2.8.1 INDUSTRIAL POLICIES OF MANIPUR 1982

Before 1982, Manipur did not have any industrial policy and as such, planning and policy for industrial growth and development was done through specific orders/instructions or guidelines of the state government (Industrial Policy of Manipur, 1996). The industrial policy of 1982 was the first attempt of the government of Manipur to collate its consciousness in matters relating to the development of the large scale and medium industries. The main priorities of the government in the policy are given below:

a. Efforts are made for the setting up of the large scale and medium sizes industries in the state and at the same time it encourages cottage and village industries such as handloom, sericulture and handicraft etc., in the areas where there is the availability of raw materials, have better skills and internal market exists. Emphasis are also be made to the electrical items such as switches, holders, plugs, heaters, table lamps, calling bells etc. with appropriate incentives.

b. The government encourages the private sector to invest in large and medium sized industries. In a view to facilitate investment in large and medium industries, investors who wished to utilize resources such as minerals, forest and agricultural products etc. are encouraged.

c. The Central government would be pursued for implementing some large and medium industries in the state as early as possible. The selected large and medium industries and the implementation of which would be pursued included the following:

1) Bamboo based industries
II) Starch and glucose factory
III) Mechanized Dye House
IV) Cement Factory
V) Plywood Factory
VI) Sugar Factory etc.

d. Decentralization of power in matters of industrial development are made for the removal of regional imbalances in the industrial growth and also for increasing the efficiency of industrial development programmes.

e. For the development of handicraft industries in the state, the state government provides training facilities, self employment opportunities and incentives in the form of financial and material assistance, award for excellence etc. to the local craftsmen of the state.

f. For setting up of industrial units based on mineral resources, necessary incentives are provided.

The following measures were suggested in the industrial policy 1982 to fulfill the above mentioned priorities.

a. The industrial potential and techno economic surveys in the state would be made to continue for identification of more industries having resource capabilities and market access. While the development of large and medium industries would be dealt with directly by the state government, the development of the small scale and cottage industries would be entrusted to the District Industries Centres (DICs) which would provide all the necessary assistance under a single roof.
b. Entrepreneurship development programmes such as management techniques and technical knowhow would be conducted in the state with a view to motivate 1000 persons per annum at the minimum.

c. Raw materials used by the industrial units irrespective of their sizes would be exempted from the payment of octroi for a period of 5 years from the start of production.

d. Stamps duty and registration charges would be made free on land and buildings in the case of small, village and cottage industries. These industrial units would also be offered equitable mortgage of their fixed assets subject to the condition that it would not be transferred to others for a period of 5 years. Small scale and cottage industries would also be eligible for allotment of government land at half of market value with 10% down payment, moratorium for 2 years and payment of balance premium in 5 equal installments. A nominal rate of Re. 1 per acre would be charged in specified industrial areas. Moreover, a price preference scheme up to 15% would also be eligible to the registered units for their products supplied to government and semi government organizations.

e. An interest subsidy at the rate of 4% would be made available to the industrial units and industrial cooperatives up to a maximum of Rs. 25,000.

f. Sales tax would be exempted for all registered units for a period of 5 years.

g. A 30% equipment subsidy would be provided to the ex-trainees of the government institution.
h. No charge on water would be levied for the first 5 years of commercial production in the case of water drawn from any natural source like river, lakes etc.

2.8.2 INDUSTRIAL POLICY OF MANIPUR 1989:

The industrial policy of Manipur 1982 was in operation for seven years. During these years the government of Manipur came across many limitations in operating the industrial policy, in the mean time new opportunities and potentials of industrial development were identified along with new problems and constraints. Thus, the necessities for a new industrial policy was arise. The government of Manipur announced its new industrial policy in 1989 and it came into force from the 1st April 1989. Under the new policy, new industrial units were treated as those which were set up on or after 1st January 1989. All other industrial units were categorized as existing units. The government explicitly stated that only new industrial units which were set up on or after 1st January 1989 and other existing units undertaking expansion, modernization or diversification would be eligible for incentives under the new policy. The policies had the following salient features;

1. The main thrust of the new policy would be the development of

a. Agro based, forest based, industries where raw materials are locally available, Handloom and handicraft.

b. Industrial units whose products demanded locally as well as outside the state specially the neighbouring states of the north eastern regions.
c. Electronic and petro chemical industries.

2. It was stressed that the public sector would continue to play a lead in promoting the process of industrialization in the state.

3. A plan for the development of the industrial states and industrial growth centres would be taken up on a priority basis.

4. The handloom and handicraft industry would be strengthened, upgraded and modernized.

5. The policy, for the first time, declared tourism as an industry and therefore the facilities of institutional finance would be also extended to it.

6. First preference would be given to the local people in the case of employment opportunities in various industries.

2.8.3 INDUSTRIAL POLICY OF MANIPUR 1990

The earlier version of Industrial Policy concentrates on the development of large and medium industries and neglected the small scale and cottage industries. Considering the significance of small scale and cottage industries in the process of industrialization and development in terms of generation of employment and reduction of disparities in the rural and urban areas was increasingly felt at the all India levels, the government of Manipur, decided to form a new industrial policy focusing mainly on the development of the small scale and agro based industries.

Thus, the new industrial policy of the state came into existence in 1990. It was mentioned that the new policy would cover a period of 5 years from the date of enforcement. The industrial policy, 1990 had the following main objectives,
1. To reorient industrial growth in the state in favour of small scale and agro-based industries.

2. To provide productive employment generation, specially the local people; dispersal of industry in the backward areas.

3. To enhance the role of the small scale industries to ensure balanced economic growth, equitable distribution of goods and services and increase in the income of the people of the state.

The main highlights of the policy were as follows:

1. An all round development of the industrial sector giving thrust to agro-based industries based on locally available raw materials and minerals manufacture of products which are demand orientated.
   a. Handloom and Handicraft.
   b. Development of electronics.
   c. Petro chemical based industries.
   d. Forest based industries which do not involve extensive felling of trees.

2. Providing a package of incentives and subsidies to attract investment and to make local industries competitive.

3. Pursuing with the Central Government to set up appropriate units of the central Public Sector Undertaking in the state.

4. Giving priority to non-polluting, labour intensive industries.

5. Encouraging and promoting investment in the joint/private and assisted sectors.

6. Developing infrastructural facilities, industrial estates and industrial growth centres.
7. Preventing the use of existing land for industrial purposes other than agro-based industries.

8. Mobilizing resources from financial institutions.

9. Strengthening, upgrading and modernizing the handloom and handicraft industries.

10. Prospecting, extracting, processing and marketing of high value added items manufactured from limestone, chromite, soft stone, serpentinite etc.

11. Taking tourism as an industry.

12. Modernization and upgradation of technology.

13. Promoting agro based industries.

14. Working out a mechanism to monitor and give a proper direction of the policy guidelines.

2.8.4 INDUSTRIAL POLICY OF MANIPUR, 1996

The government of Manipur announced its fourth industrial policy in 1996. The new policy was completely different from the earlier policies in approach and strategy. It included many clauses and features that were not existent in the earlier policies. The new approach was necessary in view of the liberalization and deregulation measures of the Indian economy since 1991. The policy statement rightly mentioned, "This strategy will seek to integrate industrial promotion efforts with the fast changing national economic scenario in the post 1991 era".

The government of Manipur was of the view that the strategy of industrial development in the state must involve the adoption of a multidimensional structure which not only includes the incentives/subsidies system but also at the same time maximizes the potential and advantages of the state. With these backgrounds, the Industrial Policies of 1996 set out the following objectives for the industrial development in the state.
a. Concentration on the strengths and advantages the state possesses.

b. Correction of weakness and distortion.

c. Achievement of competitiveness at the state and national level.

d. Creation of a friendly environment.

e. Optimal and efficient use of resources.

The new policy also suggested that all sectors – small, medium and large under public, private and joint sector would be equally encouraged. The main highlights of the policy were as follows:

1. Creation of an integrated Investor – Friendly Environment; the following measures were suggested;

a. The state would set up a monitoring cell to assess and provide the requisite security cover to all major industrial investment in the state.

b. A single-window facilitation/escort mechanism would be set up.

c. A programme of publicity and investment promotion would be introduced.

d. The central government would be intervened so that appropriate and suitable central public sector undertakings are set up in the state.

e. In the case of joint sector, majority share participation by the private sector would be encouraged.

2. Infrastructure development and support, the strategies to be taken up are:

a. The government of Manipur would be grade the industrial estate at Takcyelpat moreover; the following industrial centres would be developed in the on environmental and ecological priorities. The
centres would be provided assured security, water, power and other basic facilities. The centres are:

i) Integrated infrastructural development centre at Moreh in Chandel district.

ii) Export promotion industrial park at Kakching in Thoubal district

iii) Export processing zone at Moreh in Chandel district.

iv) Industrial growth centre at Kanglatombi in Senapati district.

v) Industrial locations at Jiribam, Litan, Noney and Nambol.

b. Efforts would be done to create supportive infrastructural facilities like cold storage, pre-cooling, packing house, refrigeration etc.

c. Priority would also be given to mobilize resources for the small scale Industrial units through small industrial development bank of India (SIDBI), Manipur.

3. Maximization of Resource Utilizations

The state government would accord priority in industrial development in the following:-

a. Agro-based industries.

b. Industries based on locally available raw materials and minerals.

c. Products having local and regional demand.

d. Industries units under the Indo-Myanmar Border Trade.

e. Handloom and Handicrafts industries.

f. Electronics sector.

g. Petro chemical based industries.

h. Forest based industries.

i. Export oriented industries.
j. Non polluting, labour intensive industries and
k. Industrial units using non-conventional energy devices.

4. Competitiveness, Quality Improvement and Skill Up gradation:-
   a. A scheme for modernization and up gradation of technology in the small scale sector would be implemented. This would involve consultation with central institutions such as Industrial Service (SISI), National Small Industries Corporation (NSIC) and Department of Electronics (DOE) etc. with a package of financial incentives.
   b. For export oriented manufacturing and processing industries, special training programmes, discussions, seminars etc. would be organized.

5. Industrial Sickness:-
   a. For the sick public sector undertakings, a provision for converting them into joint sector and at extreme cases, privatization would be considered.
   b. A policy measure would be initiated to make the sick small units viable, wherever cost-effective.

6. Promotion of Indo-Myanmar Border Trade:- An expert cell in the Directorate of Commerce and Industries would be set up, the main functions of which are;
   a. Educate, train and guide traders and entrepreneurs in international trade.
   b. Conduct an export potential survey.
   c. Promote trade related industrial activity.
d. Optimum utilization of agricultural, horticultural and forest resources across the border.

e. Setting up of trade centres with integrated and in house basic facilities.

7. The new industrial policy provided a comprehensive and attractive package of incentives and subsidies which were listed in Annexure 1 of the policy in addition to those available under the Central Government. The following were the terms and references used for the purpose.

a. A new industrial unit was one which started commercial production on or before 1st January 1995.

b. Existing Units were termed as those units which were in commercial production at any time prior to 1st January 1995.

c. An industrial unit exporting at least 30% of its production or technology was termed as Export Oriented Unit (EOU).

d. An industrial unit with not less than 51% share from women entrepreneurs was termed as a unit run by Women Enterprises.

e. Weaker Section meant ST, SC, Physically Handicapped, OBC and Women Entrepreneurs.

2.9 STATE PUBLIC SECTOR UNDERTAKING

There was hardly any industry in Manipur before the beginning of the Five year Plans. The only visible form of industry in the state was handlooms and handicrafts. But with the beginning of five year plans, the state government has been making vigorous efforts for rapid industrialization in the state. Direct government participation in the process of industrialization in the state began
with the incorporation of the Manipur Spinning Mill in 1974. The corporation started its commercial production in 1980. The Manipur Small Industries Corporation was set up in 1969 for facilitating the growth of industries in the state and the corporation was finally upgraded to Manipur Industrial Development Corporation Limited (MANIDCO) in 1987. To directly help the production and marketing of handloom and handicraft products in the state, the government of Manipur set up the Manipur Handloom And Handicrafts Development Corporation Limited in 1976. Subsequently, a number of state sponsored undertakings came into existence in the state.

2.9.1 PUBLIC SECTOR UNDERTAKINGS IN MANIPUR

During these periods, since 1974, new initiatives have taken place in the field of industrialization in Manipur. But, the performance of these public sector undertakings major public sector undertakings became increasingly negative from -3.03% in 1988-89. Corporations which have been revitalized at present are:

i) Manipur handloom & handcraft development corporation (MHHD)

ii) Manipur electronics development corporation (MANITRON)

iii) Manipur industrial development corporation(MANIDCO)

The return on investment during the period 1988-89 to 1992-93 of some of the major state owned corporations is shown in table. we can see from the table that out of the twelve major public sector undertakings in 1988-89, only five undertakings i.e. Manipur police housing corporation, Manipur film development corporation, Manipur electronics Development Corporation and Manipur agro industries corporation had positive returns on investment. The main earner was
the Manipur electronics development corporation with a net return of 119.66%. On the other hand, the main loser was the Manipur plantations Crop Corporation with a return on investment of 90.5 percent, in 1992-93, the number of corporations with a positive return was reduced to four. The biggest loss was found in the case of Manipur handloom & handicraft development corporation Ltd., with a negative rate of return -107.73%. Manipur state road transport corporation and the Manipur tribal development corporation Ltd. Were other big losers with rate of returns of -90.34% and -98.12% respectively. The top earner was the Manipur industrial development corporation (MANIDCO) with 90.77% rate of return.

Table No. 2.7

RETURN ON INVESTMENT OF PUBLIC SECTOR UNDERTAKING IN MANIPUR

<table>
<thead>
<tr>
<th>SL. NO.</th>
<th>NAME OF CORPORATION</th>
<th>1988-99</th>
<th>1992-93</th>
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<tr>
<td>1</td>
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<td>2</td>
<td>Manipur Police Housing Corporation Ltd.</td>
<td>37.13</td>
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</tr>
<tr>
<td>3</td>
<td>Manipur Tribal Development Corporation Ltd.</td>
<td>-35.84</td>
<td>-98.12</td>
</tr>
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<td>4</td>
<td>Manipur Industrial Development Corporation Ltd.</td>
<td>30.31</td>
<td>90.77</td>
</tr>
<tr>
<td>5</td>
<td>Manipur Plantation Crops Corporation Ltd.</td>
<td>-90.55</td>
<td>-6.05</td>
</tr>
<tr>
<td>6</td>
<td>Manipur Film Development Corporation Ltd.</td>
<td>-2.86</td>
<td>-43.46</td>
</tr>
<tr>
<td>7</td>
<td>Manipur Spinning Mills Corporation Ltd.</td>
<td>-52.5</td>
<td>-84.63</td>
</tr>
<tr>
<td>8</td>
<td>Manipur Cycle Corporation Ltd.</td>
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</tr>
<tr>
<td>9</td>
<td>Manipur Cement Ltd.</td>
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</tr>
<tr>
<td>10</td>
<td>Manipur Electronics Development Corporation Ltd</td>
<td>119.66</td>
<td>16.93</td>
</tr>
</tbody>
</table>
2.10 INDUSTRIAL POTENTIAL IN MANIPUR

Developmental efforts in Manipur, by and large, have primarily been directed towards social services sector. The Plan allocations for Industry Sector have all along been relatively low. The geographical location of the State, lack of raw material and inadequacy in infrastructure like power, roads, water and market have kept industrial development at lower level. Concurrently, the traditional cottage and village industries and various small scale units in manufacturing and service sectors which do not require large investment and sophisticated machinery, have stood the test of time because of abundance of local demand, skill, manpower and participation.

To make good the infrastructural bottleneck, Government has given a new thrust in this area. The Prime Minister had already announced a special economic package for the North Eastern Region including Manipur and a region-specific industrial policy is already framed.

However, Manipur although bottled up in the North Eastern corner of India, is gradually emerging as an important gateway for external trade. International imagination has been excited of a South Asia Development Triangle - including eastern and North-eastern India, Nepal, Bhutan and Bangladesh - an extension of which within a larger growth quadrant takes in Myanmar, Thailand, Laos and
South-west China along the old Burma Road and the proposed Trans-Asian Highway and Railway. With this in the backdrop, the restoration of Indo-Myanmar Border Trade via Moreh in Manipur and the just concluded Ganga Treaty with Bangladesh herald a new chapter for international trade through Manipur with South-East Asian countries. An ever widening market for industrial products in the State would warrant greater investments to precast new industries in Manipur even without awaiting the international trade route to develop fully. Such industries should obviously be based either on the wider demand or the availability of raw materials locally, or both. Given the high level of investment and management capability, the enterprises could well flourish with adequate return.

The varied climate and the agro-climatic zones in the State afford wide range of agricultural and horticultural crop and forest produce. These can well be utilized by setting up suitable industries. With this expose, in the background, a modest attempt follows which gives an overview of Manipur touching upon some selected features including the land, its people and the state of economy, and then with the new Government endeavor for development and some accounts on a few successful units, etc., and further to identify a few techno-economically viable industries. This may help take investment decisions. Appropriate project studies in detail as are contemplated follows up. The State Government will make every possible endeavor to participate in the venture.

2.11 RURAL INDUSTRIES IN MANIPUR

After Agriculture, village industries occupy one of the most important industries of Manipur which includes handloom and handicraft industries. Handloom sector is an important source of income especially for the women of the state. It provides
maximum employment opportunities after agriculture. Thus, there is an important aspect for analyzing the different khadi and village industries.

2.11.1 KHADI AND TEXTILE INDUSTRY

Hand spun, hand woven fabric made of cotton wool and silk is known as khadi. There is a variety categorized separately as muslin, which is essentially a cotton khadi woven by using very fine yarn of high count. There is also khadi cloth made of polyster/cotton blend and marketed under the name polyastra. In general small quantity of cloth is produced against order. Apart from quality of fabric, lack of new design inputs is also one of the reasons for khadi cloth's inability to capture high market share.

Manipur enjoys a distinct place amongst the Handloom zones in India. Handloom industry is the largest cottage industry in the State. This industry has been flourishing since time immemorial. One of the special features of the industry is that women are the only weavers. According to the National handloom Census Reports 1988 there are about 2.71 lakh looms in Manipur.

The main handloom products of Manipur are saris, bed sheets, curtains, towels, tablecloth, fashion garments with intricate designs, scarves, pillow covers, woolen shawls among others. Handicrafts of Manipur have a unique place among the various crafts of the country and have their own aesthetic and artistic value.

2.11.2 POLYMER AND CHEMICAL INDUSTRY

It includes cottage soaps, cottage leather, rubber goods and polymer industries. The quality of village industries products is good, but availability and sale of these
products are very less as compared to products of organized sectors in the state. The major problems in the products of village industries sectors are lack of standardization and quality assurance. Nowadays many people prefer to buy detergent, dish wash and soaps produced in the state but the packaging is not attractive as CAUVERY sandal wood soap manufactured as KVI products in Karnataka.

2.11.3 HANDMADE PAPER

The Indian handmade paper industry produces a variety of paper and paper products mainly by using waste materials such as cotton rags, tailor cuttings, hosiery cutting and small quantities of waste paper. Other agro based and bast fibres available in the North Eastern region like jute, sakhai grass, ramie, banana, straw, angelie grass, elephant grass etc. are also used to blend with primary fibres for motting effects and to manufacture of special articles of thin papers. The history of Manipur do not reflect anything about the manufacture of handmade paper, and in the present trends artisans and workers of village industry have either no skills or no knowledge of making Handmade paper.

2.11.4 RURAL ENGINEERING AND BIO TECHNOLOGY (REBT)

The different handicraft products of India which are famous in the national as well as international market are as follows, antiques, decorative items, furniture, garments, home furnishing, home products, jewelry, toys & dolls etc. The scope of rural engineering also includes areas of energy and rural infrastructure.
The prospects of Bio Technology due to ill effect of indiscriminate use of chemical fertilizers and identification of herbal products for health care as well as cosmetics make people more aware on it.

The criteria of RBBT also covers some extends of Forest based industry, since it also based on the produce of Forest. The cane and bamboo crafts of Manipur are not only famous in India but also worldwide. The Bamboo production of Manipur is above ten lakh ton per annum. The number of artisans engaged in cane and bamboo craft is around 1.50 lakh.

2.11.5 AGRO AND FOOD PROCESSING INDUSTRIES

Food processing involves many types of value addition to the agricultural produce starting at the post harvest level. It includes even primary processing like grading, sorting, cutting, seeding, shelling packaging etc. The sector comprises of major areas like Fruits & Vegetables (Beverages, Juices, Concentrates, Pulps, Slices, Frozen & Dehydrated products, Potato Wafers/Chips etc.), Milk & Dairy (Whole Milk Powder, Skimmed milk powder, Condensed milk, Ice cream, Butter and Ghee), Grain and Cereals (Flour, Bakeries, Biscuits, Starch, Glucose, Cornflakes, Malted Foods, Vermicelli, Pasta Foods, Malt extracts), and Bee Keeping (Honey making).

Among the Agro and Food Processing industries in Manipur, preservation of fruits and vegetables and bee keeping continue to be more prospective. But the products of Milk & Dairy and Grains & Cereals cannot meet the demand of the market in the state.
2.12 REVIEW OF VILLAGE AND SMALL INDUSTRIES IN ANNUAL PLAN

The review of Village and Small Industries in the State Annual Plan for the last five years are given as per Planning Department, Government of Manipur.

Draft Annual Plan, Government of Manipur (2008-09) revealed that during 2007-08, 598 persons were provided training in various trades in different training centres with an expenditure of Rs. 1.00 lakhs. For an interrupted power supply 11KW feeder is installed at Industrial Estate at Takayelpat and renovation of Sheds with an expenditure of Rs. 60.00 lakhs. During this period financial assistance were provided to two industrial units with a fund of Rs. 2.00 lakhs. Rs. 400.00 lakhs were utilized for the development of handlooms and state matching share were contributed for 552 units under Deen Dayal Hath Kargha Pratshahani Yojana. Rs. 157.30 lakhs has been utilized for completion of 56 numbers of spilled over projects under Projects Package Scheme, Rs. 42.00 lakhs for completion of 8 numbers of projects under Handloom Development Projects, Rs. 25.00 lakhs for 50 numbers of projects under development of exportable products and their marketing.

Draft annual Plan, Government of Manipur (2009-10) reflects that during the year 2008-09, 679 persons were given training in various fields with an amount of Rs. 19.00 lakhs. 3 industrial units were granted financial assistance with an amount of Rs. 2.00 lakhs. 36 craftsmen under the scheme of state award to Master Crafts Persons with an expenditure of Rs. 2.00 lakhs. Another 20 artisans to acquire modern tools and equipment and 40 artisans of Kouna crafts for an amount of Rs. 2.00 lakhs were benefited.
According to Draft Annual Plan, Government of Manipur (2010-11) 458 persons are undergoing training in various trades in different training centres with a sum of Rs.20.00, during the year 2009-10. A fund of Rs. 3.00 lakh was provided for grant of financial assistance to 3 small scale industrial units. A sum of Rs.800.00 lakh was utilized for contribution of State matching under Integrated Handloom Development Scheme, Rs.40.00 lakh for organization Mera Houchongba and Ningol Chakouba Festive Fairs under Publicity and Exhibition programme, Rs.10.00 lakh for identification of handloom items for registration under Geographical Indications (Registration & Protection) Act, 1999 under Survey, Research & Development, Rs.5.00 lakh for contribution of State matching share under Health Insurance Scheme, Rs.25.00 lakh for Development of Exportable Products and Their Marketing, Rs.5.00 lakh for other handloom promotion programmes, contribution of 50% State share to Handloom Diploma trainees. A sum of Rs.2.00 lakh was sanctioned for award of 36 craftsmen under the scheme of State Award to Master crafts-persons. Another 20 artisans will be supported to acquire modern tools and equipment with an expenditure of Rs. 2.00 lakh has been sanctioned. 40 artisans of Kouma crafts will also be assisted with an expenditure of Rs. 2.00 lakh. A sum of Rs. 2.00 was sanctioned to conduct survey of handicraft artisans. For opening a mini craft museum in the Department, a sum of Rs.3.00 lakh was sanctioned and 80 numbers of handicraft ex-trainees artisans will also be assisted with an expenditure of Rs. 4.00 lakh.

As per the Annual Draft Plan, Government of Manipur (2011-12), during the year 2010-11, 453 persons are undergoing training in various trades in different training centres with a sum of Rs.25.00. A fund of Rs. 20.00 lakh was provided for grant of financial assistance to 23 small scale industrial units. 1247 numbers of
Primary Handloom Weavers Cooperative Societies have been given marketing incentives and settlement of loan liability of a State Handloom Apex Society has been made. Rs. 50.00 lakh for identification of handloom items for registration under Geographical Indication of Goods (Registration & Protection) Act, 1999 through Survey, Research & Development, Rs.25.00 lakh for contribution of State matching share under Health Insurance Scheme, Rs.100.00 lakh for Development of Exportable Products and their Marketing, Rs.10.00 lakh for other handloom promotion programmes, contribution of 50% State share of State nominee to Diploma in handloom & Textile Technology is to be utilized during the year.

Annual Draft Plan, Government of Manipur (2011-12) further envisaged that, training to 727 un-employed youths of the State under various trades will be provided by giving knowledge of modern technology to enable them to establish industrial units for generating self employment and also to make them employable in industrial units. It is envisaged to conduct 21 specific workshop, awareness and EDPs. The Department also proposes to grant various incentives and subsidies to MSE units to attract and encourage entrepreneurs from both outside and inside the State under the existing Industrial Policy. There is a proposal to update the State Industrial Policy, its publication, to conduct awareness programme on Industrial Policies of the State, region and the country and also to meet other related expenditure. It is, envisaged to further broaden and intensify the development of the handloom industry in 2011-12 with expansion in the components of the existing programmes/projects while, at the same time, providing adequate funds for State share Contribution required to be implemented in the Centrally Sponsored Schemes of the Ministry of Textiles. The schemes proposed to be taken up are Integrated Handloom Development Scheme,
Handloom Export Scheme, Survey, Research & Development, Publicity & Exhibition, Health Insurance Scheme, and Mahatma Gandhi Bunkar Bima Yojana etc.

2.13 KHADI AND VILLAGE INDUSTRIES COMMISSION

Khadi and Village Industries are aged old traditional industries in the context of Manipur, and it falls under the purview of Khadi and Village Industries Commission (KVIC). It includes artisans in tiny industrial units and defines it as any industry located in a village or town inhabited by population not exceeding 10,000 which produces goods and renders services with or without the use of power in which the fixed capital per heads does not exceed Rs. 15,000.

For forging a balance sustainable economic growth and remove regional economic disparities, the state government continues to recognize Village and Small Enterprises (VSE) as the main thrust area of the industrial development since, it provides largest employment next to agriculture. Particular emphases were laid on Handloom & Handicrafts, Food Processing and Bamboo Based Industries. Among the central sponsor scheme khadi and village industries is the one that the state government has endeavor to implement.

KVIC was established under Khadi and Village Industries Commission Act, 1956 (61 of 1956). It is a statutory body under the aegis of the Ministry of MSME. The body is engaged in promoting and developing khadi and village industries for generating employment opportunities in the rural areas, thereby strengthening the rural economy. KVIC has been identified as one of the major organizations in
the decentralize sectors for generating sustainable nonfarm employment opportunities in rural areas.

It undertakes activities like skill development, transfer of technology, research & development, marketing etc. and helps in generating employment/self employment opportunities in rural areas.

The main objectives of KVIC include:

1. The social objectives of providing employment in rural areas.
2. The economic objectives of producing saleable articles and
3. The wider objectives of creating self reliance among people and building up a strong rural community spirit.

The function of Khadi and Village Industries Commission are:

1. To plan and organize training of persons employed or desirous of seeking employment in khadi and village industries.
2. To build up directly or through specified agencies reserves of raw materials and implements and supply them or arrange the supply of raw materials implements to persons engaged or likely to be engaged in production of handspun yarn or khadi and village industries at such rate as the commission may decide.
3. To encourage and assist in the creation of common service facilities for the processing of raw materials or semi finished goods and otherwise facilitate production and marketing of khadi and village industries products.
4. To promote the sale and marketing of khadi or products of village industries or handicrafts and for this purpose forge links with established marketing agencies wherever necessary and feasible.

5. To encourage and promote research in technology used in khadi and village industries, including the use of non-conventional energy and electric power with view to increasing productivity, eliminating drudgery and otherwise enhancing competitive capacity and to arrange for dissemination of salient results obtain from such research.

6. To undertake directly or through other agencies, studies of the problems of khadi and village industries.

7. To provide financial assistance directly or through specified agencies to institution or persons engaged in the development and operation of khadi and village and guide them through supply of designs, prototypes and other technical information, for the purpose of producing goods and services for which there is effective demands in the opinion of the commission.

8. To undertake directly or through specified agencies, experiments or pilot projects which in the opinion of commission, are necessary for the development of khadi and village industries.

9. To establish and maintain separate organizations for the purpose of carrying out any or all of the above matters.

10. To promote and encourage cooperative efforts among the manufacturers of khadi or persons engaged in village industries.
11. To ensure genuineness and to set up standards of quality and ensure that products of khadi and village industries do conform to the said standard, including issue of certificate or letters of recognition to the concerned persons; and

12. To carry out any other activity incidental to the above.

2.14 ORGANIZATIONAL SET UP OF KVIC

KVIC is functioning under the administrative control of the Ministry of MSME, government of India. The commission function with its Head Office at Mumbai and six zonal offices located at new Delhi, Bhopal, Bangalore, Kolkata, Mumbai and Guwahati and 36 states/divisional offices spread all over the country to facilitate speedy implementation of KVI programmes. At the central office level, different directorate have been constituted for coordinating the function like training, marketing, funding, economic research and Prime Minister’s Employment Generation Programme (PMEGP) etc.

KVIC undertakes training activities through its 39 departmental and non departmental training centres. Marketing is taken up through its 09 departmentally- run khadi gramodyog bhavan located in urban areas 7,050 institutional/retails sales outlets located at different parts of the countries. KVIC also makes available quality raw materials to khadi institution through its six central sliver plans (CSPs).

2.15 IMPLEMENTING AGENCIES

Khadi and Village Industries programmes are implemented through 33 states/union territories Khadi and Village Industries Boards (KVIBs). 5000
registered institutions, 30,129 cooperative societies and banks/financial institutions. The khadi programme is implemented through institutions registered either with KVICs or state/UT KVIBs. The khadi and village industries programme were implemented through Rural Employment Generation Programme (REGP), up to the end of 2007-08. Since 2008-09, the programme was replaced by the Prime Minister’s Employment Generation Programme (PMEGP) which is a more attractive scheme for prospective entrepreneurs with higher subsidy level than REGP and PMRY. KVIC also implement cluster development activities in traditional industries of Khadi and Village Industries under scheme of funds of regeneration of traditional industries (SFURTI) as nodal agencies. Chart No. 2.1 reflects the flowchart of the implementation of KVIC programme in Manipur.

2.16 GROUPING OF INDUSTRIES

While the khadi programmes comprise hand spun and hand woven cotton, woolen, muslin and silk varieties, the village industries (VI) programmes comprises the remaining groups of industries.

Industries connected with meat (slaughter) i.e. processing, canning and/or serving items made there from and any production or manufacturing or sale of intoxicants items like Beedi, Pan, Cigar/Cigarette etc, any hotel of dhaba or sales outlet serving liquor; preparation or producing tobacco as raw materials, tapping of toddy for sale, manufacturing of polythene carry bags of thickness less than 20
Chart No. 2.1.

IMPLEMENTATION OF KVIC PROGRAMME

MSME

KVIC

STATE KVIC
SFRUTI

KVIC

DIC

PMEGP

(REGP+PMRY)
microns and manufacturing of carry bags or containers made of recycled plastics for storing, carrying, dispensing or packaging of food stuff etc. are not assisted under KVI programme as these are either not eco friendly or against the ideology and ethos of Mahatma Gandhi.

2.17 BUDGETARY SUPPORT TO KVIC

The Government of India through the Ministry of Micro, Small and Medium Enterprises (MSME) provides funds to KVIC for undertaking its various activities under Plan and Non Plan heads. These funds are provided primarily by way of grants and loans and KVIC in turn re allocate them to its implementing agencies, namely the state KVIIBs, institution registered under the Societies Regulation Act, 1960 and cooperative Acts of the State Governments, implementing banks, District Industries Centres etc. The Commission’s administrative expenditure including pension payments is met out of Non Plan Government budgetary support. Table No. 4.1 display the budgetary supports to KVIC.

Table No. 2.8

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<td>Loan Assistance (Rs. Lacs)</td>
<td>Interest Subsidy (Rs. Lacs)</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>2007-08</td>
<td>650.40</td>
<td>84.82</td>
</tr>
<tr>
<td>2008-09</td>
<td>1104.95</td>
<td>107.63</td>
</tr>
<tr>
<td>2009-10</td>
<td>919.20</td>
<td>192.41</td>
</tr>
<tr>
<td>2010-11</td>
<td>1543.96</td>
<td>172.64</td>
</tr>
</tbody>
</table>

Sources: Annual Report 2011-12, Govt. of India, Ministry of MSME

2.18 MAJOR SCHEME IMPLEMENTED BY KVIC

For the development of KVI and to achieve the objectives laid down by KVIC, many schemes are implemented through various agencies. Some of the schemes are not implemented in Manipur but PMEGP is the one which are widely implemented throughout the country.

2.18.1 PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

The ministry was implementing two credit linked employment generation schemes namely Prime Minister’s Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP), since October 1993 and April 1995 respectively. By the end of March 2008, the Ministry was able to generate an estimated 46.62 lakh and 49.45 lakh additional employment opportunities under PMRY and REGP respectively.

Keeping in view, the varying parameters and entitlements, targeting almost the same set of beneficiaries in rural areas, better recovery rates under REGP as compared to PMRY, it was decided to discontinue PMRY and REGP from 2008-09 and introduced a credit link subsidy scheme titled Prime Minister’s Employment Generation Programme (PMEGP) through merger of the erstwhile schemes of PMRY and REGP. PMEGP has been a significant initiative with a higher level of
subsidy than that available under PMRY and REGP. This scheme is being implemented through KVIC as the national level nodal agencies.

2.18.2 WORKSHED SCHEME FOR KHADI ARTISAN:

In order to facilitate and empower khadi spinners and weavers to chart out a sustainable path for growth, income generation and better work environment and to enable them to carry out their spinning and weaving work effectively, 'Workshed schemes for khadi artisans' was introduced in 2008-09. Under this scheme, financial assistance for construction of workshed is provided to khadi artisans belonging to BPL category through the khadi institution with which the khadi artisans are associated.

<table>
<thead>
<tr>
<th>Component</th>
<th>Area per Unit</th>
<th>Amount of Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Workshed</td>
<td>20 square meters</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(approx.)</td>
<td></td>
</tr>
<tr>
<td>Group Worksheds (for a group of minimum 5 and maximum 15 khadi artisans)</td>
<td>15 square meters per beneficiary (approx.)</td>
<td>Rs. 30,000/- per beneficiary of the group or 75% of the total cost of project, whichever is less.</td>
</tr>
</tbody>
</table>

*Sources: Office of the KVIC Manipur*
2.18.3 SCHEME FOR ENHANCING PRODUCTIVITY & COMPETITIVENESS OF KHADI INDUSTRIES AND ARTISANS

The scheme aims at making khadi industry more competitive with more market driven, profitable production and sustained employment for khadi artisans and related service providers through replacement of obsolete and old machinery and equipment and repairs/renovation of existing/operational machinery/equipment. The ministry has introduced the ‘scheme for enhancing Productivity and Competitiveness of Khadi Industries and Artisans’ through KVIC with effect from July 2008. The scheme would provide financial assistance to 200 of the A+ and A category khadi institutions of which 50 would be those which are managed by beneficiaries belonging to scheduled castes/schedule tribes at a total cost of Rs. 84.00 crore involving financial assistance of Rs. 71.14 crore as grant to KVIC from the government budgetary sources between 2008-09 to 2011-12. A total of 16 khadi institutions were selected for assistance during 2010-11. The target for assistance 59 khadi institutions in 2011-12 has been fixed.

2.18.4 STRENGTHENING INFRASTRUCTURE OF EXISTING WEAK KHADI INSTITUTIONS AND ASSISTANCE FOR MARKETING INFRASTRUCTURE

In order to facilitate the need based support towards the Khadi sector for nursing the sick and problematic institutions elevated fro 'D' to 'C' category as well as those whose production, sales and employment have been declining while they have potential to attain normalcy and to support creation of marketing infrastructure in other identified outlets. Under this scheme financial assistance has been provided to 58 existing weak khadi institutions for strengthening of their infrastructure and for renovation of selected 30 khadi sales outlets which includes...
4 KVIC outlets, 6 KVIIB outlets, and 20 KI outlets. The maximum amount of assistance for strengthening of weak khadi institutions under this scheme is Rs. 9.90 lakh (capital expenditure Rs. 3.50 lakh, working capital Rs. 6.15 lakh and Rs. 0.25 lakh towards conducting detailed study report). For renovation of sales outlets, the ceiling of financial assistance is Rs. 25 lakh for departmental sales outlets of KVIC, Rs. 21.25 lakh for departmental sales outlets of state KVIIBs, Rs. 18.75 lakh for institutional outlets located in metro cities and Rs. 15 lakh for institutional outlets located in non metro cities. It is expected that after the implementation of this scheme, there will be a higher level of production, sales and employment along with increased level of earnings in khadi sector.

2.18.5 KHADI REFORM AND DEVELOPMENT PROGRAMME (KRD P)

Department of Economic Affairs, Ministry of Finance has tied up financial aid from Asian Development Bank amounting to US $150 million over a period of three years for implementing a comprehensive khadi Reform Programme worked out in consultation with ADB and KVIC. Under this Reform Package, it is proposed to revitalize the khadi sector with enhanced sustainability of khadi, increased incomes and employment to artisans, increased artisans welfare and to enable KVIC to stand on its own with gradually decreasing dependence on Government Grants. Initially, the programme will be implemented in 300 khadi institutions keeping in mind the needs of regional balance, geographical spread and inclusion of backward areas. The first tranche fund of Rs. 96 crore has already been released to KVIC for its implementation.

2.18.05 INTEREST SUBSIDY ELIGIBILITY CERTIFICATE (ISEC) SCHEME

The Interest Subsidy Eligibility Certificate (ISEC) Scheme is an important mechanism of funding khadi programme undertaken by khadi institutions. It was
introduced in May 1977 to mobilize funds from banking institution for filling the
gap between the actual funds from budgetary sources. Under the ISEC Scheme,
credit at a concessional rate of interest of 4% per annum for capital expenditure as
well as working capital, is made available as per the requirement of the
institutions. The difference between the actual lending rate and 4% is paid by the
central Government through KVIC to the lending banks and funds for this purpose
are provided under the khadi grant head to KVIC. The institution registered with
the KVIC/State KVIBs can avail of financing under the ISEC Scheme. Initially, the
entire KVI sector was covered under the Scheme. However, with the introduction
of REGP for village industries in 1995 and PMEGP in 2008, the scheme now
supports only the khadi and polyvastra sector. However, all VI units existing as on
March 31, 1995, have been allowed to avail of this facility for the amount of bank
finance availed as on that date or actual, whichever is less provided they are fully
functional and funds for this purpose are provided under the VI grant head.

2.18.6 MARKET DEVELOPMENT ASSISTANCE (MDA)

For promoting sale of khadi and polyvastra, Government of India through the
khadi and Village Industries Commission (KVIC) used to provide subsidy in the
form of rebate on sale which used to be passed to the consumers. But it was
observed that artisans, who are the backbone of khadi activities, were not
extended any benefit from this and khadi outlets also were not able to attract
buyers due to inadequate quality design and unattractive look of the outlets and
inadequate marketing support, etc. To rectify these deficiencies, the Government
after extensive consultation with khadi institutions and other stake holders has
introduced a flexible, growth stimulating and artisan centric ‘Market Development
Assistance (MDA) Scheme for Khadi and Polyvastra in place of the Rebate Scheme with effect from 01.04.2010 for implementation during two terminal years of XI Plan, i.e. 2010-11 and 2011-12 with estimated cost of Rs. 345.05 crore (Rs. 159.65 crore for 2010 & Rs. 185.40 crore for 2011-12). The main feature of this Scheme is that financial assistance (i.e., MDA) will be provided @ 20% of value of production of khadi and Polyvastra (cotton khadi, silk khadi, wollen khadi and Polyvastra) achieved by the producing institution. It is mandatory on the part of the khadi institution to pass on 25% of MDA to artisans/weavers as bonus/incentive, in addition to wages in their Post Office/Bank Account. The remaining 75% can be utilized by producing and selling institutions for various marketing and production related activities as per norms. The MDA would be claimed by the institutions quarterly on the basis of their production in the preceding quarter.

2.18.7 PRODUCT DEVELOPMENT, DESIGN INTERVENTION AND PACKAGING (PRODIP)

The Product Development, Design Intervention and Packaging (PRODIP) Scheme was launched in November 2002 as a small intervention with a view to selectively improving the quality of khadi products and also to diversify into new products. It also seeks to improve the marketability of khadi by enlisting the support of professional designers approved by the National Institute of Design (NID).

Under this Scheme, financial assistance is provided to the institutions or entrepreneurs affiliated to the KVIC or State KVIbs up to Rs. 2 lakh per project per year or 75% of the project cost whichever is less. The internal studies conducted by KVIC have indicated that production and sales have increased approximately
by 13 per cent and 21 per cent, respectively, in the case of the projects taken up under PRoDIP. The progress made under this scheme during the last years.

2.18.8 RURAL INDUSTRIES SERVICE CENTRES (RISC)

KVIC has also taken up another intervention called "Rural Industries Service Centres (RISC)" Scheme from 2004-05 onwards for providing infrastructural support and services to selected units with a view to upgrading their production capacity; skill upgradation and market promotion. RISC, inter alia, provides testing facilities by establishing laboratories for ensuring quality of products; improved machinery/equipment to be utilized as common facilities by nearby units/artisans for enhancing production capacity or value addition of the product; attractive and appropriate packaging facilities and machinery to the local units/artisans for better marketing of their products; training facilities for upgrading artisans' skills in order to increase their earnings and new designs and diversified products in consultation with experts/agencies for value addition of rural manufacturing units. This Scheme is being implemented through KVIC/KVIBs; National level/State level Khadi and Vl Federations; KVI Institutions affiliated to KVIC and KVIBs and NGOs which have already worked for the implementation of the programmes relating to rural industries. Under this scheme, financial assistance for establishing smaller projects costing up to Rs. 5 lakh each is provided to KVI units while in bigger projects, such assistance is up to Rs. 25 lakh. Each project costing up to Rs. 5 lakhs is expected to provide benefit to a
least 25 individuals. The number of projects assisted under this programme during 2008-09 is 54, 2009-10 is 18 and 2010-11 is 18.

2.18.9 Khadi Karigar Janashree Bima Yojana

In order to provide insurance cover to khadi artisans, a group insurance scheme namely Khadi Karigar Janashree Bima Yojana (JBY) was launched on August 15, 2003. The scheme was formulated by KVIC in association with the Life Insurance Corporation of India (LIC) with annual premium of Rs. 200/- per beneficiaries. The commission has prevailed upon LIC to reduced the premium to Rs. 100/- from 2005-06, which is shared "Rs. 50/- by the Central Government from Social Security Fund, Rs. 25/- by Khadi institution and Rs. 12.50/- each by khadi artisans and KVIC.

The compensation under the scheme has also been increased by 50% which stand as follows:

- In case of natural death : Rs. 30,000/-
- In case of accidental death : Rs. 75,000/-
- In case of full permanent disability due to accident : Rs. 75,000/-
- In case of part permanent disability due to accident : Rs. 37,500/-

As an 'add-on' benefit without any additional premium, up to two school-going children of insured artisans studying in class IX to XII are eligible for a scholarship of Rs. 100/- each per month. More than 2,77 lakh khadi artisans have already been covered under this Scheme so far.
2.19 EXHIBITIONS

Besides promoting sale of products of khadi and village industries through its network of Khadi Gramodyog Bhavans (KGB) and Retail Sales Outlets, efforts are made by KVIC to organize a number of exhibitions, in different parts of the country, as a cost effective publicity and market promotion instrument. Special efforts were made in this regard and a total of 45 exhibitions/events were organized in various parts of the country in 2010-11. During 2011-12, 17 exhibitions/events have already been organized till 15 February 2012. The pace is expected to pick up in the months of February to March, 2012.

KVIC has been granted the status of 'deemed' Export Promotion Council (EPC) by the Department of Commerce for availing assistance on the pattern of an umbrella EPC like federation of Indian Export Organizations (FIEO), participation in international exhibitions/fairs, organization of buyer-seller meets, etc. The assistance will be as per admissibility under Market Development Assistance (MDA/Market Access Initiative (MAI) guidelines of the Department of Commerce. 880 units have since been registered with KVIC.

2.20 QUALITY CONTROL AND BRAND PROMOTION

KVIC has made arrangements with the National Institute of Design (NID), Ahmedabad; 'Dastakar', Andhra Pradesh; IIT, Delhi and Textiles Committee, Mumbai. The Memorandum of Understanding (MoU) signed between KVIC and the Textiles Committee, a statutory body under the Ministry of Textiles continued during 2010-11. Under the MoU, facilities of 13 laboratories situated across the country are being used by KVIC for testing the quality of khadi and polyvastra so
as to provide a fillip and thus further increase the marketability of their products.

A number of khadi institutions took benefit of this arrangement and cloth samples were tested on cost sharing basis (75 per cent of the testing charges being borne by the KVIC and 25 per cent by the khadi institutions) during the year.

2.21 RESEARCH AND DEVELOPMENT

KVIC undertakes research and development activities through in-house research and also by sponsoring projects to other R&D organizations. The main objectives of the R&D programme are: increase in productivity and wages of the workers; improvement in quality; efficient use of local skills and local raw materials and reduction of human drudgery. In addition to the Mahatma Gandhi Institute for Rural Industrialization (MGIRI), Wardha, KVIC also undertakes R&D activities through Central Bee Research and Training Institute (CBRTI), Pune; Dr. Ambedkar Institute of Rural Technology and Management (AIRTM), Nashik; Kumarappa National Handmade Paper Institute (KNHPI), Sanganer, Jaipur; Central Village Pottery Institute (CVPI), Khanapur, Karnataka and Khadi Gramodyog PrayogSamiti (KGPS), Ahmedabad, to upgrade and accelerate the process of rural industrialization of the country towards the Gandhian vision of sustainable village economy, and the products of KVI sector can have pride of the place amongst the large industrial sector and become popular in the country and abroad. The main functions of the Institute are to improve the R&D activities under rural industrial sector through encouraging research, extension of R&D, quality control, training and dissemination of technology related information.
2.22 INITIATIVE TO DEVELOP KHADI AND VILLAG INDUSTRIES SECTORS

1. Categorization of institutions is made in order to streamline the payment of market development assistance, release of interest subsidy, supply of raw materials etc., as A+, A, B, C and D on the basis of their performance in production, sales, marketing etc. As on March 31, 2011 the details of 2220 categorized khadi institutions are given in the following Table.

Table No 2.10

<table>
<thead>
<tr>
<th>SL. No.</th>
<th>Type</th>
<th>A+</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Affiliate to State KVIC</td>
<td>107</td>
<td>287</td>
<td>322</td>
<td>405</td>
<td>246</td>
<td>1367</td>
</tr>
<tr>
<td>2.</td>
<td>Affiliate to State KVIBs</td>
<td>31</td>
<td>176</td>
<td>217</td>
<td>351</td>
<td>78</td>
<td>853</td>
</tr>
<tr>
<td></td>
<td>Grand Total</td>
<td>138</td>
<td>463</td>
<td>539</td>
<td>756</td>
<td>324</td>
<td>2220</td>
</tr>
</tbody>
</table>

Sources: Annual Report 2011-12, Govt. of India, Ministry of MSME

2. KVIC has been supplying its products under the ‘Rate Contract’ of Director General of Supplies and Disposal (DGS&D) to various Government Departments/Agencies. Based upon DGS&D Rate Contract, the items like dasutikhadi, dungari cloth, dusters, long cloth, bunting cloth and sheeting cloth, etc., are being supplied to Government Agencies and bed rolls, curtains, pillow covers, “Kilhars” (earthen cup), etc., are being made available to the Indian Railways. The position of the supplies made by KVIC to the Government Offices during the last five years is given in the Table No. 1.4.
3. KVIC has started enlistment/registration of institutions with a view to enhancing production. 182 such new khadi institutions were registered with KVIC and KVIBs in 2011-12 up to February 2012.

Table No. 2.11

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount of Government Supplies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>29.10</td>
</tr>
<tr>
<td>2007-08</td>
<td>33.99</td>
</tr>
<tr>
<td>2008-09</td>
<td>31.82</td>
</tr>
<tr>
<td>2009-10</td>
<td>21.36</td>
</tr>
<tr>
<td>2010-11</td>
<td>30.28</td>
</tr>
</tbody>
</table>

Sources: Annual Report 2011-12, Govt. of India, Ministry of MSME

4. Khadi Artisans Welfare Trust Fund (KAWTF) is conceptually meant to be run on the lines of a Provident Fund. Membership of KAWTF is mandatory for all khadi and polyvastra producing institutions affiliated to KVIC and State KVIBs. All the Institutions categorized as A+, A, B and C are eligible to join the Trust fund. This fund has been functioning in 21 States and the concerned State Government manages it. A total of 1726 khadi institutions have become its members as on March 31, 2011, accounting for remittance to the tune of Rs. 23.20 crore and refund of Rs. 10.52 crore.

5. The Bureau of Indian Standard (BIS) gave it the first place by way of national flag specifications. As per BIS, Khadi is the only fabric that is to be used for production of India’s National Flag. The National Flag Production
Unit was awarded BIS certification on February 17, 2006. The unit has also installed the dyeing, processing and finishing equipment envisaged in the second phase of the programme of National Flag Production Centre.

6. KVIC has initiated a “Ready to use” Mission during 2005-06 for khadi products. Under this project, a major khadi institution works as a lead institution where facilities for production of garments including covering, designing, finishing, packaging, etc., are installed. Other institution working in nearby areas are associated in a concentric manner with the activities of the lead institution. As a result, all of them are able to upgrade their product quality by sharing their experiences and common facilities installed by the lead institution including The National Institution of Fashion Technology (NIFT), Kolkata and Chennai.

7. Khadi institutions and State KVIBs are implementing khadi programmes of KVIC. 25 per cent of the working capital given to them is meant for raw material. In order to ensure that khadi institution maintain regular spinning work for artisans and to improve the quality of raw materials in khadi sector, KVIC continued to operate its six Central Sliver Plants (CSPS) at Kutur, Chitradurga, Sehore, Raibareilly, Etah and Hajipur during the year.

8. As a part of its publicity programme aimed at informing people through direct interaction between KVIC on the one hand and people on the other, KVIC organized 31 People Education Programme (PEP), events in 2010-11 at the field level and 13 PEP events during 2011-12 (up to February 2012). Besides dissemination of the policies and schemes of KVIC on rural industrialization, essay competitions, debates and seminars drew a good
deal of participation from academic institutions, students, Panchayati Raj Institutions, NGOs, etc. on issues of topical interest concerning khadi and village industries. KVIC provides financial assistance for the purpose through its budgetary allocation.

9. The Credit Guarantee Trust Fund for Micro, Small and Medium Enterprises (CGT-MSME) approved extension of the credit guarantee to loans advanced by the banks under the KVIC/PMEGP Schemes under its Credit Guarantee Fund Scheme. KVIC has taken steps to publicize this Scheme in association with the Trust and the participating Banks.

2.23 NEW INITIATIVES

(i) KVIC developed e-Tracking software for PMEGP to bring in transparency in implementation of PMEGP scheme as well as to create data base of PMEGP beneficiaries.

(ii) An exclusive web portal launched by KVIC to show cases the product range of PMEGP units which will enable e-commerce and provide domestic and international market to PMEGP units.

(iii) To support the products produced by PMEGP units in the country and provide a marketing platform, a National Expo of PMEGP units was organized during IITF, New Delhi during 14-27 November, 2011.

(iv) The guideline of Scheme of Fund For Regeneration of Traditional Industries (SFURTI) in NER provide that the selection of clusters should be based on geographical concentration of viable number of
artisans with at least 10 percent of the clusters being located in the NER. Scheme Steering Committee on SFURTI has approval 15 clusters from North Eastern States for their development under this programme, out of which two village industries clusters of Manipur are identified, one at Thoubal District for Carpentry Clusters and another at Chandel District for Pallel Cane and Bamboo Clusters.

2.24 MARKETING OF KVI PROUCTS

It is necessary to motivate and assist the local industries which have ventured into rural marketing with a hope of surviving and carving out their own space by fighting out with the national and multinational biggies. Unit like Kangla Food Products, which have started its venture with assistance from KVIC, is found to be challenging with many national and international firms. As per Taori (1990), there are several needs of the rural and small industries. He opines that advertising of the products of the organization is a must for the successful marketing of KVI. But, there are not enough research studies which focus on the promotion strategies adopted by the local brands of KVI in rural areas. So far personal selling turn out to be more efficient as promotional mix. Designing rural promotion strategy is a new area in so far academic research is concerned. Because many companies are in this field and no one claims to have the required understanding of the market, practitioners are more or less groping in an unknown terrain. Chart No. 2.2 displays the matrix of producers and consumers.
Chart No. 2.2

MATRIX OF PRODUCERS AND CONSUMERS

<table>
<thead>
<tr>
<th>CONSUMERS</th>
<th>RURAL</th>
<th>URBAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>RURAL</td>
<td>INTRA RURAL</td>
<td>CONSUMER GOODS FOR RURAL</td>
</tr>
<tr>
<td>URBAN</td>
<td>CONSUMER GOODS FOR URBAN</td>
<td>INTRA URBAN</td>
</tr>
</tbody>
</table>

PRODUCERS

Joshi and Panwar (2012) observed that a diversified export markets should be focused for promotion of produce for KVI so that dependents on few countries can be avoided. This will allows KVI to be safeguarded from international demand fluctuations.

The world is moving towards natural and eco friendly products. People are conscious of the responsibility towards the environment and ecology. The need for generating demand for bio degradable and eco friendly products has become more substantial. There is urgent need of a number of marketing organizations in the state. Chart No. 2.3 represents the flow chart of the delivery of products by KVI units. Delivery of KVI products are made in three different ways which are given as follows.

1. Direct marketing by KVI Units
2. Participation in Mela/Fair/Exhibition etc. by the units and
3. Through sales outlets and Mela/Exhibition through KVIC.
Chart No. 2.3.

FLOW CHARTS OF DELIVERY OF PRODUCTS

- BANKS
  - LOCAL MELA
  - DISTRICT/STATE LEVEL MELA
  - STATE EMPORIUM/INSTITUTIONAL OUTLETS

- DIRECT MARKETING
- KVI UNITS

- SUPPORT SERVICES KVIC/KVIB/DIC

- MARKETING KVIC/KVIB/DIC

- SALES OUTLETS

- EXHIBITION/ MELA
References:


